



CONSOLIDATED INTERIM REPORT OF HÖRMANN INDUSTRIES GMBH, KIRCHSEEON,
FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2024

Key figures at a glance

Financial position and results of operations

(in EUR million)

	1 Jan – 30 Sept 2024	1 Jan – 30 Sept 2023
Sales	487.2	568.6
Total output ¹	503.6	596.3
Gross profit	239.8	250.3
EBITDA ²	13.0	22.7
EBIT ³	3.1	13.8
Cash flow from operating activities	-11.3	-2.7
Cash flow from investing activities	-9.4	-25.3

Assets and liabilities

(in EUR million)

	30 Sept 2024	31 Dec 2023
Total assets	359.4	376.7
Equity	127.5	136.6
Equity ratio ⁴	35.5%	36.3%
Working capital ⁵	117.8	110.8
Net cash and cash equivalents ⁶	30.0	59.2
Employees ⁷	2,933	2,919

¹ Sales plus change in inventories and other own work capitalised

² Consolidated net income before depreciation and amortisation, financial result and income taxes

³ Consolidated net income before financial result and income taxes

⁴ Equity/total assets

⁵ Inventories plus trade receivables minus trade payables

⁶ Bank balances incl. securities classified as current assets minus liabilities to banks

⁷ Average number for the period excluding trainees

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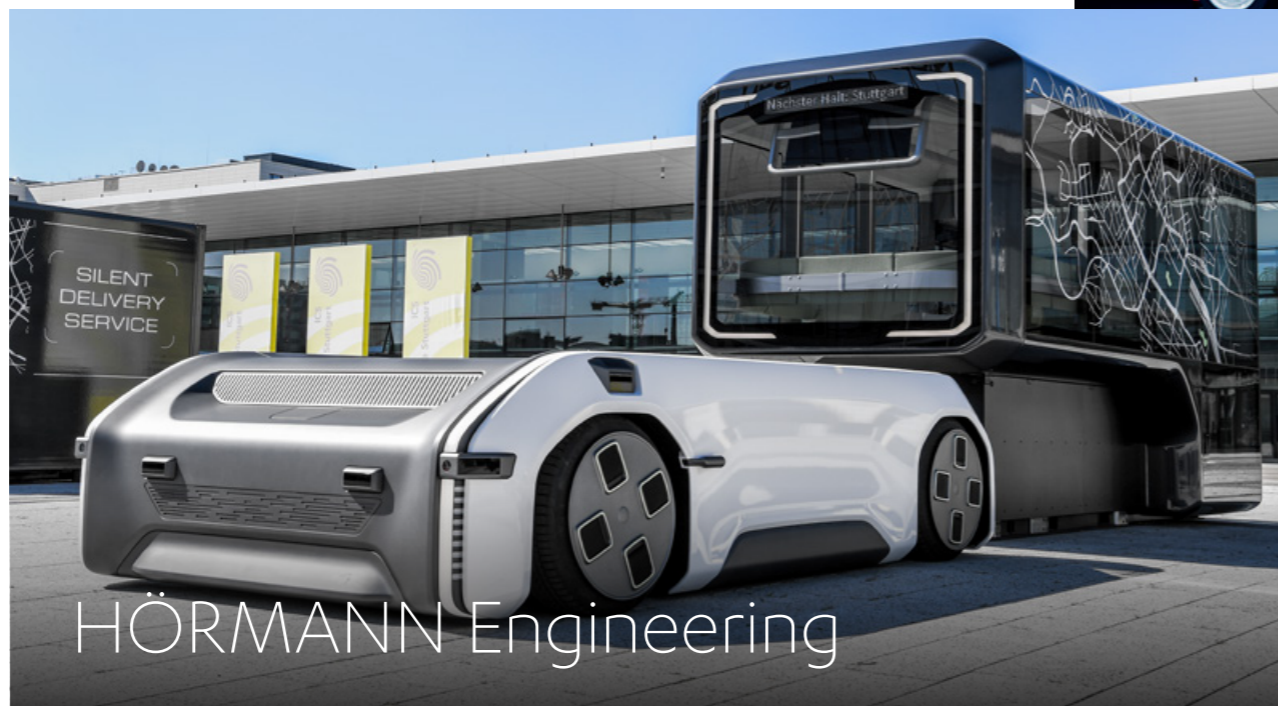
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Broad diversification with four strong divisions



The **HÖRMANN Group** has been at the forefront of innovation for 69 years. By continuously investing in our employees' expertise and the latest technologies, the family-owned company has since expanded into more than 30 independent companies. Together, they are successful in four divisions: Automotive, Communication, Intralogistics, and Engineering. The divisions cooperate and support one another, thus ensuring a high degree of stability for the Group and creating synergies.



Basic information on the Group

The Group (hereinafter referred to as 'HÖRMANN Industries'), with HÖRMANN Industries GmbH as the parent company and its direct and indirect subsidiaries, represents the industrial subgroup of the HÖRMANN Group. The Group is divided into four divisions to which the individual companies are allocated.

In addition, the subsidiaries HÖRMANN Digital GmbH, as a superordinate service provider for the development of software-based product solutions and enhancements, and HÖRMANN Informationssysteme GmbH (direct subsidiary of HÖRMANN Holding GmbH & Co. KG), as a Group-wide service provider for IT infrastructure and software systems for the digitalisation of business processes, are also active.

The disclosures on business performance are structured according to the Group's divisions.

The main investments are allocated to the divisions as follows:

AUTOMOTIVE

- ♦ HÖRMANN Automotive GmbH, Kirchseeon
- ♦ HÖRMANN Automotive Gustavsburg GmbH, Ginsheim-Gustavsburg
- ♦ HÖRMANN Automotive Slovakia s.r.o., Bánovce, Slovakia
- ♦ HÖRMANN Automotive St. Wendel GmbH, St. Wendel, Germany
- ♦ HÖRMANN Automotive Saarbrücken GmbH, Saarbrücken
- ♦ HÖRMANN Systems Assembly GmbH (formerly HÖRMANN Automotive Wackersdorf) GmbH, Wackersdorf
- ♦ HÖRMANN Automotive Assets GmbH, Kirchseeon

In the automotive sector, HÖRMANN Industries is a supplier of metallic components, modules and systems for the European commercial vehicle, construction and agricultural machinery industries.

