



## **Half-Year Report H1 2025: Record H1 revenue. Positive cash flow. Continued focus on growth and profitability.**

### **Management commentary**

#### **REVENUE**

The turnover reached DKK 108.3 million in the first half of 2025 (H1 2025), which was the highest half-year revenue ever. Compared to a revenue of DKK 85.7 million in the first half of 2024, revenue increased by DKK 22.6 million (26%). The increase is due to higher sales of pumps and grease for existing and new customers in the wind turbine segment. The better-than-expected sales and order intake more than offset a decline in USD of almost 11%. Hove was not immediately affected by the US tariff volatility, and the geopolitical situation in H1 2025.

The sales and marketing efforts for Hove Smart Lube and lubrication solutions for cranes in port terminals continued in H1. The commercialization of the product is progressing, but at a slower pace than expected. Management remains optimistic and as earlier stated we won a small port terminal earlier this year.

The growth in revenue contributed to an improvement in gross profit, which increased from DKK 33 million to DKK 38.5 million (17%). The gross margin decreased from 38.5% in H1 2024 to 35.5% in H1 2025, primarily due to a higher share of private label.

Staff costs were flat compared to H1 2024 as the savings from the departures of the GMs in the US and Brazil have been used for new hires in sales and retention of current staff. Also, external costs were almost the same level as last half-year.

#### **EBITDA**

EBITDA reached DKK 13.2 million in H1 2025 and increased by DKK 5.5 million, from DKK 7.7 million in H1 2024 (71%). The increase was due to the positive development in revenue, gross profit and the continuous optimization of operating costs. EBITDA margin improved from 9% in H1 2024 to 12.2% in H1 2025.

#### **KEY FIGURES FROM HALF-YEAR REPORT**

| <b>DKK '000</b> | <b>H1 2025</b> | <b>H1 2024</b> | <b>Full year 2024</b> |
|-----------------|----------------|----------------|-----------------------|
| Revenue         | 108.3          | 85.7           | 169.3                 |
| EBITDA          | 13.2           | 7.7            | 13.5                  |
| EBIT            | 12.2           | 6.9            | 10.5                  |
| Net profit      | 8.3            | 4.8            | 5.7                   |



## **CASH FLOW**

Hove delivered a positive cash flow of DKK 6.7 million, which included a dividend payment of DKK 3.5 million in April 2025. Hove's cash position increased to DKK 11.2 million from DKK 6.3 million at the end of 2024. Our cash position ensures we can navigate macroeconomic uncertainty, support long-term product development and continue to return capital to shareholders.

## **CONTINUED FOCUS ON GROWTH AND PROFITABILITY. LIQUIDATION OF HOVE BRAZIL**

After several years of unsuccessful attempts to penetrate the Brazilian wind market, Hove has decided to close its operation in Brazil. Even though Brazil is a large and growing wind market. Hove continues with a local regional sales manager to penetrate both the wind turbine and crane markets in South America, but with a more cost-effective setup. Hove has made a provision of DKK 0.3 million as of 30 June 2025 to cover the costs for the liquidation of Hove Brazil.

The US subsidiary performed satisfactorily considering the uncertainty surrounding US tariffs. Hove India continued its positive development, and both the US and India contribute with positive cash flows.

Hove Turkey was negatively affected by seasonal fluctuations from a major customer.

Hafnia Pumps continued the development of the new water gear pump and still expect the first field tests in 2025.

## **QUARTERLY FINANCIAL REPORTING**

To increase the level of information and strengthen communication with our investors, Hove will stop issuing weekly investor news about new orders and instead prepare quarterly financial reports going forward. The first quarterly report for Q3 2025 will be published on 17 November 2025. Dates appear from the financial calendar: [Investor - Hove A/S](#).

## **GUIDANCE**

As stated in Company announcement no. 55 of 18 July 2025, Hove upgraded its guidance

**Revenue:** DKK 180M – 200M

**EBITDA:** DKK 15M – 20M

## **Further information**

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**About Hove**

Hove is a supplier of lubrication solutions for mechanical bearings, primarily in the wind turbine industry. Hove's solutions provide customers with significant annual operating cost savings, while at the same time ensuring that lubrication is performed and documented correctly, which extends the life of the bearings. Over the past 20 years, Hove has set new standards for lubrication in the wind turbine industry. Hove's patented IoT solution will strengthen Hove's position as market leader. With its unique product and experienced team, Hove has achieved a strong market position in the wind turbine industry and an international presence.