May 28, 2025

# SLR Group GmbH
# Q3 – 24/25

# Today’s presenters

## Jörg Rumikewitz , CEO

Jörg Rumikewitz has long-standing experience in casting and machining, with 21 years of experience from Fritz Winter, whereof 11 years as CEO. Mr. Rumikewitz joined SLR Group as CEO in September 2022 and holds a diploma in Engineering from Bingen Technical University of Applied Sciences.

## Gunnar Halden, CFO

Gunnar Halden has 20+ years professional experience from global and multi-site businesses. Mr. Halden joined SLR Group in September 2022 from Filtration Group Industrial (part of Madison Industries), where he served as President and CFO for three years. Mr. Halden holds a diploma in Business Administration from the University of Hamburg.

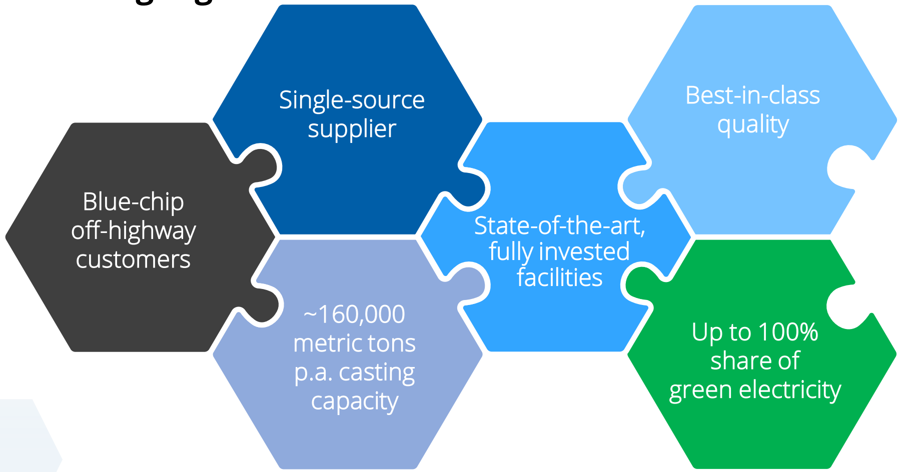
# Introduction to SLR

## Business Overview

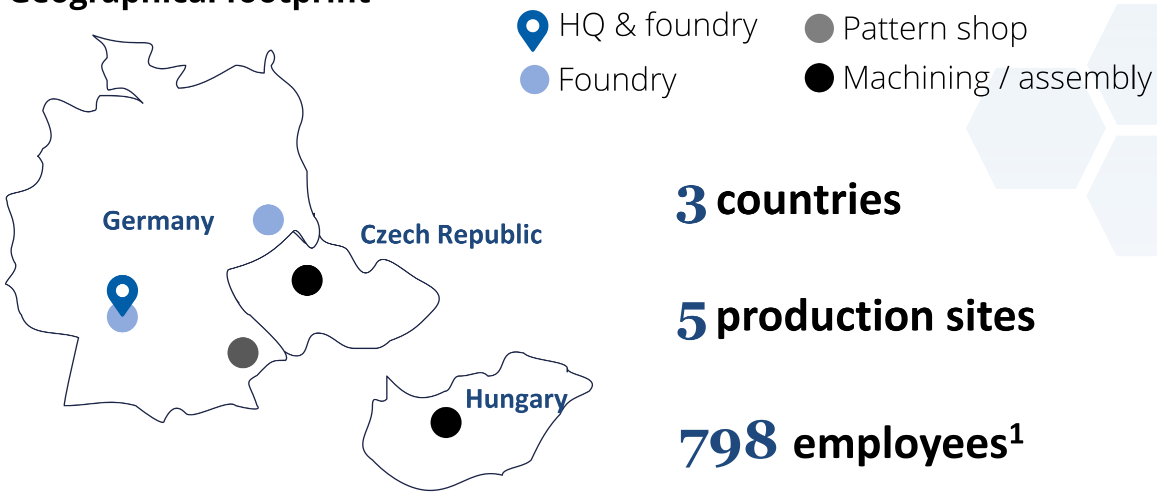
### At a glance

- SLR, headquartered in St. Leon-Rot, Germany, is a **leading producer of high-quality cast iron components** used mainly in large off-highway agricultural and infrastructure/construction machinery
- Founded in 1970, SLR currently employs some 710 employees and operates four state-of-the-art, fully invested manufacturing facilities in Germany, Hungary and the Czech Republic
- The Group acts as a **full-service provider** for its customers, spanning from development and tool manufacturing to casting all the way to the machined component
- SLR enjoys a blue-chip customer base with entrenched **single-source relationships spread over Europe and North America**, with main customers including market leading OEMs and Tier 1 vendors such as Caterpillar, DANA, John Deere and ZF