The division covers the entire value chain with its range of engineering, technology development, production and logistics services.

The Group's largest domestic location is HÖRMANN Automotive Gustavsburg GmbH, which specialises in the production of chassis, body and add-on parts for commercial vehicles and is a manufacturer of frame side members. Other locations include HÖRMANN Automotive St. Wendel GmbH, a manufacturer of metal components, particularly for the agricultural

machinery industry, HÖRMANN Automotive Saarbrücken GmbH, which manufactures interior systems for buses and coaches, complex welded assemblies, complete chassis for agricultural machinery and ready-to-install assembly systems, HÖRMANN Systems Assembly GmbH, which assembles electronic and mechanical modules and charging columns, and HÖRMANN Automotive Slovakia s.r.o., which manufactures labour-intensive components for commercial vehicles, which is responsible for the production of labour-intensive metal components and chassis add-on parts for the commercial vehicle industry. HÖRMANN Automotive Assets GmbH holds equipment and operating resources for companies in the automotive sector.

COMMUNICATION

- ♦ Funkwerk AG, Kölleda
- ♦ Funkwerk Technologies GmbH, Kölleda
- ♦ Funkwerk StatKom GmbH, Kölleda
- ♦ Funkwerk Systems GmbH, Kölleda
- ♦ Funkwerk Systems Austria GmbH, Vienna, Austria
- ♦ Radionika Sp. z o.o., Krakow, Poland
- ♦ Funkwerk Security Solutions GmbH, Nuremberg, Germany
- ♦ Funkwerk IoT GmbH, Kölleda, Germany
- ♦ Elektrotechnik und Elektronik Oltmann GmbH, Berlin
- ♦ HÖRMANN Kommunikation & Netze GmbH, Kirchseeon
- ♦ HÖRMANN Warnsysteme GmbH, Kirchseeon
- ♦ HÖRMANN - KMT Kommunikations- und Meldetechnik GmbH, Salzburg, Austria
- ♦ HÖRMANN Warnsysteme Bulgaria EOOD, Sofia, Bulgaria

Funkwerk AG and its subsidiaries (Funkwerk Group) are technologically leading providers of innovative communication, information and security systems. The focus is on hardware and software components for railway operations, local public transport, inland shipping and airports as well as on intelligent security systems for the protection of buildings, squares, industrial objects, traffic and people. Funkwerk also offers customised solutions for voice and data communication via analogue and digital mobile networks (LTE, GSM-R) in rail transport.

In the current financial year 2024, Funkwerk Systems GmbH acquired 100% of the shares in Elektrotechnik und Elektronik Oltmann GmbH, based in Berlin. The initial consolidation took place upon completion of the acquisition of the shares on 31 March 2024.

HÖRMANN Kommunikation & Netze GmbH is a provider of installation, assembly and services for public infrastructure relating to rail transport and communication technology as well as energy supply.

In HÖRMANN Warnsysteme GmbH and HÖRMANN – KMT Kommunikations- und Meldetechnik GmbH, Salzburg, Austria, and HÖRMANN Warnsysteme Bulgaria EOOD, Sofia, Bulgaria, the HÖRMANN Group has bundled its siren warning systems for alerting fire brigades or warning the population of disasters. The project-specific solutions are provided from a single source, from planning and development to realisation and long-term maintenance.

INTRALOGISTICS

- ♦ HÖRMANN Intralogistics GmbH, Munich
- ♦ HÖRMANN Intralogistics Solutions GmbH, Munich, Germany
- ♦ HÖRMANN Logistik Polska Sp. z o.o., Gdansk, Poland
- ♦ HÖRMANN Intralogistics Solutions GesmbH, Graz, Austria
- ♦ HÖRMANN Klatt Conveyors GmbH, Neumarkt a. Wallersee, Austria
- ♦ HÖRMANN Intralogistics Services GmbH, Kirchseeon, Germany
- ♦ HÖRMANN Energy Solutions GmbH, Lehre/Wolfsburg

The dynamic market development and the increased market demand for sophisticated system solutions for intralogistics, automation solutions for production, warehousing and distribution logistics and services for these industries show potential for growth in the long term.

With HÖRMANN Intralogistics Solutions GmbH, HÖRMANN Logistik Polska Sp. z o.o. and HÖRMANN Intralogistics Solutions GesmbH, the Intralogistics division operates as a general contractor in the planning and construction of turnkey material flow systems. With material flow concepts, complex storage strategies and proprietary software, intralogistics solutions are realised for individual requirements, thus enabling increases in productivity and efficiency for international customers from a wide range of

industries. With HÖRMANN Klatt Conveyors GmbH, the portfolio has been expanded to include the company's own products and conveyor systems, which are developed, planned and manufactured by the company. HÖRMANN Klatt Conveyors GmbH has thus developed into an international supplier of conveyor systems for industry, airports, mail distribution centres, waste disposal and hospitals.

HÖRMANN Intralogistics Services GmbH expands the existing range of services (design, realisation, commissioning including maintenance, servicing and recurring inspections, relocations and lifecycle support for automated manufacturing and production facilities) with an after-sales service in the field of intralogistics and has expanded the depth of added value with its own assembly and commissioning services. The HÖRMANN Energy Solutions GmbH unit is positioned in the field of renewable energies and plans, installs and maintains system solutions for renewable energy generation and utilisation.

ENGINEERING

- ♦ HÖRMANN BauPlan GmbH, Chemnitz
- ♦ HÖRMANN Rawema Engineering & Consulting GmbH, Chemnitz
- ♦ HÖRMANN Vehicle Engineering GmbH, Chemnitz
- ♦ VacuTec Meßtechnik GmbH, Dresden

The Engineering division is active in building and industrial planning as well as vehicle development. The development and production of detectors for the detection of ionising radiation extend this range of services.

HÖRMANN BauPlan GmbH offers engineering services within the construction industry, with a particular focus on commercial and residential construction, especially technical building equipment (TGA). HÖRMANN Rawema Engineering & Consulting GmbH adds general planning and realisation of new factories as well as re-engineering and/or relocation of existing factories and plants to the range of services. HÖRMANN Vehicle Engineering GmbH utilises its skills and resources in technically sophisticated design engineering for the development of rail and road vehicles. VacuTec Meßtechnik GmbH develops, produces and distributes a wide range of detectors for measuring ionising radiation for use in medicine, industrial measurement technology and environmental monitoring.

