

**Ad hoc announcement pursuant to Art. 53 LR**

Adval Tech Group's Annual Report 2024

## **Adval Tech with forward strategy and changes to the Board of Directors**

**Niederwangen, April 1, 2025, 7 a.m. – Against the backdrop of economic challenges and despite a negative company result, the Adval Tech Group has taken decisive steps towards the future. With targeted strategic adjustments, it is strengthening its competitiveness and creating the foundation for sustainable success. A central component of this transformation are the scheduled changes on the Board of Directors. The medium-term focus is on to stable and profitable growth with an annual increase in sales and a regular improvement in the EBIT margin.**

2024 was a year of major challenges for Adval Tech, but also a year of realignment. In order to secure the Adval Tech Group's long-term economic future, the Board of Directors and Group Executive Management developed a forward strategy in the year under review and adapted the Group structure: In the Automotive sector, the Metal and Plastics sub-sectors were merged and a cross-location functional organization was introduced for sales and support areas. This makes the organization leaner and more agile and improves earning power. Adval Tech has also initiated cost optimization drives and efficiency enhancements in all areas. The number of employees worldwide has fallen by around 10% since the end of January 2024. Many of these measures will only have a positive impact on the Group's profitability from 2025, when Adval Tech will also implement the second part of the strategic projects, with a focus on growth in the non-automotive sector, optimization of the procurement organization and digitalization. The aim of these strategic adjustments is to achieve stable and profitable growth in the coming years with an annual increase in sales and a regular improvement in the EBIT margin.

Geopolitical uncertainties such as trade conflicts and protectionist tendencies had a negative impact on supply chains and the cost structure in 2024. Turnover in the Automotive segment fell well short of expectations, resulting in a negative net result. The Adval Tech Group maintained its stability in the MedTech and Consumer Goods markets. Despite a decline in net turnover (-3.3%), these markets made a positive contribution to the operating result.

The Adval Tech Group's diversification is beginning to bear fruit. However, this was not enough to offset the negative impact of developments in the automotive target market, which is by far Adval Tech's strongest in terms of volume. Adval Tech is aiming for a higher share of sales in the MedTech target market in the coming years.

### **Changes to the Board of Directors and Group Executive Management**

Réne Rothen, Chairman of the Board of Directors, and Hans Dreier, member of the Board of Directors, will not be standing for re-election at the 2025 Annual General Meeting. The Board of Directors and the Group Executive Management would like to thank Réne Rothen most sincerely for his great commitment and services to the Adval Tech Group. With his extensive expertise and leadership skills, he has shaped the company's strategy and culture for more than 18 years and has also navigated Adval Tech safely through difficult times. First as Division Head, then for many years as CEO and finally as Chairman of the Board of Directors. Many thanks also go to Hans Dreier, who, as a representative of the founding family, a major shareholder and a long-standing member of the Board of Directors and Group Executive Management, has played a key role in supporting and shaping the development and expansion of the company.

The Board of Directors is nominating Dirk Lambrecht and Jörg Buchheim as their successors. Dirk Lambrecht is also proposed as the new Chairman of the Board of Directors of the Adval Tech Group.

**Dirk Lambrecht** (64, Swiss and German citizen) is a proven leader with broad international experience in the industrial sector. He was CEO of Dätwyler Holding AG from 2017 to 2024 and has been a member of its Board of Directors since 2024. He is also a member of the Council of Swissmem.

**Jörg Buchheim** (57, German citizen) also has extensive and successful international management experience in the automotive industry. From 2021 to 2024, he was CEO and President of Kongsberg Automotive ASA, Switzerland. He has been CEO of the Webasto Group since March 2025.

Markus Reber (61), CFO and member of the Executive Committee of the Adval Tech Group, has decided to leave Adval Tech after almost 23 years. He will be taking up another professional activity. He will leave by the end of March 2026 at the latest and the search for a suitable successor will be initiated. Adval Tech would like to thank Markus Reber for his many years of commitment and his valuable services to the company.

60-year-old Jean Bähler, COO and member of Adval Tech's Group Executive Management, has decided to retire early for personal reasons. He left the company and the Group Executive Management at the end of March 2025. The Board of Directors and the members of the Group Executive Management would like to thank Jean Bähler for his many years of service and his valuable contribution to the Adval Tech Group and wish him all the best for the future. Adval Tech has appointed Ralf Eble as COO to succeed Jean Bähler. He has extensive international experience in the automotive industry. Ralf Eble will assume the corresponding tasks on May 1, 2025.