### Selected highlights




### Geographical footprint

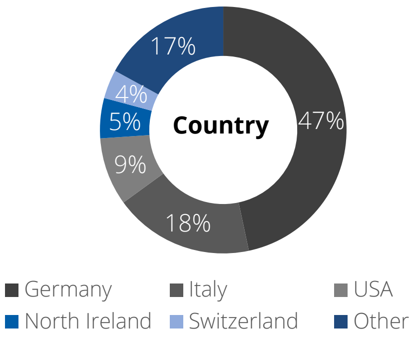


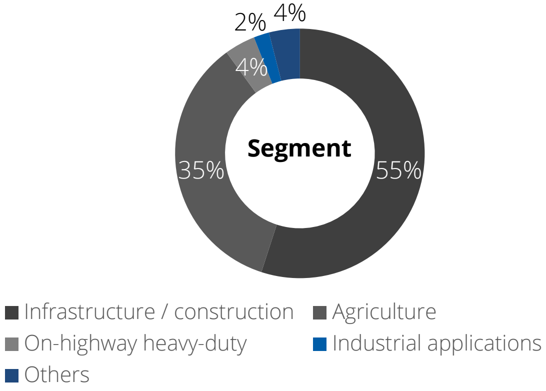

**3** countries

**5** production sites

**798** employees[1]

### Sales splits




Note: 1) including HC from SLR Tooling GmbH
Source: Group information – Interim Report Q3 24/25

# Agenda – Q3 – Earnings call

01 Business highlights

02 Sales development

03 Key financials

04 Outlook
Q&A

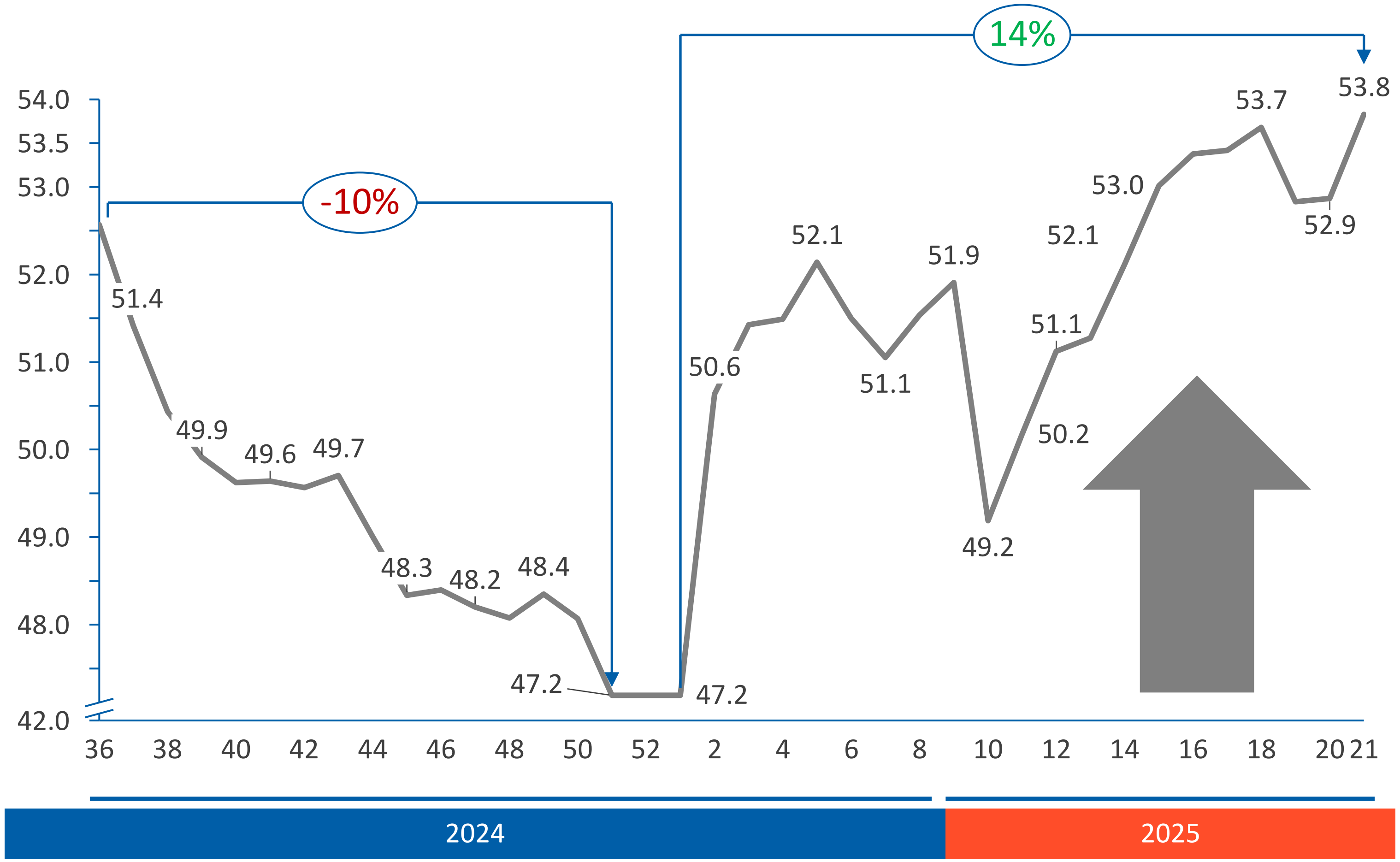
# Short and long-term market observations