Economic report

GENERAL ECONOMIC CONDITIONS

According to the Federal Statistical Office (Destatis), gross domestic product (GDP) rose by 0.1% in real terms in the third quarter compared with the previous quarter, 0.1 percentage points weaker than previously expected. In the second quarter, output fell by 0.3% after a slight increase of 0.2% in the first quarter. Following the decline in the second quarter, private consumption expenditure, adjusted for price, seasonal and calendar effects, rose by 0.3% in the third quarter compared with the previous quarter. Negative impulses came from investments.¹

Price increases weakened further in the third quarter of 2024. The inflation rate in July was still 2.3% compared to the same month of the previous year, before initially falling to 1.9% in August and 1.6% in September. This is the lowest rate since February 2021 (1.5%).² The decline in energy prices, which fell by 6.6% in September compared to the same month last year, continued to be a key factor in the fall in producer prices.³ Prices for petroleum products, gas and fuels fell by as much as 14.4%, 10.4% and 16.1% respectively in September compared to the same month last year. In addition, electricity prices fell by 9.5% compared to September 2023.

However, the fall in prices and the slight increase in GDP did not have a particularly positive impact on sentiment in the German economy. On the contrary, it deteriorated for the fourth month in a row. The ifo Business Climate Index fell to 85.4 points in September 2024, down from 86.6 points in August 2024.⁴ Companies were less satisfied with their current business activities in particular. In addition, the outlook for the coming months remains pessimistic. The situation for the German economy therefore remained tense. The index for the manufacturing sector in particular deteriorated significantly once again to -21.6 points after -17.8 points in August, the worst value since June 2020. In the service sector, the business climate also deteriorated for the fourth month in a row to -3.5 points after -1.3 points in August 2024.

Companies were noticeably less satisfied with the current situation. At -25.2, the indicator in the construction industry was slightly above the previous

month's level (-26.8). The slightly positive trend in this sector thus continued, mainly due to less pessimistic expectations, although dissatisfaction with current business has increased somewhat.

According to the European Automobile Manufacturers' Association (ACEA), commercial vehicle registrations in the EU showed an ambivalent picture in the first nine months of 2024. While the number of registered light commercial vehicles and buses increased by 8.5% year-on-year to over 1,170,000 units and 16.0% to 27,400 units respectively, new truck registrations fell by 7.5% to just under 250,000 units in the reporting period.⁵ The positive trend in light commercial vehicles was primarily attributable to the most important EU markets, which include Germany (+8.2%), Spain (+16.7%), Italy (+7.3%) and France (+5.8%). The decline in the number of trucks was primarily driven by a 9.5% decrease in new registrations of heavy trucks, while registrations of medium trucks increased by 3%. Although Spain and Italy remained in positive territory with increases of 12% and 2.1% respectively, this was not enough to offset the declines in Germany (-7.0%) and France (-4.3%).

The economic development of the construction industry and rail vehicle construction is primarily relevant for the Engineering division. According to the main association of the German Construction Industry (HDB), the mood in the main construction industry improved in October. In addition, material prices, with the exception of cement and bitumen, are easing and stabilising. Overall, however, the construction industry is still expected to see a decline in turnover for 2024 as a whole, which is expected to fall by 4%, following a real decline of 5.2% last year.⁶

According to the VDMA Materials Handling and Intralogistics Association, expectations for the current year among suppliers of materials handling technology and intralogistics in Germany are cautious but positive. The VDMA expects production volumes for German materials handling and intralogistics providers to grow by 2% in 2024 as a whole, following a 9% increase in production volumes in 2023 thanks to a

strong second half of the year.⁷ Based on the latest export data, moderate growth is currently expected across all intralogistics product areas.

According to the German Railway Industry Association (VDB), the railway industry in Germany, the most important of the Communication business units, is on a stable course in the first half of 2024, despite a decline in sales in the first half of 2024 to € 6.5 billion (-17%) compared to the previous year. The historically high order intake of the previous year fell by 32% to € 8.3 billion in the first six months of 2024. The VDB continues to feel the political tailwind and recognises the rail industry as a growth market that is emerging from years of stagnation in Germany: With sales of € 2.0 billion, the infrastructure business continued its positive development with an increase of 5%. Orders received also increased by a further 40% to € 2.1 billion. However, the association warns that the government must not under any circumstances slow down the modernisation of the railway infrastructure.⁸

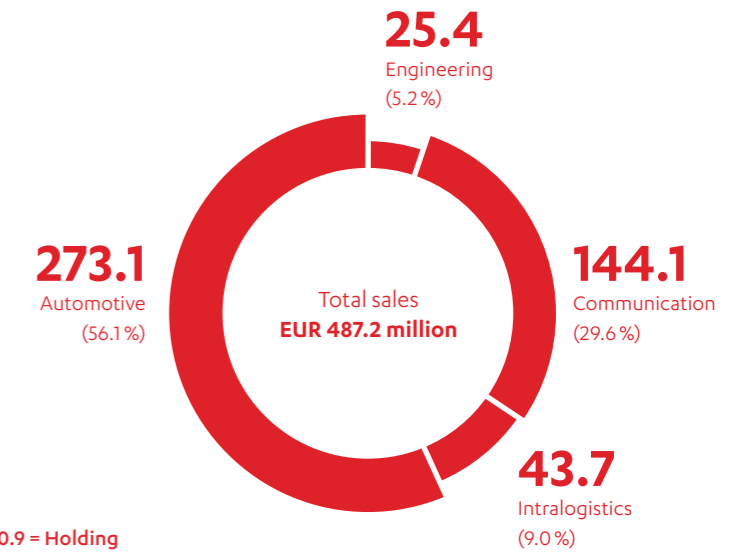
EARNINGS POSITION

In the first nine months of 2024, HÖRMANN Industries generated revenue of € 487.2 million. This represents a decrease in sales of € 81.4 million or 14.3% compared to the previous year (€ 568.6 million).

