

Buy EUR 22.00	Value Indicators: EUR DCF: 22.00 FCF-Value Potential 26e: 14.00	Warburg Risk Score: 1.1 Balance Sheet Score: 1.3 Market Liquidity Score: 1.0	Description: Leading supplier of specialty adhesives, UV/ IR radiation systems and UV specialty lamps
	Market Snapshot: EUR m Market cap: 59.5 No. of shares (m): 6.1 EV: 111.3 Freefloat MC: 44.3 Ø Trad. Vol. (30d): 191.48 th	Shareholders: Freefloat 74.40 % Peter Möhrle Holding 25.60 % <i>Teslin / Gerlin</i> 6.40 % <i>Lazard</i> 3.90 % <i>Quaero Capital</i> 3.20 %	Key Figures (WRE): 2024/25e Beta: 1.4 Price / Book: 0.7 x Equity Ratio: 52 % Net Fin. Debt / EBITDA: 4.9 x Net Debt / EBITDA: 5.4 x
Price EUR 9.82 Upside 124.0 %			

Q1 sales somewhat lower but earnings meet expectation of improvement

Stated Figures Q1/2024/25:								Comment on Figures:		
FY End: 30.9. in EUR m	Q1 24/25	Q1 24/25e	Q1 23/24	yoy	24/25e	23/24	yoy	<ul style="list-style-type: none"> Q1 sales burdened by phase-out of non-core products, slow environment and a few project push-outs Despite the shortfall at top-line level, earnings broadly reached expectations thanks to a stronger gross margin and cost savings 		
Sales	21.4	23.0	23.8	-10 %	105.4	98.7	7 %			
EBITDA	1.0	1.1	0.7	57 %	9.6	3.1	212 %			
Margin	4.8 %	4.8 %	2.7 %		9.2 %	3.1 %				
EBIT	-0.4	-0.3	-0.8	n.a.	3.3	-10.3	n.a.			
Margin	-1.7 %	-1.3 %	-3.3 %		3.1 %	-10.4 %				

Höhle released Q1 results and confirmed its 2025 guidance.

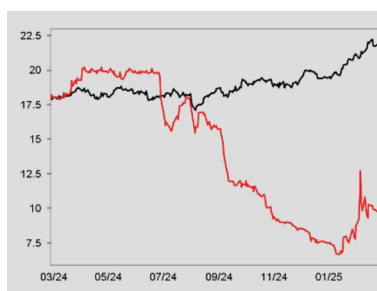
Revenues of EUR 21.4m declined by -10% yoy and remained below WRe EUR 23m. Hoenle phased out non-core activities (~ EUR 1m sales effect) and some projects were pushed out (EUR 600-700k), which contributed to the development. While Hoenle registered a low double-digit yoy sales-decline in the Curing business (mostly phase-out effects) and the Adhesive business (push-outs; slow demand from automotive and consumer electronic customers), the Disinfection area showed 1% yoy growth.

Despite the shortfall on the top line, Hoenle **met the expectations at earnings level**. The **gross margin reached 65%** (after 59% in FY 2024), reflecting the phase-out of lower margin non-core activities and the implementation of cost measures. The management expects the gross margin to remain in the mid-60s in the quarters to come. FCF remained somewhat negative during Q1, which was not unexpected considering that EBIT is still negative.

During the quarter, Hoenle gained a strategic contract in the Curing business (known application by new customer), which should contribute > EUR 1m in sales this year. Hoenle expects to win further share in other applications by this customer.

Hoenle reiterated its guidance for sales of EUR 95 – 105m in FY 2025 and a clear improvement in profitability. In the Adhesive business, Hoenle is registering slightly softer demand than initially expected, which is offset by better development in Disinfection. Overall, the company is expected to meet the sales target despite the somewhat slower start to the December quarter. The Q1 profitability underpins that Hoenle should be well on track to achieve the expected earnings improvement. The return to a mid-60s gross margin would certainly underline the mid-term profitability assumptions, as gross profit has remained at, or below, the 60%-mark over the past four FYs.

Conclusion: No material surprise with the Q1 reporting, apart from some push-out of shipments into Q2. As the company is not experiencing further requests to delay deliveries, the Q2 sales level should improve qoq. The Q1 profitability underlines that Hoenle should achieve the expected earnings improvement in 2025 and return to a slightly positive EBIT figure. As recently outlined, all business units should contribute to the expected mid-term growth, which should lift earnings margins significantly. The Buy rating and PT of EUR 22 remain unchanged.