| | Current market situation | Long-term expectations |
|---|---|---|
| **Agriculture** | **Global market decline in orders** for all manufacturers mainly due to:<br>• Economic and geopolitical uncertainty<br>• Uncertainty due to the dispute over trade tariffs<br>• Increased financing costs due to high interest rates<br>• Expectation of subsidies or interest rate cuts<br>• Extended plant holidays over the turn of the year | The **long-term demand for new machinery will increase**:<br>• Feeding the increasing world population<br>• New technologies such as precision farming or automated machines<br>*"May 2025 - Future expectations continue upward trend - Following the improved evaluations of the (still negative) current business in recent months, it is this time once again increased overall turnover expectations that have driven the upturn in the general business climate."*[1] |
| **Construction equipment** | **Significant unexpected decline in orders** mainly due to:<br>• High interest rates lead to high construction and financing costs<br>• Political uncertainties and high financing costs lead to cancelled or postponed major infrastructure projects<br>• Uncertainty due to the dispute over trade tariffs<br>• Decline in public construction projects due to high financing costs | The **demand for new equipment will increase** in the long term:<br>• Critical infrastructure urgently needs to be renewed<br>• To achieve the climate targets, the infrastructure as well as the machines must be brought up to the latest technological standards<br>• Reconstruction of Ukraine<br>*"May 2024 - The recovery of industry sentiments continues for more than half a year now, further fueled by a very successful bauma exhibition."*[2] |
| **Industrial** | **Stable to growing market** due to advancing automation and electrification of the drivetrain of cars, trucks and buses | **Growth is expected to increase** when the new technologies in the drivetrain become established on the market |

1. Source: CEMA Business Barometer (European Agricultural Machinery Association) – May 2025
2. Source: CECE Business Barometer (Committee for European Construction Equipment) – May 2025

# Steady order growth signals early recovery

**6 months Orderbook from CW36 2024 to CW21 2025,** in k tons




Source: SLR Group information

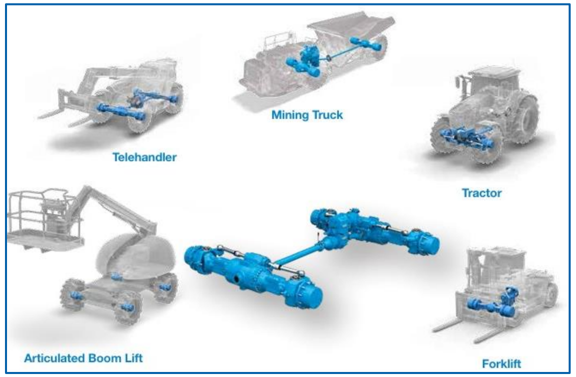
slr/group

**Key take-aways**

- **Encouraging momentum confirmed:** The steady growth in our 6-month order book since January 2025 is continuing and further point to a recovery in the markets.
- **Cautious optimism:** Although current business is still considered negative by many manufacturers, expectations for the future are becoming increasingly optimistic.
- **Continued uncertainty:** According to industry representatives, the direct impact of the current US economic and customs policy on manufacturers' business and decisions in Europe is low or still difficult to assess.

# Q3-24/25 at a glance

Key customer gains & further progress on operational excellence




## Customers

**Expansion with strategic customers:**

Conclusion of an LTA to secure the volume and commercial framework conditions with one of our TOP 5 customers.

This was associated with an additional **new business volume of over 5 thousand tons** for a very wide range of applications across many branches of industry.

## Products

**New segment:**

Drive systems for on-highway electrification with components made by SLR are currently undergoing field trials.

The SOP for this innovative drive system is expected to begin in 2027.

**Reentries:**

Start of first production of parts relocated from competitors


## Adapt & Grow

**Adapt & Grow program fully implemented:**

This program enables us to adapt in the best possible way to the current order situation in terms of capacity and cost efficiency.

It also prepares us for an economic upturn and will therefore be a key factor in the Group's economic success.

## Operations

**Low production in Q3 due to:**

- Extended plant vacations of up to 4 weeks for our customers over the turn of the year
- Reduction of stock levels at customers

**Organizational changes:**

- Change in the management and organization of the Elsterheide plant completed successfully

**Consistent strategy with** focus on market growth through innovative products

**Profitability increase and preparation for market upturn** through operational excellence and resilient processes

# Adapt & Grow program successfully implemented

Focus on operational excellence and measures to realize growth opportunities

Secured new business through multiple re-entry projects

### Sales
- Additional short-term business
- Proactive offering

### Labor Costs
- Cancel temporary workers
- Reduction additional benefits
- ~12% headcount reduction

Workforce adjusted according to current volumes, with benefits reduced

Successfully concluded supplier negotiations, securing price reductions effective from 01/25

### Material Costs
- Supply chain optimization
- Supplier negotiations
- Material/Supplier substitution

### Operational Excellence
- 4 days/week shift model
- Digitalization of processes
- Supply chain optimization

Organizational change completed, establishing a foundation to capture lean potentials