In the **Automotive** division, sales fell by € 87.4 million or 24.2% from € 360.5 million in the previous year to € 273.1 million due to significantly weaker demand from OEM customers. As a result, call-off orders fell by € 117.4 million or 31.4% from € 373.6 million in the first three quarters of 2023 to € 256.2 million in the reporting period. The order backlog therefore decreased by € 32.3 million or 24.5% to € 100.7 million as at 30 September 2024 (previous year: € 133.0 million).

The **Communication** division recorded incoming orders of € 233.6 million in the first three quarters of 2024 (previous year: € 162.4 million). Important major orders were acquired, particularly in the export sector. The order backlog thus increased to 30 September 2024 to € 289.9 million (previous year: € 216.2 million), increased by a further € 73.7 million or 34.1%. With sales of € 144.1 million

Breakdown of sales revenue for the first nine months of 2024 by business division
in EUR million



Δ 0.9 = Holding

(previous year: € 120.0 million) the division was € 24.1 million or 20.1% above the previous year's level of the previous year.

The Intralogistics division was also adversely affected in the reporting year by the still noticeable reluctance and postponement of investments. Nevertheless, thanks to intensive market cultivation, a targeted expansion of internationalisation and innovative solutions, incoming orders of € 74.2 million were almost on a par with the same period of the previous year (€ 74.9 million). The order backlog as at 30 September 2024 fell by around 10.6% to € 107.9 million compared to the previous year (€ 120.7 million). Sales in the first three quarters of 2024 fell to € 43.7 million, a decrease of € 24.9 million or 36.3% compared to the same period of the previous year (€ 68.6 million) due to project durations and postponements.

With sales revenue of € 25.4 million in the reporting period, the **Engineering** division was up € 5.9 million or 30.1% on the same period of the previous year (€ 19.5 million). In addition, incoming orders up to 30 September 2024 amounted to € 31.5 million (previous year: € 21.0 million).

¹ Cf. Destatis: Press release no. 438 of 22 November 2024

² Cf. Destatis: Press release no. 389 of 11 October 2024

³ Cf. Destatis: Press release no. 399 of 21 October 2024

⁴ Cf. Results of the ifo business surveys in September of 24 September 2024

⁵ ACEA: Press release dated 29 October 2024

⁶ Cf. HDB e.V., Federation of the German Construction Industry, Construction industry situation from 7 November 2024

⁷ Cf. VDMA e. V., Materials Handling and Intralogistics Association, press release dated 12 March 2024

⁸ Cf. VDB e.V., Association of the Railway Industry in Germany, Position paper of 15 November 2024

Including changes in inventories of € 15.4 million and own work capitalised of € 1.0 million, the **total operating performance** of HÖRMANN Industries amounted to € 503.6 million, a decrease of € 92.7 million or 15.6% compared to the same period of the previous year (€ 596.3 million).

The **cost of materials** totalling € 273.6 million (previous year: € 353.4 million) included expenses for raw materials, consumables and supplies and for purchased goods (including energy) amounting to € 217.6 million (previous year: € 294.6 million) as well as expenses for purchased services amounting to € 56.0 million (previous year: € 58.8 million). In relation to total operating performance, the cost of materials ratio totalled 54.3% and was therefore 5.0 percentage points below the previous year's figure (59.3%).

At € 9.8 million, other operating income was higher than in the previous year (€ 7.4 million) and included € 0.4 million income from the reversal of provisions, € 2.9 million income from investment and research grants, € 2.5 million income from insurance benefits, € 1.7 million income from benefits in kind, € 0.2 million income from compensation payments, € 0.2 million income relating to other periods and € 0.2 million from the reversal of value adjustments.

At € 239.8 million, the **gross profit generated** was € 10.5 million below the previous year's figure of € 250.3 million. At 47.6%, the gross profit margin in relation to total operating performance increased by 5.6 percentage points in the reporting year compared to the same period in the previous year (42.0%).

Personnel expenses totalling € 153.1 million were € 5.0 million higher than in the previous year (€ 148.1 million). In relation to total operating performance, the personnel expenses ratio increased from 24.8% in the same period of the previous year to 30.4% in the first nine months of 2024. HÖRMANN Industries employed an annual average of 2,933 people (31 December 2023: 2,919), excluding trainees.

At € 9.8 million, **depreciation and amortisation** was € 0.8 million higher than in the previous year (€ 9.0 million). This included scheduled amortisation of capitalised goodwill in the amount of € 2.0 million (previous year: € 1.6 million).

At € 73.1 million, other **operating expenses** were € 5.6 million lower than in the previous year (€ 78.7 million). Of this amount, € 12.8 million was attributable to occupancy and building costs, € 20.1 million to administrative costs and € 26.6 million to operating and selling expenses. Compared to the same period in the previous year, operating costs fell by € 3.2 million and distribution costs increased by € 1.0 million in the reporting period. At 14.5%, other operating expenses as a percentage of total operating performance were slightly higher than in the same period of the previous year (13.2%).

The **operating result**, which is the gross profit less personnel expenses, depreciation and amortisation and other operating expenses, fell by € 10.9 million or 74.6% to € 3.7 million in the reporting period (previous year: € 14.6 million).

After deducting **other taxes** of € 0.6 million (previous year: € 0.9 million), earnings before interest and taxes (EBIT) for the first nine months of 2024 totalled € 3.1 million (previous year: € 13.8 million).

Earnings before interest, taxes, depreciation and amortisation (EBITDA) generated in the first three quarters of the 2024 financial year amounted to € 13.0 million (previous year: € 22.7 million). This corresponds to an EBIT-DA margin of 2.6% (previous year: 3.8%) of total operating performance.

At € -3.7 million, the **financial result** was € -0.8 million lower than in the same period of the previous year (€ -2.8 million). In the first three quarters of the 2024 financial year, interest and similar expenses including commitment interest totalling € 5.6 million (previous year: € 4.3 million) were incurred for the new 2023/2028 bond issued in July 2023, the credit lines provided under the existing syndicated loan agreement for € 40 million, the tranche drawn from the KfW Entrepreneur Loan and for the promissory note loan taken out in January 2024 in the amount of € 17.5 million. These expenses were offset by interest and investment income totalling € 1.9 million (previous year: € 1.5 million).

Income tax expenses for trade and corporation tax totalled € 7.2 million for the first nine months of 2024 (previous year: € 6.1 million).