	FY End: 30.9. in EUR m	CAGR (23/24-25/26e)	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25e	2025/26e
	Sales	8.3 %	93.9	115.2	116.1	106.3	98.7	105.4	115.9
Change Sales yoy		-12.9 %	22.7 %	0.8 %	-8.4 %	-7.2 %	6.7 %	10.0 %	
Gross profit margin		64.5 %	60.2 %	54.6 %	50.2 %	58.7 %	62.3 %	63.1 %	
EBITDA	123.2 %	14.7	13.8	12.1	0.4	3.1	9.6	15.4	
EBIT	-	8.1	0.3	5.8	-9.4	-10.3	3.3	8.8	
EBIT adj.		8.1	7.8	11.7	7.1	0.0	3.3	8.8	
Margin		8.6 %	6.8 %	10.1 %	6.6 %	0.0 %	3.1 %	7.6 %	
Net income	-	5.8	-4.9	-13.4	-11.1	-13.3	1.1	5.2	
EPS	-	1.01	-0.81	-2.20	-1.84	-2.19	0.17	0.86	
EPS adj.	-	1.01	0.45	-1.23	0.88	-0.54	0.17	0.86	
DPS	-	0.50	0.20	0.00	0.00	0.00	0.05	0.15	
Dividend Yield		1.1 %	0.4 %	n.a.	n.a.	n.a.	0.5 %	1.5 %	
FCFPS		-4.00	-2.67	-3.31	0.03	0.59	-0.27	1.00	
FCF / Market cap		-9.0 %	-5.3 %	-10.9 %	0.2 %	3.4 %	-2.8 %	10.2 %	
EV / Sales		n.a.	3.1 x	2.1 x	1.6 x	1.6 x	1.1 x	0.9 x	
EV / EBITDA		n.a.	25.6 x	19.8 x	426.3 x	50.6 x	11.5 x	6.9 x	
EV / EBIT		n.a.	n.a.	41.1 x	n.a.	n.a.	34.0 x	12.0 x	
P / E		43.8 x	n.a.	n.a.	n.a.	n.a.	57.8 x	11.4 x	
P / E adj.		43.8 x	111.1 x	n.a.	22.3 x	n.a.	57.8 x	11.4 x	
FCF Potential Yield		n.a.	1.9 %	-3.5 %	2.9 %	-1.3 %	5.5 %	9.6 %	
Net Debt		20.9	50.1	56.3	50.7	50.1	51.8	46.0	
ROCE (NOPAT)		4.9 %	1.4 %	2.3 %	n.a.	n.a.	1.8 %	4.7 %	
Guidance:	2025: Sales EUR 95-100m; adj. EBITDA clear improvement								

Analyst

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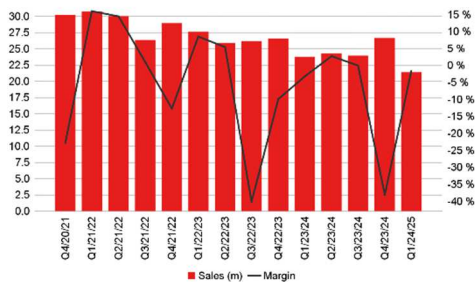
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COMMENT

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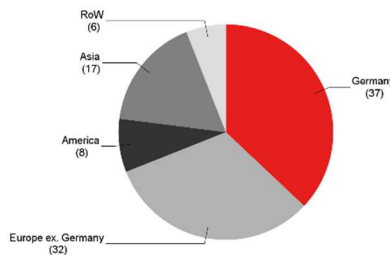
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Sales development
in EUR m