+

### Cash Optimization
- Inventory reduction
- Adjustment of payment conditions
- Strict cost management

Built a strong liquidity foundation by securing cash flow through measures such as electricity price compensation and adjusting accounts payable with suppliers

**4 EUR m P&L effect in FY 24/25 through multiple levers**

**2+ EUR m cash optimization / working capital effect in FY 24/25**

Source: SLR Group information, Q2-24/25 Interim Report

# Agenda – Q3 – Earnings call

slr/group

01 Business highlights

02 Sales development

03 Key financials

04 Outlook
Q&A

# Disclaimer

Basis of preparation for presented financial figures

## Basis of Preparation

- All financial figures in this presentation are prepared in accordance with IFRS.
- The SLR Group transitioned to IFRS reporting as of March 31st 2025.
- Unless otherwise stated, all figures are presented in millions of euros and refer to the continuing operations of the Group.
- The Interim Report Q3 24/25 has not been audited or reviewed by the Group auditor PricewaterhouseCoopers GmbH

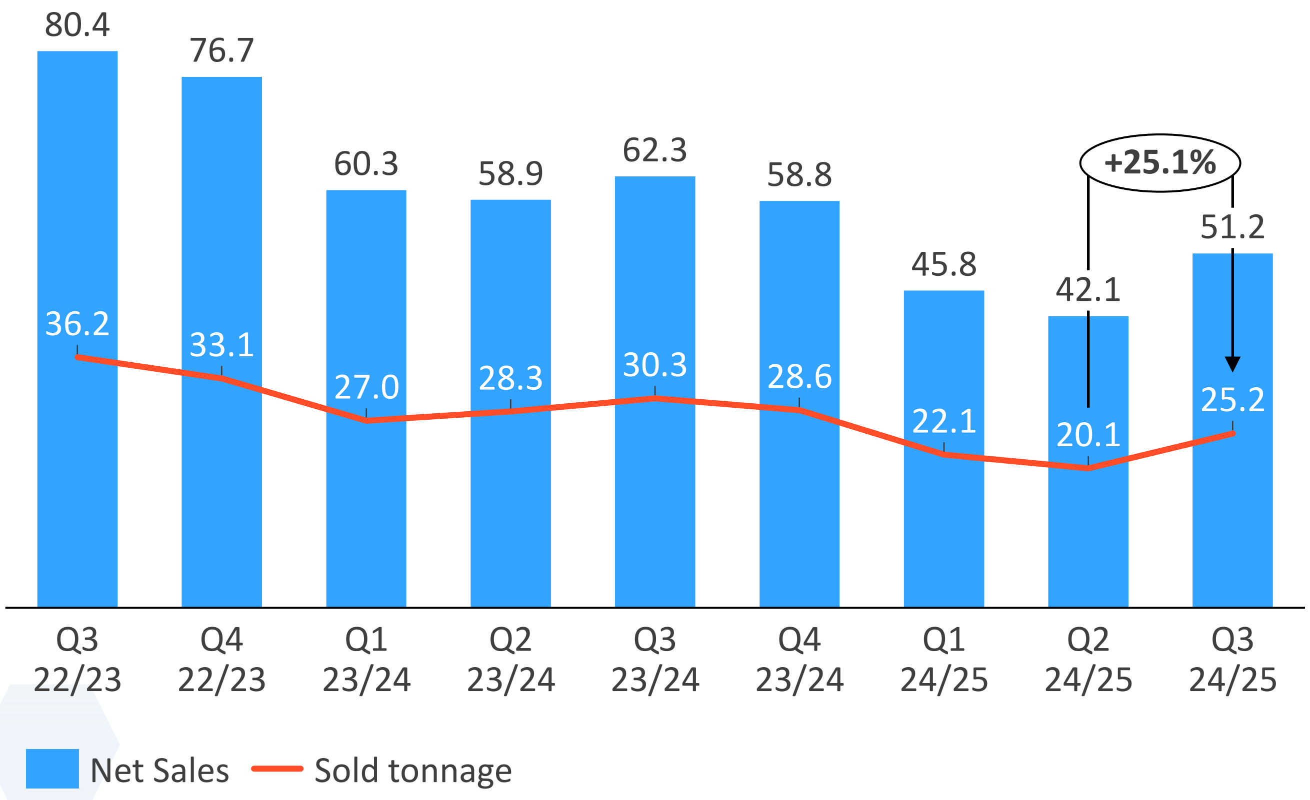
## Forward-looking statements

- This presentation contains forward-looking statements, including but not limited to projections of future financial results, market developments, and business strategies.
- These statements are based on management’s current assumptions and expectations and are subject to known and unknown risks and uncertainties.
- Actual results may differ materially.
- The SLR Group undertakes no obligation to update forward-looking statements, except as required by law.