The first three quarters of 2024 closed with a **consolidated net loss** of € 7.8 million (previous year: consolidated net profit of € 4.8 million).

FINANCIAL POSITION

Capital structure

Total assets as at 30 September 2024 decreased by € 17.3 million from € 376.7 million to € 359.4 million, mainly due to the reduction in current assets compared to the previous year's reporting date (31 December 2023).

The Group's **equity** including non-controlling interests amounted to € 127.5 million as at 30 September 2024 (31 December 2023: € 136.6 million). The equity ratio decreased to 35.5% as at 30 September 2024 (31 December 2023: 36.3%).

Working capital, including inventories of € 97.4 million and trade receivables of € 62.9 million less trade payables of € 42.5 million, increased to € 117.8 million at the end of the financial year (31 December 2023: € 110.8 million).

As at 30 September 2024, there were liabilities from **bonds** in the amount of € 50.0 million (31 December 2023: € 50.0 million). In July 2023, a bond was issued in the amount of € 50.0 million with an interest coupon of 7.0% and a term of 5 years until 11 July 2028.

As at 30 September 2024, there were **liabilities to banks** of € 20.7 million (31 December 2023: € 5.7 million). The KfW Entrepreneur Loan granted in 2020 with a nominal value of € 10.0 million resulted in liabilities of € 2.5 million as at the reporting date (31 December 2023: € 4.4 million). The loan has a term of five years with 16 quarterly instalments from the second year onwards. Cumulative repayments totalling € 7.5 million were made by the end of the third quarter of 2024.

Under the syndicated framework loan agreement concluded with a banking consortium consisting of SaarLB, Commerzbank AG, HeLaBa and Oberbank AG, the Group has a credit line of up to € 40.0 million, of which up to € 15 million can be utilised as a current account and up to € 25 million as a revolving EURIBOR line. The syndicated master loan agreement was recently extended until mid-2027. As at 30 September 2024, a loan of € 0.1 million had been drawn down (31 December 2023: € 0.0 million). There is also a local foreign credit line (Volksbank Salzburg eG) in the amount of € 2.2 million (less guarantees), which can be used both as a current account and as a guarantee line. As at 30 September 2024, there were liabilities from this in the amount of € 0.6 million

(31 December 2023: € 1.4 million). In addition, a promissory note loan in the amount of € 17.5 million (31 December 2023: € 0.0 million) with a term of three (€ 7.5 million) and six years (€ 10 million) was taken out in the first quarter of 2024.

Liquidity position

Bank balances amounted to € 50.7 million as at 30 September 2024 (31 December 2023: € 64.9 million). As at 30 September 2024, there were free credit lines of around € 41.5 million (31 December 2023: € 40.8 million).

As at 30 September 2024, HÖRMANN Industries had **net cash and cash equivalents** of € 30.0 million (31 December 2023: € 59.2 million). Net cash and cash equivalents are calculated from cash on hand and bank balances less liabilities to banks. With net cash and cash equivalents of € 30.0 million and freely available credit lines of € 41.5 million, HÖRMANN Industries continues to have sufficient liquidity.

Cash flow statement

The cash flow statement is structured in accordance with the requirements of DRS 21. In the first three quarters of the 2024 financial year, cash flow from operating activities decreased to € -11.3 million (previous year: € -2.7 million).

Cash flow from investing activities increased to € -9.4 million in the first three quarters of 2024 compared to the previous year (€ -25.3 million). In the previous year, this figure included payments of € 16 million for additions to the scope of consolidation.

Cash flow from financing activities totalled € 6.1 million (previous year: € -9.1 million). Three repayment instalments of € 1.9 million were made for the KfW loan by the end of the third quarter of 2024. Payments were also made for distributions to shareholders of the parent company in the amount of € 2.5 million and for interest and distributions to other shareholders in the amount of € 6.4 million (previous year: € 5.3 million). In addition, a promissory note loan totalling € 17.5 million (previous year: € 0.0 million) was taken out.

The Group companies were able to fulfil their payment obligations at all times.

Asset situation

At € 12.8 million, additions to **property, plant and equipment and intangible assets** were € 0.5 million higher than in the same period of the previous year

(€ 12.3 million) and € 3.1 million higher than current depreciation and amortisation of property, plant and equipment and intangible assets (€ 9.7 million; previous year: € 9.0 million).

At € 19.2 million, **financial assets** remained almost unchanged in the reporting period compared to 31 December 2023 (€ 19.5 million).

Total **inventories** (after deduction of advance payments received) increased from € 82.1 million as at 31 December 2023 to € 97.4 million as at 30 September 2024. The main reason for this was the increase in work in progress to € 129.5 million (31 December 2023: € 117.2 million) with a simultaneous increase in advance payments received of increase in advance payments received by € 4.7 million to € 94.4 million (31 December 2023: € 89.7 million). The range of inventories to sales increased to 50.0 days (2023: 36.9 days). Daily sales were calculated by comparing inventories as at 30 September 2024 with the average sales per day in the reporting period.

The economic development forecast for 2024 in the German government's autumn report 2023 and by key customers was not confirmed by real economic data in the first nine months of the 2024 reporting year. The increasingly noticeable reluctance to invest in industry since the end of 2023 continued in the first three quarters of 2024, with the result that **incoming orders** of € 595.5 million in the reporting period fell by € 36.2 million or 5.7% compared to the same period in 2023 (€ 631.7 million). As at 30 September 2024, the order backlog amounted to € 553.7 million (31 December 2023: € 449.8 million).

Trade receivables decreased from € 83.0 million to € 62.9 million in the first three quarters of the reporting period due to reporting date and seasonal factors, resulting in receivables of 40.6 days (2023: 34.9 days). The daily turnover was calculated by dividing the receivables balance as at 30 September 2024 by the average sales revenue per day in the reporting period. As in previous years, the Automotive division is involved in reverse factoring processes with two key customers, whereby current trade receivables with a short payment term of generally less than 10 days are purchased via a fintech platform.

Other assets increased from € 23.6 million to € 24.7 million. This included income tax receivables of € 11.6 million as at the reporting date (31 December 2023: € 12.1 million).

Deferred taxes are taken from the individual financial statements. Deferred tax assets mainly resulted from valuation differences between the commercial and tax balance sheets for provisions and from tax loss carryforwards that can still be utilised in the future. As at 30 September 2024, this item amounted to € 17.4 million (previous year: € 17.0 million).