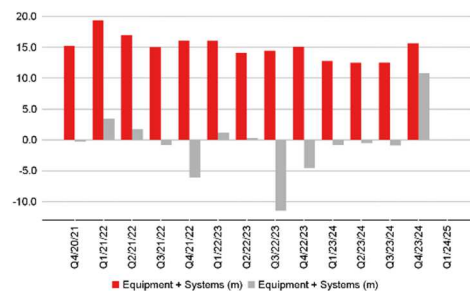
Source: Warburg Research

Sales by regions
2023; in %



Source: Warburg Research

Development Equipment + Systems
Sales and EBIT in EUR m



Source: Warburg Research

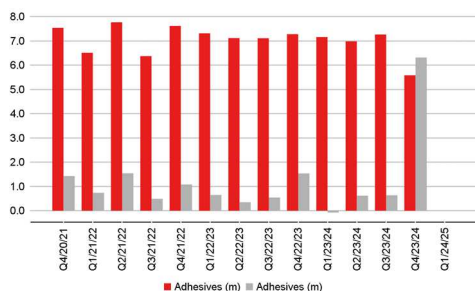
Company Background

- With sales of more than EUR 130m, Dr. Höhle is active in the areas of UV/IR Systems, specialty adhesives, quartz glass products and IR lamps. The company employs > 600 people.
- The company's activities were clearly expanded partly by acquisitions, which strengthened the core business as well as ancillary areas like (UV) adhesives or quartz glass.
- UV technology is used in a wide number of industrial applications. The most important areas of application are paint and lacquer drying, adhesives, and coating and laminating procedures.
- Meanwhile a good one-third of revenues are generated with specialty adhesives, which are predominantly used in the electronics industry.
- The customer structure is largely fragmented with the exception of a few larger customers. The top 5 customers account for roughly 20% of group sales.

Competitive Quality

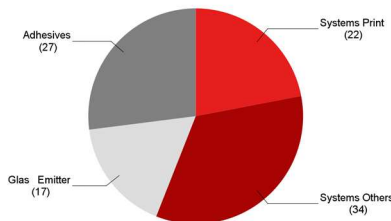
- The competitive structure is characterised by a high number of smaller mainly regionally-active suppliers and just a handful of larger companies.
- Competitors of a comparable size normally serve only part of the market segments, resulting in a comparatively moderate competitive intensity within the individual segments.
- Established customer relationships present a significant barrier to market entry. UV components seldom account for more than 5-10% of the material costs, which lowers customers' motivation to switch supplier.
- With high vertical integration, Dr. Höhle generates a large part of the value creation in the company.
- This allows the company to achieve higher margins and higher cash flows. The strong competitive quality is expressed in an ROCE of >15%.

Development Adhesives
Sales and EBIT in EUR m



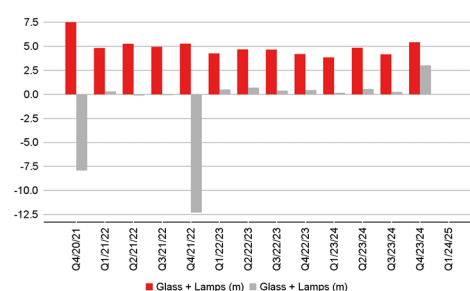
Source: Warburg Research

Sales by segments
2023; in %



Source: Warburg Research

Development Glass + Lamps
Sales and EBIT in EUR m



Source: Warburg Research

DCF model

Figures in EUR m	Detailed forecast period			Transitional period										Term. Value
	24/25e	25/26e	26/27e	27/28e	28/29e	29/30e	30/31e	31/32e	32/33e	33/34e	34/35e	35/36e	36/37e	
Sales	105.4	115.9	129.8	138.9	147.2	156.1	163.9	172.0	180.6	187.9	195.4	203.2	206.8	
Sales change	6.7 %	10.0 %	12.0 %	7.0 %	6.0 %	6.0 %	5.0 %	5.0 %	5.0 %	4.0 %	4.0 %	4.0 %	1.8 %	1.8 %
EBIT	3.3	8.8	13.5	16.7	17.7	19.5	20.5	21.5	22.6	23.5	24.4	25.4	25.8	
EBIT-margin	3.1 %	7.6 %	10.4 %	12.0 %	12.0 %	12.5 %	12.5 %	12.5 %	12.5 %	12.5 %	12.5 %	12.5 %	12.5 %	
Tax rate (EBT)	29.0 %	29.0 %	29.0 %	29.0 %	29.5 %	29.5 %	29.5 %	29.5 %	29.5 %	29.5 %	29.5 %	29.5 %	29.5 %	
NOPAT	2.3	6.3	9.6	11.8	12.5	13.8	14.4	15.2	15.9	16.6	17.2	17.9	18.2	
Depreciation	6.4	6.6	6.8	8.3	8.5	6.7	7.0	7.2	7.4	7.5	7.4	7.4	7.2	
in % of Sales	6.0 %	5.7 %	5.2 %	6.0 %	5.8 %	4.3 %	4.3 %	4.2 %	4.1 %	4.0 %	3.8 %	3.7 %	3.5 %	
Changes in provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Change in Liquidity from														
- Working Capital	3.8	1.2	5.3	-0.1	1.4	1.4	2.5	2.6	2.8	2.3	2.4	2.5	1.1	
- Capex	5.8	5.8	5.8	5.7	5.7	5.9	5.9	6.2	6.5	6.8	7.0	8.8	8.3	
Capex in % of Sales	5.5 %	5.0 %	4.5 %	4.1 %	3.9 %	3.8 %	3.6 %	3.6 %	3.6 %	3.6 %	3.6 %	4.3 %	4.0 %	
- Other	0.0	0.0	0.0	-1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Free Cash Flow (WACC Model)	-0.9	5.8	5.2	15.6	13.8	13.2	13.1	13.6	14.1	15.0	15.2	14.0	16.0	16
PV of FCF	-0.9	5.1	4.3	11.8	9.7	8.5	7.8	7.5	7.2	7.1	6.7	5.7	6.1	99
share of PVs	4.60 %			42.13 %										53.28 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	29.00 %	Financial Strength	1.25
Cost of debt (after tax)	2.6 %	Liquidity (share)	1.40
Market return	8.25 %	Cyclicality	1.40
Risk free rate	2.75 %	Transparency	1.35
		Others	1.35
WACC	7.99 %	Beta	1.35

