

## **hGears AG Group quarterly statement for Q1 2021: strong double-digit growth during the first three months of 2021**

- Group revenues at EUR 36.6 million, up by 11.6% y-o-y
- Gross profit increased by 15.5% y-o-y to EUR 21.6 million, gross margin improved to 59.0%
- At EUR 7.3 million adjusted EBITDA up 34.4% y-o-y, adjusted EBITDA margin 19.8%
- Q1 2021 performance fully in line with outlook for 2021

**Schramberg, 26 May 2021.** hGears AG ("hGears" or "Company"), a global manufacturer of high-precision gears and components with a focus on products for e-mobility applications, provides an update on its business performance during the first quarter of the financial year 2021.

In the first three months of the current financial year Group revenues grew by 11.6% year-on-year from EUR 32.8 million to EUR 36.6 million.

hGears' gross profit, defined as total output minus raw materials and consumables used, was up by 15.5% at EUR 21.6 million in Q1 (3M 2020: EUR 18.7 million). The gross margin rose by 2.0 percentage points to 59.0% (3M 2020: 57.0%).

The adjusted EBITDA in this period stood at EUR 7.3 million compared to EUR 5.4 million the year before, which corresponds to an increase of 34.4%. The adjusted EBITDA margin during the first quarter of 2021 increased by 3.3 percentage points to 19.8% (3M 2020: 16.5%).

The Management Board confirms that it is on track to deliver the outlook for the financial year 2021: Continued double-digit revenue growth in the e-Mobility business area and single-digit growth in the e-Tools business area. hGears expects the portion of revenues in its e-Mobility business area to further increase in 2021.

Daniel Basok, CFO of hGears: "We are pleased with the results of the first three months of 2021 and the trajectory of the company. We will continue focusing our activities on our E-mobility business area where we are in active discussions with several potential new customers for both e-bike and electric and hybrid vehicles projects."

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## About hGears

hGears is a global manufacturer of mission-critical high-precision gears and components with a focus on products for e-mobility applications. The Company's strategic focus is on the e-mobility business area where products include gears, shafts, and other mission-critical components to be used in combustion-free electrical drive applications for e-bikes and electric and hybrid vehicles. In the e-bikes segment, hGears is the European market leader in the supply of high-precision gears and components and its parts are contained in approximately two million of the total 4.6 million e-bikes sold in Europe in 2020. This puts the company in a good position to capitalize on the dynamically growing end-markets for e-bikes and electric and hybrid vehicles. hGears has three distinct business areas for which it develops and manufactures high-precision components: E-mobility, E-tools, and Conventional (i.e. premium and luxury cars, motorcycles and industrial applications).

hGears combines over 60 years of experience in advanced machined steel metal processing and state-of-the-art powder metal production. It is one of the few companies offering customers both processes worldwide. 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 a number of major suppliers as well as original equipment manufacturers. The company benefits from long, stable and sustainable relationships with its customers, with hGears serving many key customers for over 15 years.

hGears is headquartered in Schramberg, Germany, and operates globally with production facilities in Schramberg, Germany, Padua, Italy and Suzhou, China. On the Internet at: [www.hgears.com](http://www.hgears.com)

Group revenue in 2020 was EUR 126.3 million, with e-mobility business area revenue increased by 59% year on year from 2019.