# Sales development over the past 2 years

First volume recovery in Q3, though still significantly behind last years figures

**Sales figures from Q2 22/23 – Q2 24/25,** in k€ and k tons




## Key take-aways

- **Q3 sales rebounded** quarter over quarter with a **25% increase in sold tonnage** to about 25k tons
- Successful **"Adapt & Grow" measures focussing on customer centricity** supported by **gradual turnaround in market sentiment** for both agricultural machinery and construction
- As per **order book build-up**, cautious optimism for continued volume increase

# Challenging market conditions across all regions

Solid performance against benchmark, overall substantial drops throughout markets & industries

Change QoQ / YoY: below market average | at market average | above market average

| | Quarterly sales volume, in EUR million: Q3 23/24 | Q3 24/25 | Change QoQ | Yearly sales volume, in EUR million: LTM Q3 23/24 | LTM Q3 24/25 | Change YoY |
|---|---|---|---|---|---|---|
| Total | 62.3 | 51.2 | -18% | 258.2 | 197.9 | -23% |
| DACH | 28.5 | 24.2 | -15% | 116.7 | 88.7 | -24% |
| Italy | 13.6 | 9.2 | -32% | 54.9 | 39.4 | -28% |
| Rest of Europe | 14.5 | 13.2 | -9% | 58.7 | 49.5 | -16% |
| Americas | 5.6 | 4.5 | -19% | 27.2 | 19.5 | -28% |
| Rest of World | 0.1 | 0.1 | -1% | 0.7 | 0.8 | 9% |

# Agenda – Q3 – Earnings call

01 Business highlights

02 Sales development

**03 Key financials**

04 Outlook
Q&A

# Income statement Q3 24/25

Lower volumes and delayed cost effects weigh on Q3 results

| *In thousands of EUR* | Q3 2024/2025 | Q3 2023/2024 | Q1-Q3 2024/2025 | Q1-Q3 2023/2024 |
|---|---|---|---|---|
| Revenue | 51.197 | 62.299 | 139.143 | 181.549 |
| Changes in inventory | -861 | -174 | -949 | -2.063 |
| Other operating income | 359 | 200 | 7.962 | 4.675 |
| Material expenses | -32.481 | -41.233 | -89.891 | -114.734 |
| Personnel expenses | -8.934 | -9.849 | -26.281 | -28.562 |
| Other operating expenses | -6.857 | -7.909 | -19.985 | -22.876 |
| **EBITDA** | **2.423** | **3.335** | **9.999** | **17.990** |
| *Adjustments* | **435** | **1.675** | **1.007** | **1.466** |
| **Adj. EBITDA** | **2.858** | **5.010** | **11.005** | **19.456** |
| *EBITDA Margin* | *5,6%* | *8,0%* | *7,9%* | *10,7%* |
| Depreciation and amortization | -2.714 | -2.411 | -8.080 | -7.122 |
| **Operating profit** | **-291** | **924** | **1.919** | **10.868** |
| Interest income | -7 | 2 | -19 | 62 |
| Interest expenses | -2.623 | -802 | -8.280 | -2.633 |
| **Profit before tax** | **-2.921** | **123** | **-6.380** | **8.297** |
| Income tax | 260 | -1.146 | 209 | -1.436 |
| Other tax expense | -54 | -216 | -574 | 8 |
| **Profit for the period** | **-2.715** | **-1.239** | **-6.745** | **6.868** |

## Key take-aways

- **Revenue** declined to €51.2m (–18% YoY), driven by volume weakness and lower customer call-offs
- **Adjusted EBITDA** fell to €2.9m, reflecting underutilized capacity and inflationary cost effects not yet fully offset by savings
- **Personnel costs** decreased by 9%, supported by structural measures under “Adapt & Grow” program
- **Reported EBITDA** reached €2.4m; **net income** was negative at €–2.7m, also impacted by lease and interest expenses
- **Cost base normalization** continues with margin uplift expected in Q4

# Cash flow & liquidity

Strong operating cash flow supported by working capital improvements and cost control

| *In thousands of EUR* | Q3 2024/2025 | Q3 2023/2024 | Q1-Q3 2024/2025 | Q1-Q3 2023/2024 |
|---|---|---|---|---|
| **EBITDA** | **2.423** | **3.335** | **9.999** | **17.990** |
| Change in working capital | 5.440 | 6.494 | 10.635 | 5.295 |
| trade receivables, contract assets and prepayments | 224 | 599 | 8.689 | 4.847 |
| inventories and right-of-use assets | 602 | 11 | 1.368 | 2.716 |
| trade and other payables, contract liabilities and refund liabilities | 4.614 | 5.884 | 577 | -2.267 |
| Increase/decrease in provisions, pensions, and government grants | 319 | 2 | 351 | -145 |
| Other Balance Sheet Items | -483 | -1.820 | -2.227 | -6.196 |
| **Operating cashflow** | **7.699** | **8.012** | **18.757** | **16.945** |
| Purchase of property, plant and equipment | -960 | -1.846 | -5.279 | -6.784 |
| Purchase of intangible assets | -45 | 23 | -34 | 53 |
| Proceeds from sale of property, plant and equipment | -16 | -16 | 49 | -20 |
| Interest received | -7 | 95 | -19 | 341 |
| Dividends received | -1 | 0 | 110 | -1 |
| **Investing cashflow** | **-1.029** | **-1.744** | **-5.172** | **-6.411** |
| Proceeds from issue of share capital | 0 | 25 | 0 | 25 |
| Proceeds from borrowings | -561 | -1.057 | 1.898 | 178 |
| Repayment of borrowing | 1 | -128 | -703 | -23.558 |
| Payment of principal proportion of lease liabilities | -197 | -169 | -588 | -453 |
| Interest paid | -2.352 | -895 | -7.328 | -4.303 |
| **Financing cashflow** | **-3.110** | **-2.224** | **-6.721** | **-28.110** |
| **Net cashflow** | 3.560 | 4.043 | 6.863 | -17.576 |
| Cash and cash equivalents at 1 July | 8.255 | 8.432 | 4.951 | 30.051 |
| **Cash and cash equivalents at 31 March** | **11.815** | **12.475** | **11.815** | **12.475** |