Valuation (m)

Present values 2035/36e	87		
Terminal Value	99		
Financial liabilities	53		
Pension liabilities	4		
Hybrid capital	0		
Minority interest	1		
Market val. of investments	1		
Liquidity	8	No. of shares (m)	6.1
Equity Value	136	Value per share (EUR)	22.41

Sensitivity Value per Share (EUR)

Beta	WACC	Terminal Growth							Beta	WACC	Delta EBIT-margin						
		1.00 %	1.25 %	1.50 %	1.75 %	2.00 %	2.25 %	2.50 %			-1.5 pp	-1.0 pp	-0.5 pp	+0.0 pp	+0.5 pp	+1.0 pp	+1.5 pp
1.61	9.0 %	16.53	16.90	17.29	17.71	18.16	18.64	19.15	1.61	9.0 %	13.96	15.21	16.46	17.71	18.96	20.21	21.46
1.48	8.5 %	18.45	18.90	19.37	19.88	20.43	21.02	21.66	1.48	8.5 %	15.83	17.18	18.53	19.88	21.23	22.58	23.93
1.41	8.2 %	19.52	20.00	20.53	21.09	21.70	22.37	23.08	1.41	8.2 %	16.88	18.29	19.69	21.09	22.50	23.90	25.31
1.35	8.0 %	20.66	21.20	21.78	22.41	23.09	23.83	24.64	1.35	8.0 %	18.01	19.48	20.94	22.41	23.87	25.33	26.80
1.29	7.7 %	21.88	22.48	23.13	23.83	24.59	25.42	26.33	1.29	7.7 %	19.24	20.77	22.30	23.83	25.36	26.89	28.42
1.22	7.5 %	23.20	23.87	24.59	25.38	26.24	27.17	28.21	1.22	7.5 %	20.58	22.18	23.78	25.38	26.98	28.58	30.18
1.09	7.0 %	26.19	27.02	27.93	28.93	30.02	31.23	32.58	1.09	7.0 %	23.65	25.41	27.17	28.93	30.69	32.45	34.21

- Growth and mix improvements to drive return to higher profitability
- Disproportionately high growth of adhesive segment provides further upside potential
- Sustainable EBIT margin of 15% anticipated

Free Cash Flow Value Potential

Warburg Research's valuation tool "FCF Value Potential" reflects the ability of the company to generate sustainable free cash flows. It is based on the "FCF potential" - a FCF "ex growth" figure - which assumes unchanged working capital and pure maintenance capex. A value indication is derived via the perpetuity of a given year's "FCF potential" with consideration of the weighted costs of capital. The fluctuating value indications over time add a timing element to the DCF model (our preferred valuation tool).