At € 19.0 million as at 30 September 2024, **pension provisions** were at the previous year's level (31 December 2023: € 19.2 million).

At € 5.8 million, **tax provisions** remained at the same level as the previous year's balance sheet date (31 December 2023: € 5.8 million).

Trade payables decreased from € 54.2 million to € 42.5 million due to reporting date and price factors. The utilisation of supplier credit for cost of materials and other operating expenses increased from an average of 32.9 (2023) to 37.7 days. The average duration of credit utilisation was calculated by comparing trade payables as at 30 September 2024 with the total average cost of materials and other operating expenses per day in the reporting period.

The exchange rate effects had no material impact on the Group's net assets, financial position and results of operations.

» We find ourselves in a period of stagnation, and accordingly the HÖRMANN Group is facing big challenges. Nevertheless, we are looking into the future with confidence since our diversification strategy still offers good stability for the entire HÖRMANN Group and enables a solid foundation for further investments. «

JOHANN SCHMID-DAVIS, CFO

Outlook

GENERAL ECONOMIC CONDITIONS

Economic development in the current 2024 financial year continues to be characterised by great uncertainty and a persistently fragile situation, which is likely to have a negative impact on economic growth in the current year.

In its current forecast from October 2024, the International Monetary Fund (IMF) continues to expect positive, albeit slightly subdued, growth in the global economy in 2024 at 3.2%. Growth in the previous year 2023 was 3.3%, and the historical average is also significantly higher at 3.8%. With regard to global inflation, the IMF expects this to continue to decline as a result of tighter monetary policy and lower commodity prices and to slow further in 2024 and especially in 2025. However, the overall economic situation is still characterised by uncertainty. In particular, unstable financial markets and an escalation of geopolitical conflicts remain key risk factors.

For 2024 as a whole, the IMF expects a slight increase in gross domestic product of 0.8% for the eurozone compared to the previous year (+0.5%). For economic development in Germany, the IMF no longer expects economic output to grow (+0.0%), after slight growth of 0.2% was assumed in the last update in July 2024. For the coming year 2025, the IMF expects slightly stronger economic growth of 0.8% for Germany, but has also reduced its growth expectations for the coming year by 0.5 percentage points since July.⁹

In its annual report for 2024/2025, the German Council of Economic Experts (GCEE) expects GDP to fall by 0.1% in real terms. With regard to inflation, the Council sees Germany on the path to normalisation and forecasts an inflation rate of 2.2% for 2024 and 2.1% for 2025, down from 5.9% in 2023.¹⁰

⁹ Cf. IMF World Economic Outlook October 2024

¹⁰ Cf. German Council of Economic Experts, Annual Report 2024/2025, Press release from 13 November 2024

FORECAST FOR HÖRMANN INDUSTRIES

In the 2024 financial year, economic, geopolitical and industry-specific developments as well as the financial conditions on the capital markets will continue to influence the operational and financial development of HÖRMANN Industries. The forecasts made by the Group regarding the expected course of business are based on certain assumptions regarding the development of the economy in Germany and the eurozone and in the specific sectors, as well as on an optimistic assessment of the further course of the war in Ukraine and its economic consequences.

Further geopolitical tensions or an escalation of existing conflicts, but also a prolonged recession, only slowly declining inflation and high interest rates for longer than expected represent incalculable risks.

Against the backdrop of these high uncertainties prevailing at the time this report was prepared, forecasts are currently subject to a very high degree of uncertainty. The economic and financial effects of further crises may have an even greater impact on the sales and earnings performance of HÖRMANN Industries in the further course of 2024 and in 2025.

Any negative macroeconomic developments that have not yet been taken into account in the planning may result in the actual results for the 2024 financial year deviating from the forecast figures.

To summarise, increased energy and material prices as well as higher procurement and personnel costs are among the greatest challenges for HÖRMANN Industries in 2024. In addition, the willingness of private and public clients to invest could decrease further as a result of the existing uncertainty and the pressure to consolidate public budgets and the massive increase in refinancing interest rates. HÖRMANN Industries will also have to contend with more restrictive lending and higher interest rates and expects interest expenses to rise.

Further uncertainties arise from the uncertain global political situation, which makes it extremely difficult to make a reliable statement about the future development of the economy in Germany and the eurozone, the specific sectors relevant to the HÖRMANN Group and the development of HÖRMANN Industries.

Taking into account and evaluating the current production figures for the truck industry and the current order situation, the earnings forecast from the Group

interim report as at 31 March 2024 is maintained.

The Management Board continues to assume that HÖRMANN Industries will be able to generate revenue of between € 680 million and € 700 million (2023: € 830.9 million) at Group level in the 2024 financial year and thus achieve positive earnings before interest and taxes (EBIT) of between € 16 million and € 20 million (2023: € 30.7 million).

The forecast is based on the assumption that the overall economic situation does not deteriorate further over the course of the fourth quarter of 2024.

HÖRMANN Industries points out that the actual results may deviate from the forecast.

Based on the stable net assets and financial position, taking into account the cost-cutting measures already initiated and in view of the broad diversification of business activities, the management is confident that HÖRMANN Industries will successfully overcome the challenges known to date.

The identification, realisation and exploitation of opportunities for the further development of HÖRMANN Industries will continue to be consistently pursued as part of the regular strategy process in all subsidiaries. In addition to monitoring internal and external data and the development of competitors, regular reports, strategic product and project management and the establishment of a systematic strategy process serve this purpose.

In the coming years, HÖRMANN Industries will continue to pursue the goal of profit-orientated growth and focus on the Group's strengths. With the targeted further strengthening of the Communication and Intralogistics divisions, the strategy is to align HÖRMANN Industries as a broadly diversified group on four profitable pillars with a high degree of future viability and resilience to economic fluctuations. This strategy has proven its worth in the past years of crisis, meaning that despite the renewed sharp downturn in the Automotive division and the current challenges in the Intralogistics division, the very good business performance of the Communication and Engineering divisions will enable the Group to generate sustainably positive consolidated earnings even in the 2024 financial year, which is characterised by stagnation.