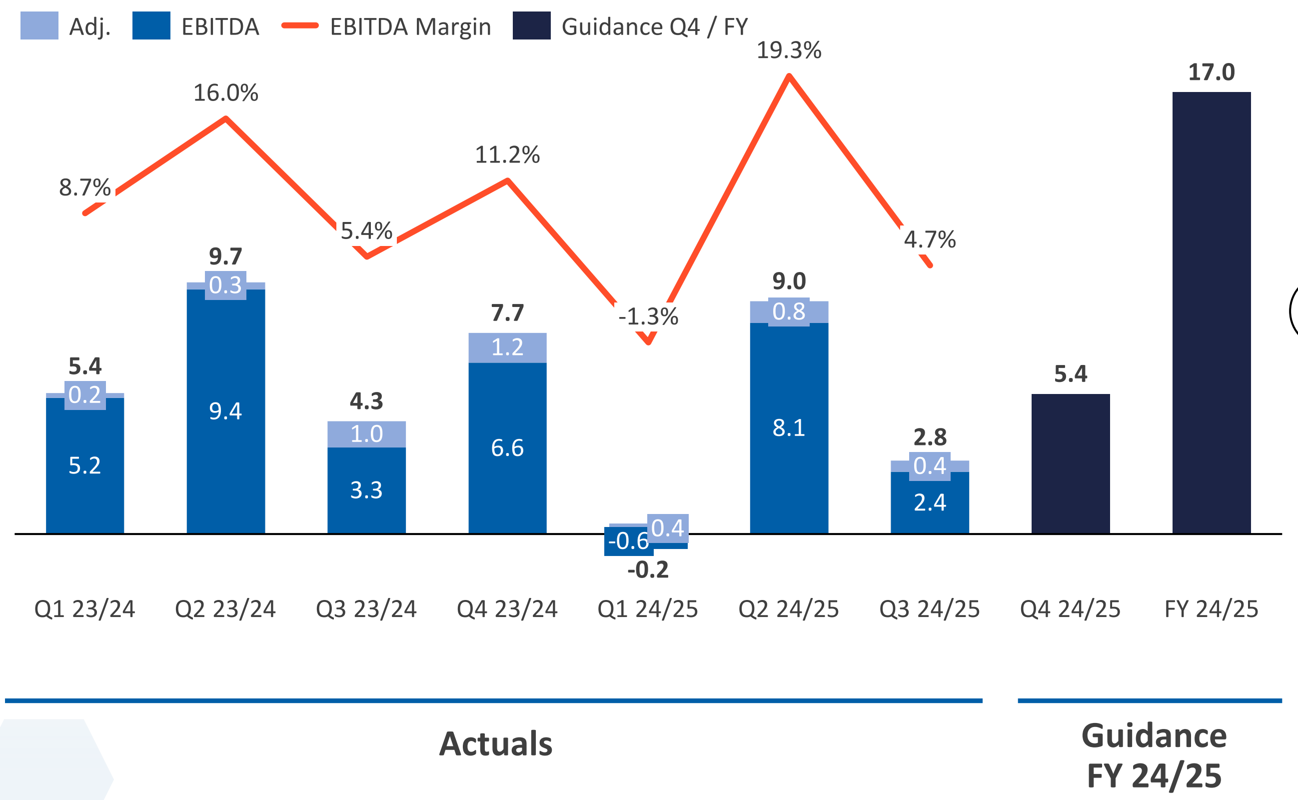
## Key take-aways

- **Q3 operating cash flow** €7.7m, mainly supported by working capital inflows from trade payables and receivables
- **YTD operating cash flow** of €18.8m, with €8.7m attributable to receivables, contract assets and prepayments
- **Capex** remained low at €1.0m, while financing outflows totaled €–3.1m
- **Cash position** at quarter-end: €11.8m
- **One-off effects** (~€1.5m) contributed positively in Q3 but are expected to normalize in Q4

# EBITDA guidance to remain at Adj. EBITDA of 17 EUR m

FY guidance of €17.0m reconfirmed, supported by volume recovery, efficiency gains and cost reductions