in EUR m	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25e	2025/26e	
Net Income before minorities	n.a.	-4.9	-13.2	-10.9	-13.0	1.3	5.4	
+ Depreciation + Amortisation	n.a.	13.5	6.3	9.8	13.4	6.4	6.6	
- Net Interest Income	n.a.	-1.0	-1.4	-1.6	-2.0	-1.5	-1.2	
- Maintenance Capex	n.a.	2.5	2.6	3.0	3.0	3.0	3.0	
+ Other	n.a.	-0.4	-0.4	7.5	-1.3	0.0	0.0	
= Free Cash Flow Potential	n.a.	6.6	-8.5	5.0	-2.0	6.1	10.2	
FCF Potential Yield (on market EV)	n/a	1.9 %	-3.5 %	2.9 %	-1.3 %	5.5 %	9.6 %	
WACC	7.99 %	7.99 %	7.99 %	7.99 %	7.99 %	7.99 %	7.99 %	
= Enterprise Value (EV)	n.a.	353.1	239.9	169.7	156.4	111.3	105.5	
= Fair Enterprise Value	n.a.	83.2	n.a.	62.0	n.a.	76.7	127.5	
- Net Debt (Cash)	n.a.	45.7	45.7	45.7	45.7	47.4	41.6	
- Pension Liabilities	n.a.	4.4	4.4	4.4	4.4	4.4	4.4	
- Other	n.a.	0.0	0.0	0.0	0.0	0.0	0.0	
- Market value of minorities	n.a.	0.0	0.0	0.0	0.0	0.0	0.0	
+ Market value of investments	n.a.	0.0	0.0	0.0	0.0	0.0	0.0	
= Fair Market Capitalisation	n.a.	33.0	n.a.	11.9	n.a.	24.9	81.5	
Number of shares, average	5.7	6.1	6.1	6.1	6.1	6.1	6.1	
= Fair value per share (EUR)	n.a.	5.45	n.a.	1.96	n.a.	4.11	13.44	
premium (-) / discount (+) in %						-58.2 %	36.9 %	
Sensitivity Fair value per Share (EUR)								
	10.99 %	n.a.	1.70	n.a.	n.a.	n.a.	0.65	7.70
	9.99 %	n.a.	2.70	n.a.	n.a.	n.a.	1.57	9.23
	8.99 %	n.a.	3.92	n.a.	0.82	n.a.	2.70	11.10
WACC	7.99 %	n.a.	5.45	n.a.	1.96	n.a.	4.11	13.44
	6.99 %	n.a.	7.41	n.a.	3.42	n.a.	5.92	16.45
	5.99 %	n.a.	10.03	n.a.	5.37	n.a.	8.34	20.47
	4.99 %	n.a.	13.70	n.a.	8.11	n.a.	11.72	26.10

▪ Rising value indication triggered by margin expansion

Valuation	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25e	2025/26e
Price / Book	2.2 x	2.7 x	1.7 x	1.2 x	1.3 x	0.7 x	0.7 x
Book value per share ex intangibles	15.72	14.30	13.80	12.56	11.02	11.23	12.09
EV / Sales	n.a.	3.1 x	2.1 x	1.6 x	1.6 x	1.1 x	0.9 x
EV / EBITDA	n.a.	25.6 x	19.8 x	426.3 x	50.6 x	11.5 x	6.9 x
EV / EBIT	n.a.	n.a.	41.1 x	n.a.	n.a.	34.0 x	12.0 x
EV / EBIT adj.*	n.a.	45.2 x	20.4 x	24.0 x	n.a.	34.0 x	12.0 x
P / FCF	n.a.	n.a.	n.a.	580.3 x	29.6 x	n.a.	9.8 x
P / E	43.8 x	n.a.	n.a.	n.a.	n.a.	57.8 x	11.4 x
P / E adj.*	43.8 x	111.1 x	n.a.	22.3 x	n.a.	57.8 x	11.4 x
Dividend Yield	1.1 %	0.4 %	n.a.	n.a.	n.a.	0.5 %	1.5 %
FCF Potential Yield (on market EV)	n.a.	1.9 %	-3.5 %	2.9 %	-1.3 %	5.5 %	9.6 %

*Adjustments made for: -

Company Specific Items	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25e	2025/26e
Adj. FCFPS	-0.66	-0.19	-0.83	2.51	3.07	2.20	3.48

