

hGears AG Group: Structural and cost measures support profitability, weak revenue performance in the third quarter as expected

HIGHLIGHTS IN THE FIRST NINE MONTHS OF 2025

- Group revenues down 3.8 % year-on-year to EUR 69.8 million
- Positive revenue development in [e]-Mobility and e-Tools did not fully offset the expected weakness in e-Bikes
- Adjusted gross profit at EUR 31.8 million due to insufficient volumes and product mix, margin of 45.6 % at the level of the first half of 2025
- Adjusted EBITDA rose by EUR 0.5 million to EUR 0.9 million compared to the previous year thanks to structural and cost-saving measures
- This resulted in an adjusted EBITDA margin of 1.3 % (previous year: 0.6%).
- Equity ratio of 45.1 % and net debt of EUR 17.2 million
- hGears confirms the outlook for fiscal year 2025 raised on 23 October

Schramberg, 11 November 2025 – hGears AG generated consolidated revenue of EUR 69.8 million and adjusted EBITDA of EUR 0.9 million in the first nine months of 2025. The positive development of e-Tools and [e]-Mobility largely, but not completely, offset the expected weakness in the e-bike segment in the first nine months of 2025.

hGears faced a volatile market environment that continued to be characterized by geopolitical and trade tensions as well as threatened and imposed tariffs by the US government, which had a negative impact on consumer sentiment. Despite ongoing challenges in the automotive industry, [e]-Mobility proved to be very resilient thanks to its focus on premium and luxury vehicles. The business area increased its revenue by 4.1 % to EUR 35.2 million in the first nine months of the year. Revenue in the e-Tools business area also increased, rising 9.0 % year-on-year to EUR 26.2 million in the first nine months of 2025. The e-bike business area developed in line with expectations, recording a 42.7 % decline in revenue to EUR 8.2 million in the first nine months of 2025. The continuing reduction in inventories across all distribution channels in the bicycle industry led to the significant decline in revenue.

Adjusted gross profit amounted to EUR 31.8 million in the first nine months of 2025, corresponding to an adjusted gross margin of 45.6 %. Despite the lack of operational leverage and the deteriorated product mix in the third quarter of 2025, the gross margin remained stable at the level of the first half of the year. The absolute decline in adjusted gross profit of EUR 1.9 million compared to the same period last year was more than offset by structural adjustments and ongoing cost savings. As a result, adjusted EBITDA for the first nine months of 2025 increased by EUR 0.5 million to EUR 0.9 million compared to the same period last year, corresponding to an adjusted EBITDA margin of 1.3 %. hGears' balance sheet remains solid, with an equity ratio of 45.1 %, cash and cash equivalents of EUR 8.7 million, and net debt of EUR 17.2 million.

Sven Arend, CEO of hGears:

"The revenues that had been brought forward and had a positive impact in the first half of the year were, as expected, missing in the third quarter of 2025. Despite the negative impact of the further significant decline in the e-bike business on the product mix, we succeeded in increasing EBITDA in the first nine months of 2025"

compared to the same period last year thanks to comprehensive structural adjustments and consistent cost-cutting measures. This underscores the effectiveness of the measures taken and supports our efforts to secure liquidity. We believe that the bottom has been reached, while the first, albeit still very tentative, signs of a possible stabilization are emerging in the e-bike business."

OVERVIEW OF 9M 2025 FIGURES

Group figures (in EUR million)	9M 2025	9M 2024	Δ
Revenue	69.8	72.6	-3.8 %
Adj. gross profit	31.8	33.7	-5.7 %
Adj. gross margin	45.6 %	46.5 %	- 90 bps
Adj. EBITDA	0.9	0.4	+ 113.2 %
Adj. EBITDA margin	1.3 %	0.6 %	+ 70 bps
Revenues by Business Area (in EUR million)	9M 2025	9M 2024	Δ
e-Bike	8.2	14.3	- 42.7 %
[e]-Mobility	35.2	33.8	+ 4.1 %
e-Tools	26.2	24.0	+ 9.0 %

Please note: Figures may be rounded.

OUTLOOK

hGears confirms the outlook for fiscal year 2025, which was raised on 23 October 2025. Against the backdrop of ongoing economic, geopolitical, and economic policy challenges in international markets, the hGears Management Board expects:

- Consolidated revenue of EUR 87–90 million
- Adjusted EBITDA of between minus EUR 1 million and plus EUR 1 million
- Negative free cash flow of minus EUR 2 to EUR 0 million

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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 function-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 EHV. 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, EHV and powersports vehicles) and e-Tools.

hGears combines over 65 years of experience in highly developed machining steel processing 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), Padua (Italy) and Suzhou (China). Visit hGears on the Internet at: www.hgears.com