## Adj. EBITDA actuals and ambition until Q4 24/25, EUR m



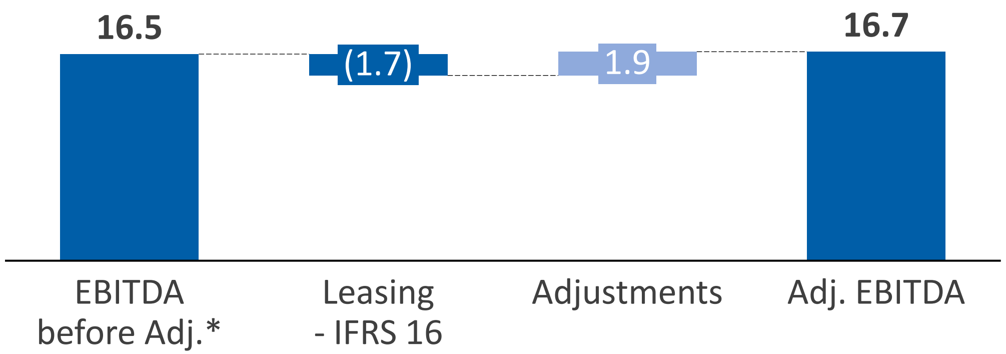

## Key take-aways

- **Adjusted EBITDA** Q1–Q3 2024/25: €11.6m
- **Q4 target contribution:** €5.4m
- **FY sales volume guidance:** 95,000 tonnes (–17% YoY)
- **Q4 uplift** driven by:
  - seasonal volume normalization in construction and agriculture
  - initial efficiency gains from “Adapt & Grow” (sourcing, overheads)
  - stable pricing and reduced operational volatility
- The **new strategic volume contract** signed in Q3 will contribute from H2 2025/26 onwards
- **Full-year guidance remains achievable** based on current backlog, cost trajectory, and stable production environment.

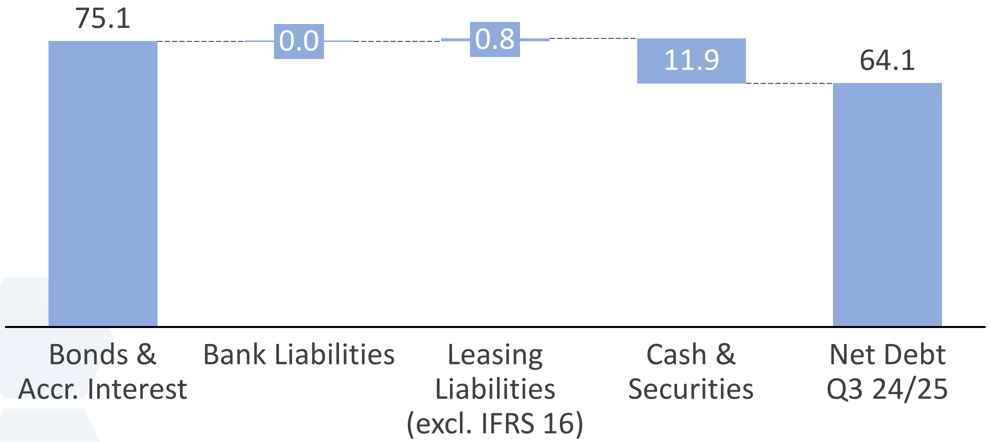
# Net leverage meets maintenance test

Leverage ratio at 3.8x – below 4.5x covenant threshold

**LTM EBITDA – Q3-24/25,** in EUR m




**Net debt – Q3-24/25,** in EUR m




**NET LEVERAGE**

**3.8**

## Full covenant compliance expected for FY 24/25

- **Net Interest-Bearing Debt** (as per Bond Terms): €64.1m
  includes €0.8m in finance lease liabilities (pre-IFRS 16 definition)
- **Adjusted LTM EBITDA** (per bond definition): €16.7m
  includes €1.9m in permitted add-backs (12.5% cap), excludes €1.7m IFRS 16 effects
- **Resulting Leverage Ratio**: 3.8x (vs. 4.5x covenant)
- **Bonds & accrued interest**: €75.1m
- **Strong cash position**: €11.9m