Consolidated profit & loss

In EUR m	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25e	2025/26e
Sales	93.9	115.2	116.1	106.3	98.7	105.4	115.9
Change Sales yoy	-12.9 %	22.7 %	0.8 %	-8.4 %	-7.2 %	6.7 %	10.0 %
Increase / decrease in inventory	-0.6	3.1	1.7	-1.9	-1.5	0.0	0.0
Own work capitalised	0.0	0.0	0.4	0.1	0.0	0.1	0.1
Total Sales	93.3	118.3	118.2	104.5	97.3	105.4	116.0
Material expenses	32.7	48.9	54.8	51.1	39.3	39.8	42.9
Gross profit	60.5	69.3	63.4	53.3	58.0	65.6	73.1
<i>Gross profit margin</i>	<i>64.5 %</i>	<i>60.2 %</i>	<i>54.6 %</i>	<i>50.2 %</i>	<i>58.7 %</i>	<i>62.3 %</i>	<i>63.1 %</i>
Personnel expenses	33.2	39.7	39.7	39.5	41.3	41.6	42.9
Other operating income	1.2	1.6	3.6	3.3	2.2	2.1	2.0
Other operating expenses	13.8	17.5	15.2	16.7	15.8	16.4	16.8
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	14.7	13.8	12.1	0.4	3.1	9.6	15.4
<i>Margin</i>	<i>15.7 %</i>	<i>12.0 %</i>	<i>10.4 %</i>	<i>0.4 %</i>	<i>3.1 %</i>	<i>9.2 %</i>	<i>13.3 %</i>
Depreciation of fixed assets	6.0	9.0	5.6	5.4	5.1	5.8	6.0
EBITA	8.7	4.8	6.6	-5.0	-2.0	3.8	9.4
Amortisation of intangible assets	0.6	1.1	0.7	1.8	0.5	0.6	0.6
Goodwill amortisation	0.0	3.4	0.0	2.6	7.7	0.0	0.0
EBIT	8.1	0.3	5.8	-9.4	-10.3	3.3	8.8
<i>Margin</i>	<i>8.6 %</i>	<i>0.3 %</i>	<i>5.0 %</i>	<i>-8.9 %</i>	<i>-10.4 %</i>	<i>3.1 %</i>	<i>7.6 %</i>
EBIT adj.	8.1	7.8	11.7	7.1	0.0	3.3	8.8
Interest income	0.2	0.1	0.1	0.2	0.1	0.0	0.0
Interest expenses	0.5	1.1	1.5	1.8	2.1	1.5	1.2
Other financial income (loss)	0.1	0.0	0.0	0.1	0.1	0.0	0.0
EBT	7.9	-0.7	4.4	-11.0	-12.2	1.8	7.6
<i>Margin</i>	<i>8.5 %</i>	<i>-0.6 %</i>	<i>3.8 %</i>	<i>-10.3 %</i>	<i>-12.4 %</i>	<i>1.7 %</i>	<i>6.6 %</i>
Total taxes	2.2	4.3	1.6	0.3	0.8	0.5	2.2
Net income from continuing operations	5.7	-4.9	2.8	-11.3	-13.0	1.3	5.4
Income from discontinued operations (net of tax)	0.0	0.0	-16.0	0.3	0.0	0.0	0.0
Net income before minorities	5.7	-4.9	-13.2	-10.9	-13.0	1.3	5.4
Minority interest	-0.1	0.0	0.2	0.2	0.3	0.2	0.2
Net income	5.8	-4.9	-13.4	-11.1	-13.3	1.1	5.2
<i>Margin</i>	<i>6.2 %</i>	<i>-4.2 %</i>	<i>-11.5 %</i>	<i>-10.5 %</i>	<i>-13.5 %</i>	<i>1.0 %</i>	<i>4.5 %</i>
Number of shares, average	5.7	6.1	6.1	6.1	6.1	6.1	6.1
EPS	1.01	-0.81	-2.20	-1.84	-2.19	0.17	0.86
EPS diluted	0.95	-0.81	-2.20	-1.84	-2.19	0.17	0.86

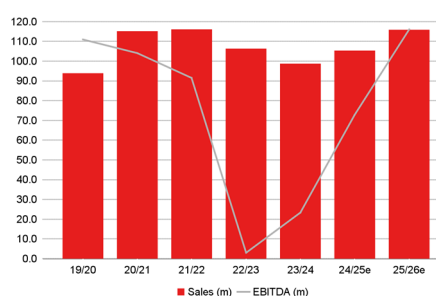
*Adjustments made for:

Guidance: 2025: Sales EUR 95-100m; adj. EBITDA clear improvement

Financial Ratios

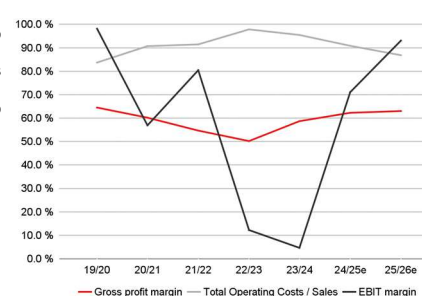
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25e	2025/26e
Total Operating Costs / Sales	83.7 %	90.7 %	91.4 %	97.9 %	95.4 %	90.9 %	86.8 %
Operating Leverage	4.1 x	-4.3 x	2395.4 x	n.a.	-1.3 x	n.a.	16.9 x
EBITDA / Interest expenses	32.2 x	12.3 x	8.0 x	0.2 x	1.5 x	6.4 x	12.7 x
Tax rate (EBT)	28.2 %	-635.7 %	35.9 %	-2.5 %	-6.3 %	29.0 %	29.0 %
Dividend Payout Ratio	49.9 %	n.m.	0.0 %	0.0 %	0.0 %	24.1 %	16.8 %
Sales per Employee	160,472	175,297	176,971	181,471	170,222	175,593	181,081