#### **Total income<sup>1)</sup> and net turnover**

Overall, the Group generated total income<sup>1)</sup> of CHF 174.9 million in the year under review (2023: CHF 179.3 million, -2.4%). Total net turnover declined by 2.5% from CHF 169.8 million in the previous year to CHF 165.6 million.

#### **Profitability**

The Adval Tech Group generated earnings before interest, taxes and depreciation (EBITDA<sup>1)</sup>) of CHF 3.0 million (2023: CHF 5.6 million), which corresponds to an EBITDA margin of 1.7% (2023: 3.1%). Earnings before interest and taxes (EBIT<sup>1)</sup>) amounted to CHF -5.4 million (2023: CHF -1.7 million). The net result of the Adval Tech Group amounted to CHF -7.8 million in 2024 (2023: CHF -3.9 million).

#### **High upfront investments in the tools business**

High upfront investments in the tools business for the automotive market in 2024 tied up additional funds of CHF 10.2 million. Combined with an increase in receivables of CHF 4.7 million at the end of 2024 and the lower earnings, this resulted in a negative cash flow from operating activities of CHF -14.8 million (2023: CHF +4.5 million).

#### **Liquidity, equity ratio and dividend distribution**

The net financial position<sup>1)</sup>, calculated as cash and cash equivalents less current and non-current interest-bearing liabilities amounted to CHF 6.3 million as at December 31, 2024 (end of 2023: CHF 25.9 million). The Adval Tech Group's equity ratio amounted to a high 69.6% (end of 2023: 75.5%). Due to the negative net result, the Board of Directors will not propose a dividend distribution at the Annual General Meeting on May 15, 2025.

## Innovation

At the beginning of 2025, the Adval Tech Group was once again named one of the most innovative companies in Switzerland by the “Handelszeitung” and “Bilanz” magazines – proof that the Group can inspire markets with forward-looking solutions even in difficult times. Innovation and continuous improvement are not just buzzwords for Adval Tech but are put into practice.

## Cyber attack in March 2025

On March 2, 2025, Adval Tech was the target of a cyber attack. Customers at the various locations were still able to be supplied at all times. A data leak was also discovered in the course of the attack. Adval Tech responded quickly with targeted security measures, called in external specialists and immediately informed the relevant authorities. Production was maintained at all sites and was stabilized everywhere until the release of the annual report. There was no significant loss of data. However, an outflow of data to the perpetrators cannot be ruled out.

## Outlook

Economic forecasts remain difficult, especially in the automotive industry. Adval Tech is therefore refraining from making a specific forecast for 2025 and is cautiously optimistic about the future. In the automotive target market, it remains important for Adval Tech to ensure its ability to deliver to customers at all times. With the adapted organization, the Group is in a position to take advantage of the opportunities that arise in the automotive industry in the short term and to continue to grow in the MedTech area. Improvement projects are being successively implemented as part of the new forward strategy. Adval Tech is aiming for an improvement in earnings in 2025 and intends to lead the Group to stable and profitable growth in the medium term.

Key figures	2024	2023	Change
Net turnover (CHF million)	165.556	169.758	-2.5%
Total income <sup>1)</sup> (CHF million)	174.899	179.278	-2.4%
Operating earnings before depreciation EBITDA <sup>1)</sup> (CHF million)	2.985	5.626	-46.9%
Operating earnings EBIT <sup>1)</sup> (CHF million)	-5.350	-1.692	n.a.
Net result (CHF million)	-7.763	-3.850	n.a.
Cash flow from operating activities (CHF million)	-14.782	4.459	n.a.
Number of employees on December 31	1,085	1,151	-5.7%
Dividend (CHF)	0.00 <sup>2)</sup>	0.00	n.a.

1) Alternative Performance Measure, see Annual Report 2024, page 121

2) Proposed by the Board of Directors

**Agenda**

April 1, 2025: Media and financial analysts' conference on the 2024 financial statements

May 15, 2025: General Meeting of Shareholders 2025

End of August 2025: Announcement of semi-annual results 2025

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**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 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.

**Contact**

Volker Brielmann, Chief Executive Officer, phone +41 31 980 82 67,

[volker.brielmann@advaltech.com](mailto:volker.brielmann@advaltech.com)

Cordula Hofmann, Head Group HR & Corporate Communication, phone +41 31 980 82 66,

[cordula.hofmann@advaltech.com](mailto:cordula.hofmann@advaltech.com)

Markus Reber, Chief Financial Officer, phone +41 31 980 82 70, [markus.reber@advaltech.ch](mailto:markus.reber@advaltech.ch)

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