

Ad hoc announcement pursuant to Art. 53 LR

2024 Semi-Annual Report of the Adval Tech Group

Adval Tech faces a difficult market situation

Niederwangen, August 28, 2024, 7.00 a.m. – The Adval Tech Group had to prove itself in an extremely difficult market environment in the first half of 2024: total income¹⁾, net turnover and EBITDA¹⁾ were slightly weaker than in the first half of 2023, but better than in the second half of 2023. Adval Tech achieved total income¹⁾ of CHF 90.3 million in the first half of 2024. Earnings before interest, tax, depreciation, and amortization (EBITDA)¹⁾ amounted to CHF 3.5 million, earnings before interest and taxes (EBIT)¹⁾ to CHF -1.7 million and net result to CHF -3.3 million.

The Adval Tech Group's plants in Germany, Brazil, and Hungary were underutilized in the first half of 2024 due to weak demand in the automotive industry markets and the discontinuation of a project by an OEM customer and were unable to make a positive contribution to the half-year results. The major projects acquired last year will only have a positive impact on total income from 2025 onwards. This applies both to component orders for the automotive industry, which will be manufactured at the plants in Hungary and Mexico, and to orders from the Medical Technology segment at the Grenchen site in Switzerland. In the first half of 2024, Adval Tech was also on track for growth in this area.

In the first half of 2024, the Group invested CHF 2.7 million in property, plant, and equipment (first half of 2023: CHF 2.2 million). The vast majority of this was for production facilities which will be used for component production from 2025. Cash flow from operating activities in the first half of 2024 amounted to CHF -9.7 million (first half of 2023: CHF +0.2 million). The main reason for this is the sharp increase in work in progress for long-term orders for production equipment. These orders are invoiced to customers at the start of series production.

Total income¹⁾ and net turnover

In the first half of 2024, the Adval Tech Group generated total income¹⁾ of CHF 90.3 million (first half of 2023: CHF 91.2 million, -1.0%). Net turnover from the sale of components, tools, and high-speed presses decreased from CHF 88.1 million to CHF 85.3 million (-3.2%). At 69%, the Adval Tech Group generated most of its net turnover in the first half of 2024 with customers in Europe (first half of 2023: 73%). Asian customers accounted for 12% of net turnover (first half of 2023: 10%), Latin America customers for 13% (first half of 2023: 12%) and North American customers for 6% (first half of 2023: 5%).

Profitability

In a difficult environment where it was still not possible to pass on all cost increases, the Adval Tech Group achieved an EBITDA margin of 3.8% in the first half of 2024 (first half of 2023: 4.0%). EBITDA¹⁾ in the first half of 2024 amounted to CHF 3.5 million (first half of 2023: CHF 3.6 million, -4.0%) and EBIT¹⁾ to CHF -1.7 million (first half of 2023: CHF -0.1 million). Net result amounted to CHF -3.3 million (first half of 2023: CHF -1.9 million).

Outlook

Economic forecasts remain difficult. The Adval Tech Group does not expect any tailwind from the market in the second half of the year either. Improvements in earnings must primarily be achieved by increasing efficiency. The optimization of resources and processes to reduce costs has begun and will continue in the second half of the year. The Adval Tech Group is refraining from making specific predictions with regard to the annual results. Adval Tech expects a stabilization in liquidity in the second half of 2024.

Speed and agility are becoming increasingly important, especially in the automotive industry, but also in the Medical Technology and consumer goods sectors. The Adval Tech Group will meet these increasing requirements by making even greater use of synergies across locations and expanding promising business areas in a targeted manner. It will exploit its locally anchored strengths to a greater extent and incorporate them into its international network. With further improvements in processes and digitalization, the Group will also manage its orders even more efficiently, continue to focus 100% on the needs of its customers and flexibly exploit all opportunities that arise.

Key figures	1st half of 2024	2nd half of 2023	1st half of 2023
Net turnover (CHF million)	85.3	81.6	88.1
Total income ¹⁾ (CHF million)	90.3	88.1	91.2
EBITDA ¹⁾ (CHF million)	3.5	2.0	3.6
EBIT ¹⁾ (CHF million)	-1.7	-1.6	-0.1
Net result after income taxes (CHF million)	-3.3	-2.0	-1.9
Free cash flow ¹⁾ (CHF million)	-12.4	0.4	-2.1
Number of employees (full-time equivalents) as at balance sheet date	1,090	1,151	1,166

¹⁾ Alternative Performance Measure, see page 22 of the 2024 Semi-Annual Report.

Agenda

April 2025 – Conference on the 2024 financial statements

April 2025 – Publication of the 2024 Annual Report

May 15, 2025 – General Meeting of Shareholders 2025

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Except for the historical information contained herein, the statements in this ad hoc announcement are forward-looking statements that involve risks and uncertainties.

Background information about the Adval Tech Group

Adding value through innovation – that's what Adval Tech stands for. The Adval Tech Group is a global industrial supplier of technologically sophisticated components and subassemblies made of metal, light metal, and plastic. It focuses on selected activities, especially in its main target market, the automotive industry. As a supplier and value-adding partner, Adval Tech covers the entire value chain from product development to prototyping, to mold and tool development, and through to component production and assembly. Headquartered in Switzerland, the Adval Tech Group operates a total of nine production plants. These are located in Switzerland, Germany, Hungary, China, Malaysia, Mexico, and Brazil.