**Note: refer to appendix for LTM calculation*

# Agenda – Q3 – Earnings call

slr/group

01 Business highlights

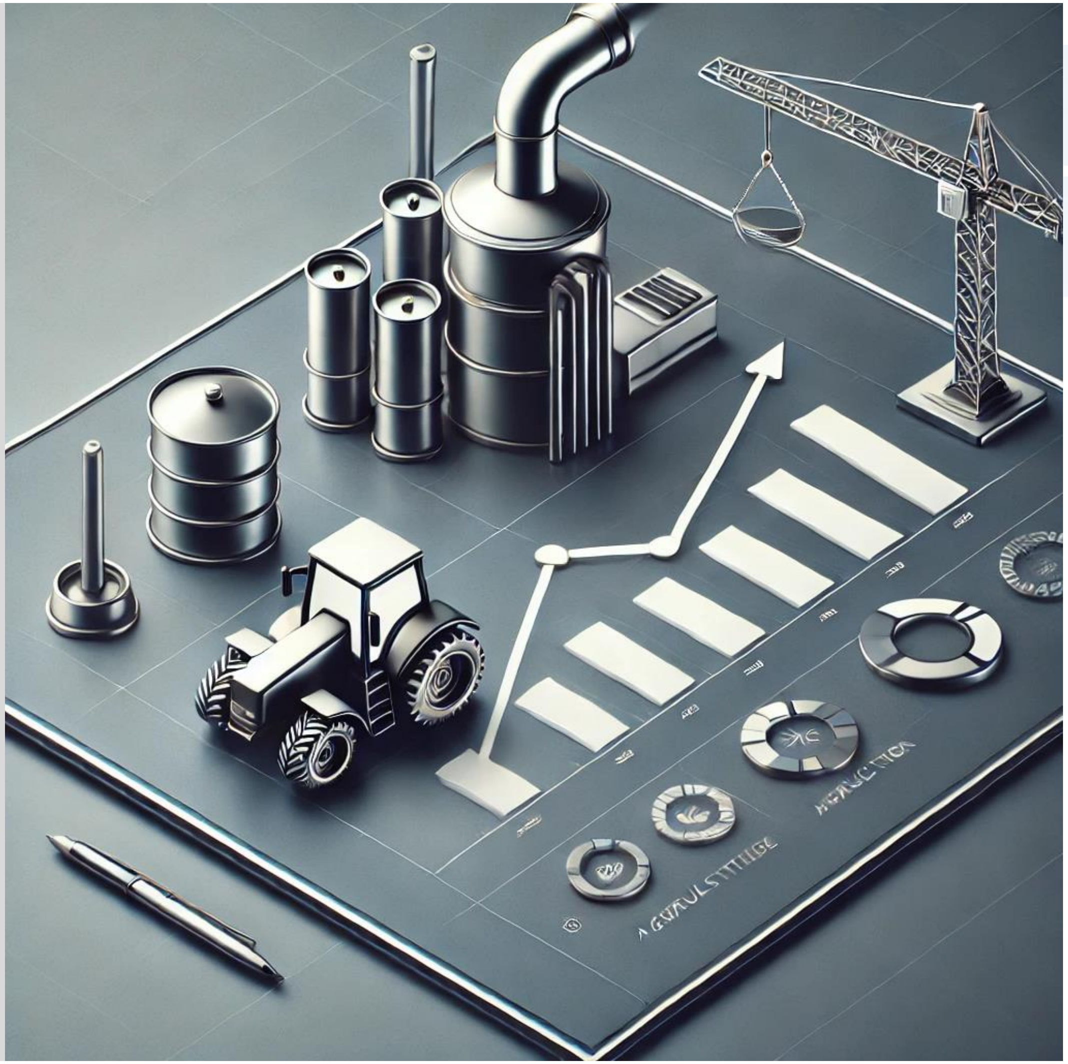
02 Sales development

03 Key financials

04 Outlook - Q&A

# Updated business outlook FY 24/25

- We confirm our expectation of **sold tonnage for the fiscal year 24/25 in a range of 95k tons**.
- We also continue to expect **Adjusted EBITDA of €17m for the fiscal year 24/25**, accounting for lower sales volumes and continued positive effects of the “Adapt & Grow” program.
- The **6-month order book is steadily growing** and points to a further recovery of the markets.
- **Additional upside from “Adapt & Grow” expected** as customer demand and volumes increase, leveraging effects of scale.



INVESTOR RELATIONS


# Q&A
# Session

Thank you for your participation!

Q4 24/25 Call – Aug. 29$^{th}$ 11:00 – 12:00

# Appendix: LTM & Leverage calculation

slr/group

| EUR M | Q4 23/24 | Q1 24/25 | Q2 24/25 | Q3 24/25 | LTM - Q3 24/25 |
|---|---|---|---|---|---|
| **EBITDA SLR Group (IFRS)** | **6,6** | **(0,6 )** | **8,1** | **2,4** | **16,6** |
| IFRS 16 - Leasing | (0,4 ) | (0,4 ) | (0,4 ) | (0,5 ) | (1,7 ) |
| **Bond EBITDA SLR Group** | **6,2** | **(1,0 )** | **7,7** | **1,9** | **14,9** |
| ***Adjustments*** | ***1,2*** | ***0,4*** | ***0,8*** | ***0,4*** | ***2,8*** |
| Restructuring costs & exec. search | 0,4 | 0,1 | 0,2 | 0,1 | 0,8 |
| Consulting projects & legal fees | 0,3 | 0,1 | 0,5 | 0,2 | 1,1 |
| Extraordinary maintenance items | - | 0,2 | 0,1 | 0,1 | 0,4 |
| Others | 0,5 | | - | | 0,5 |
| ***Max. Adj. Items (12.5%)*** | | | | | ***1,9*** |
| **Adjusted Bond EBITDA** | **7,3** | **(0,6 )** | **8,6** | **2,4** | **16,7** |
| Bonds & accr. Interest | | | | | 75,1 |
| Bank liabilities | | | | | 0,0 |
| Leasing liabilities (excl. IFRS 16) | | | | | 0,8 |
| Cash | | | | | 11,8 |
| Securities | | | | | 0,0 |
| **Net interest bearing debt** | | | | | **64,1** |
| **Leverage Ratio** | | | | | **3,83** |