In the medium term, we will continue to work intensively on generating a sustainable earnings margin before interest and taxes of around 5% per year. The Group aims to achieve this goal through consistent earnings management and organic growth, but also by optimising the portfolio and making complementary acquisitions.

Overall, HÖRMANN Industries considers the close relationship with its customers, which is systematically cultivated and intensified, to be a key success factor for the Group. The existing, very extensive customer base will be used to promote new business as well as system solutions and the service business. As an important additional success factor for the future, the interdisciplinary co-operation between the various specialist disciplines and companies in HÖRMANN Industries is to be further intensified, particularly across the boundaries of the business divisions. This may result in new service offerings for the benefit of long-standing customers.

The successful retention of specialised personnel and the long-term loyalty of employees to the company are also among the Group's strengths and opportunities.

In this way, the Group keeps the existing expertise and specialised experience available across the various divisions and can use it for the benefit of its customers. For this reason, the perception of HÖRMANN Industries as an attractive employer is to be further

strengthened with attractive incentive systems, interesting training and further education opportunities, a programme to promote young talent and modern working concepts.

Kirchseeon, November 2024

HÖRMANN Industries GmbH

The Management Board

A handwritten signature in black ink, appearing to read 'M. Radke'.

Dr.-Ing. Michael Radke

A handwritten signature in black ink, appearing to read 'J. Schmid-Davis'.

Johann Schmid-Davis

A handwritten signature in black ink, appearing to read 'C. Baur'.

Dr.-Ing. Christian Baur

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Consolidated Balance Sheet

ASSETS (EUR thousand)	30 Sept 2024	31 Dec 2023
A. FIXED ASSETS	86,276	86,419
I. Intangible assets	14,927	14,832
1. Purchased concessions, industrial property rights and similar rights and assets and licences in such rights and assets	2,614	2,851
2. Goodwill	11,163	11,827
3. Advance payments made on intangible assets	1,150	153
II. Tangible assets	52,157	52,093
1. Land, leasehold rights and buildings	14,573	14,489
2. Technical equipment and machinery	17,171	18,285
3. Other equipment, factory and office equipment	10,743	10,281
4. Advance payments and assets under construction	9,670	9,038
III. Non-current financial assets	19,192	19,495
1. Equity investments	357	357
2. Securities held as fixed assets	200	341
3. Other loans	18,635	18,797
B. CURRENT ASSETS	253,578	270,770
I. Inventories	97,406	82,082
1. Raw materials, consumables and supplies	41,922	35,375
2. Work in progress	129,497	117,187
3. Finished goods and merchandise	16,482	16,077
4. Advance payments	3,926	3,093
5. Payments received on account of orders	-94,421	-89,650
II. Receivables and other assets	105,480	123,794
1. Trade receivables	62,875	82,961
2. Receivables from affiliated companies	17,890	17,265
3. Other assets	24,715	23,568
III. Cash-in-hand and bank balances	50,692	64,894
C. PREPAID EXPENSES	1,929	2,284
D. DEFERRED TAX ASSETS	17,437	17,049
E. EXCESS OF PLAN ASSETS OVER PENSION LIABILITIES	185	185
Total assets	359,405	376,707

Consolidated Balance Sheet

EQUITY AND LIABILITIES (EUR thousand)	30 Sept 2024	31 Dec 2023
A. EQUITY	127,473	136,646
I. Subscribed capital	200	200
II. Capital reserve	37,022	37,022
III. Consolidated balance sheet profit	197	93
IV. Non-controlling interests	64,418	75,494
V. Currency translation differences	25,636	23,837
B. PROVISIONS	102,762	99,478
1. Pension provisions and similar obligations	19,037	19,237
2. Tax provisions	5,807	5,849
3. Other provisions	77,918	74,392
C. LIABILITIES	128,077	139,850
1. Bonds	50,000	50,000
2. Liabilities to banks	20,666	5,723
3. Trade payables	42,460	54,234
4. Liabilities to affiliated companies	2,116	4,055
5. Other liabilities	12,835	25,838
D. DEFERRED INCOME	1,093	733
Total equity and liabilities	359,405	376,707

Consolidated Income Statement

(EUR thousand)	1 Jan – 30 Sept 2024		1 Jan – 30 Sept 2023	
1. Total sales	487,186		568,605	
2. Increase in finished goods and work in progress	15,375		26,726	
3. Other own work capitalised	985		991	
4. Other operating income	9,842		7,357	
5. Cost of materials				
a) Expenses for raw materials, consumables and supplies and purchased goods	217,617		294,605	
b) Cost of purchased services	55,969	273,586	58,757	353,362
Gross profit	239,802		250,318	
6. Personnel expenses				
a) Wages and salaries	125,752		120,892	
b) Social contributions and expenses for pensions and social welfare	27,389	153,141	27,168	148,060
7. Depreciation and amortisation on tangible and intangible assets	9,843		8,967	
8. Other operating expenses	73,097		78,660	
9. Income from investments and associated companies	29		16	
10. Other interest and similar income	1,867		1,467	
11. Interest and similar expenses	5,568		4,330	
12. Taxes on income	7,249		6,106	
13. Earnings after taxes	-7,200		5,678	
14. Other taxes	592		884	
15. Consolidated net profit (loss)	-7,792		4,794	
16. Non-controlling interests	-3,349		-4,278	
17. Consolidated net income (loss)	-11,141		515	
18. Profit carried forward from the previous year	75,559		73,097	
19. Consolidated balance sheet profit	64,418		73,613	