Sales, EBITDA
in EUR m



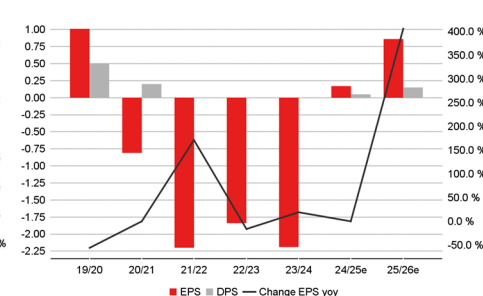
Source: Warburg Research

Operating Performance
in %



Source: Warburg Research

Performance per Share



Source: Warburg Research

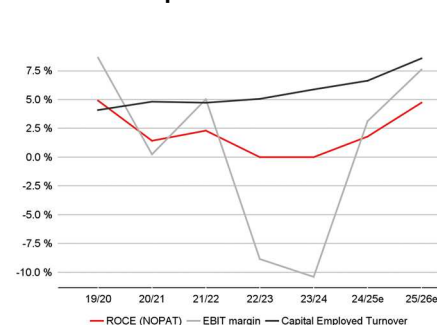
Consolidated balance sheet

In EUR m	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25e	2025/26e
Assets							
Goodwill and other intangible assets	21.0	24.0	23.3	19.7	12.6	12.4	12.1
thereof other intangible assets	2.2	2.9	2.1	1.3	1.6	1.3	1.1
thereof Goodwill	18.8	21.1	21.1	18.4	11.0	11.0	11.0
Property, plant and equipment	76.8	87.8	79.6	75.1	71.6	71.3	70.8
Financial assets	1.1	1.1	1.1	1.0	0.0	0.0	0.0
Other long-term assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fixed assets	99.0	112.9	103.9	95.8	84.3	83.7	83.0
Inventories	35.2	46.7	46.4	35.0	30.5	32.9	33.1
Accounts receivable	14.3	17.1	19.7	15.6	14.9	16.7	18.4
Liquid assets	34.2	12.1	7.1	9.3	7.5	5.1	5.9
Other short-term assets	13.6	14.1	18.4	20.3	18.2	17.7	16.4
Current assets	97.2	90.0	91.6	80.3	71.1	72.4	73.8
Total Assets	196.2	202.9	195.5	176.2	155.4	156.1	156.7
Liabilities and shareholders' equity							
Subscribed capital	6.1	6.1	6.1	6.1	6.1	6.1	6.1
Capital reserve	42.0	42.0	42.0	42.0	42.0	42.0	42.0
Retained earnings	68.3	62.7	58.8	47.8	31.4	32.4	37.3
Other equity components	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Shareholders' equity	116.3	110.7	106.9	95.8	79.4	80.5	85.4
Minority interest	0.3	0.4	0.4	0.3	0.3	0.3	0.3
Total equity	116.7	111.1	107.2	96.1	79.7	80.7	85.6
Provisions	9.5	9.3	4.7	3.6	4.7	4.7	4.7
thereof provisions for pensions and similar obligations	8.8	8.6	4.0	3.2	4.4	4.4	4.4
Financial liabilities (total)	46.3	53.5	59.4	56.8	53.2	52.5	47.5
Short-term financial liabilities	3.5	3.9	26.4	12.4	13.0	10.0	5.0
Accounts payable	6.5	9.4	10.3	7.6	6.4	6.8	7.5
Other liabilities	17.3	19.5	13.8	12.1	11.3	11.3	11.3
Liabilities	79.5	91.8	88.2	80.0	75.7	75.4	71.1
Total liabilities and shareholders' equity	196.2	202.9	195.5	176.2	155.4	156.1	156.7