Consolidated Cash Flow Statement

(EUR thousand)	1 Jan – 30 Sept 2024		1 Jan – 30 Sept 2023	
Consolidated income (Consolidated net income/loss including income/loss attributable to non-controlling interests)	-7,792		4,794	
+/- (+) Depreciation/(-) write-ups on fixed assets	9,843		8,967	
+/- (+) Increase/(-) Decrease in provisions	2,669		9,312	
+/- Other non-cash expenses/income	-116		4,183	
+/- (+) Decrease/(-) Increase in inventories, trade receivables and other assets that are not attributable to investing or financing activities	6,063		-25,011	
+/- (-) Decrease/(+) Increase in liabilities from trade payables and other liabilities that are not attributable to investing or financing activities	-25,192		-1,988	
+/- (-) Gain/(+) Loss from disposal of fixed assets	382		-31	
+/- Interest expenses/income	3,701		2,863	
- Other income from investments	-29		-16	
+/- Income tax expenses/income	7,249		6,106	
- Income tax payments	-8,052		-11,918	
= Cash flow from operating activities	-11,274		-2,739	
+ Proceeds from the disposal of intangible and fixed assets	0		233	
- Payments for investments in intangible assets	-1,960		-908	
+ Proceeds from the disposal of tangible assets	3,933		1,914	
- Payments for investments in tangible assets	-10,850		-11,339	
+ Proceeds from the disposal of non-current financial assets	162		12	
- Payments for investments in non-current financial assets	1		-53	
- Payment for additions to the scope of consolidation	-1,849		-15,974	
+ Interest received	1,142		807	
+ Dividends received	29		16	
= Cash flow from investing activities	-9,392		-25,292	
+ Proceeds from (financial) loans	17,588		123	
- Payments for redemption of (financial) loans	-2,645		-1,875	
+ Proceeds from the bond issue	0		50,000	
- Payments for the bond redemption	0		-50,000	
- Interest paid	-4,677		-2,470	
- Payments to shareholders of the parent company	-2,500		-2,069	
- Dividends paid to other shareholders	-1,676		-2,851	
= Cash flow from financing activities	6,090		-9,142	
Cash and cash equivalents at the start of the period	-14,576		-37,172	
+/- Exchange rate and valuation-related changes in cash and cash equivalents	66		-115	
+/- Change in cash and cash equivalents due to changes in consolidated group	308		2,857	
Cash and cash equivalents at the start of the period	64,894		73,091	
Cash and cash equivalents at the end of the period	50,692		38,660	

Consolidated Statement of Changes in Fixed Assets

CONSOLIDATED STATEMENT OF CHANGES IN FIXED ASSETS FOR THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2024

(EUR thousand)

A. FIXED ASSETS	ACQUISITION OR CONSTRUCTION COSTS							DEPRECIATION AND AMORTISATION					BOOK VALUES	
	As at 1 Jan 2024	Addition	Additions due to changes in the scope of consolidation	Disposal	Transfers	Currency exchange differences	As at 30 Sept 2024	As at 1 Jan 2024	Addition	Disposal	Currency exchange differences	As at 30 Sept 2024	Book value 30 Sept 2024	Book value 31 Dec 2023
I. Intangible assets														
1. Purchased concessions, industrial property rights and similar rights and assets and licenses in such rights and assets	7,830	789	5	-795	0	0	7,830	4,979	1,031	-795	0	5,215	2,614	2,851
2. Goodwill	43,299	175	1,196	0	0	0	44,669	31,472	2,034	0	0	33,506	11,163	11,827
3. Advance payments	455	997	0	0	0	0	1,452	302	0	0	0	302	1,150	153
Total intangible assets	51,584	1,961	1,201	-795	0	0	53,951	36,752	3,065	-795	0	39,023	14,927	14,832
II. Tangible assets														
1. Land, leasehold rights and buildings	18,388	352	0	0	82	0	18,821	3,899	349	0	0	4,248	14,573	14,489
2. Technical equipment and machinery	34,183	3,297	0	-2,670	837	2	35,649	15,897	2,977	-397	0	18,477	17,171	18,285
3. Other equipment, factory and office equipment	19,894	2,742	162	-1,375	496	2	21,921	9,613	2,852	-1,287	0	11,178	10,743	10,281
4. Advance payments and assets under construction	9,085	4,458	0	-1,953	-1,415	0	10,176	47	459	0	0	506	9,670	9,038
Total tangible assets	81,550	10,849	162	-5,999	0	4	86,566	29,456	6,637	-1,683	-1	34,409	52,157	52,093
III. Non-current financial assets														
1. Equity investments	6,182	0	0	0	0	0	6,182	5,825	0	0	0	5,825	357	357
2. Securities held as fixed assets	926	0	0	-1	0	0	925	585	140	0	0	725	200	341
3. Other loans	18,797	-1	0	-161	0	0	18,635	0	0	0	0	0	18,635	18,797
Total non-current financial assets	25,905	-1	0	-162	0	0	25,741	6,410	140	0	0	6,550	19,192	19,495
Total Fixed Assets	159,039	12,809	1,362	-6,956	0	4	166,258	72,620	9,843	-2,478	-1	79,982	86,276	86,419

Consolidated Statement of Equity Changes

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 30 SEPTEMBER 2024

(EUR thousand)

	EQUITY OF THE PARENT COMPANY				
	Subscribed capital	Capital reserve	Equity difference from currency translation	Consolidated balance sheet profit	Total
Balance on 1 Jan. 2024	200	42,758	-13	72,691	115,636
Consolidated net profit	0	0	0	4,188	4,188
Currency translation	0	0	106	0	106
Distribution	0	0	0	-2,500	-2,500
Changes in the scope of consolidation	0	0	0	-228	-228
Other changes	0	-5,736	0	1,343	-4,393
Balance on 31 Dec. 2023	200	37,022	93	75,494	112,809
Balance on 1 Jan. 2024	200	37,022	93	75,494	112,809
Consolidated net loss	0	0	0	-11,141	-11,141
Currency translation	0	0	104	0	104
Distributions	0	0	0	0	0
Other changes	0	0	0	65	65
Balance on 31 Mar. 2024	200	37,022	197	64,418	101,837

NON-CONTROLLING INTERESTS				CONSOLIDATED EQUITY	
Non-controlling interests before equity difference from currency translation and net income	Equity difference from currency translation attributable to non-controlling interests	Income/loss attributable to non-controlling interests	Total	Total	Total
15,558	0	5,185	20,743		136,379
0	0	5,283	5,283		9,471
0	54	0	54		160
-3,701	0	0	-3,701		-6,201
1,747	0	0	1,747		1,519
-289	0	0	-289		-4,682
13,315	54	10,468	23,837		136,646
13,315	54	10,468	23,837		136,646
0	0	3,349	3,349		-7,792
0	0	0	0		104
-1,550	0	0	-1,550		-1,550
0	0	0	0		65
11,765	54	13,817	25,636		127,473

» We believe in the pent-up demand and impetus of the market. The HÖRMANN Group is well positioned with its products and services in important future-oriented industries. «

MICHAEL RADKE, CEO

Imprint

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