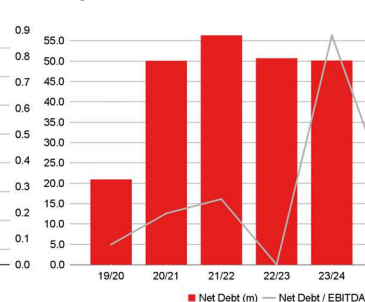
Financial Ratios

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25e	2025/26e
Efficiency of Capital Employment							
Operating Assets Turnover	0.8 x	0.8 x	0.9 x	0.9 x	0.9 x	0.9 x	1.0 x
Capital Employed Turnover	0.7 x	0.7 x	0.7 x	0.7 x	0.8 x	0.8 x	0.9 x
ROA	5.8 %	-4.3 %	-12.9 %	-11.6 %	-15.8 %	1.3 %	6.3 %
Return on Capital							
ROCE (NOPAT)	4.9 %	1.4 %	2.3 %	n.a.	n.a.	1.8 %	4.7 %
ROE	5.6 %	-4.3 %	-12.3 %	-11.0 %	-15.2 %	1.3 %	6.3 %
Adj. ROE	5.6 %	2.4 %	-6.9 %	5.3 %	-3.7 %	1.3 %	6.3 %
Balance sheet quality							
Net Debt	20.9	50.1	56.3	50.7	50.1	51.8	46.0
Net Financial Debt	12.1	41.5	52.3	47.5	45.7	47.4	41.6
Net Gearing	17.9 %	45.1 %	52.5 %	52.7 %	62.9 %	64.2 %	53.7 %
Net Fin. Debt / EBITDA	82.4 %	300.7 %	431.5 %	n.a.	1480.5 %	491.7 %	270.4 %
Book Value / Share	19.2	18.3	17.6	15.8	13.1	13.3	14.1
Book value per share ex intangibles	15.7	14.3	13.8	12.6	11.0	11.2	12.1

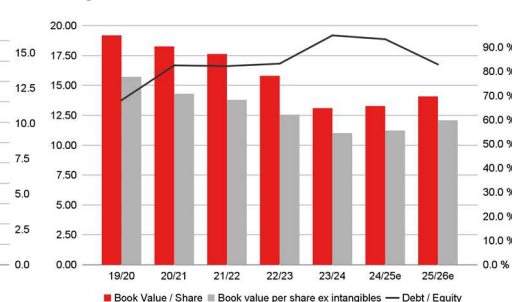
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

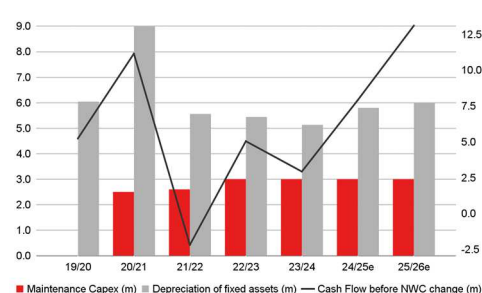
Consolidated cash flow statement

In EUR m	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25e	2025/26e
Net income	5.8	-4.9	-13.4	-11.1	-13.3	1.1	5.2
Depreciation of fixed assets	6.0	9.0	5.6	5.4	5.1	5.8	6.0
Amortisation of goodwill	0.0	3.4	0.0	2.6	7.7	0.0	0.0
Amortisation of intangible assets	0.6	1.1	0.7	1.8	0.5	0.6	0.6
Increase/decrease in long-term provisions	0.3	0.4	-0.2	-0.8	-0.1	0.0	0.0
Other non-cash income and expenses	-7.5	2.1	5.1	7.2	3.0	0.5	1.3
Cash Flow before NWC change	5.2	11.2	-2.2	5.1	2.9	7.9	13.1
Increase / decrease in inventory	0.6	-12.5	-11.6	-1.8	2.7	-2.4	-0.2
Increase / decrease in accounts receivable	2.7	-1.3	-2.7	0.7	0.7	-1.8	-1.7
Increase / decrease in accounts payable	-1.2	3.6	0.8	-0.9	-0.6	0.4	0.7
Increase / decrease in other working capital positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increase / decrease in working capital (total)	2.2	-10.2	-13.5	-1.9	2.8	-3.8	-1.2
Net cash provided by operating activities [1]	7.4	0.9	-15.7	3.1	5.7	4.1	11.9
Investments in intangible assets	-0.3	-0.2	-0.1	-1.0	-0.7	-0.3	-0.3
Investments in property, plant and equipment	-35.1	-16.9	-5.2	-4.1	-3.0	-5.5	-5.5
Payments for acquisitions	-0.2	-7.7	0.0	0.0	-0.7	0.0	0.0
Financial investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	0.0	0.2	2.7	5.5	0.4	0.0	0.0
Net cash provided by investing activities [2]	-30.4	-24.6	-1.7	2.6	-2.4	-5.8	-5.8
Change in financial liabilities	21.9	4.3	4.9	-3.3	-4.8	-0.8	-5.0
Dividends paid	-4.4	-3.0	-1.2	-0.1	-0.1	0.0	-0.3
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	25.7	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Net cash provided by financing activities [3]	43.3	1.2	3.7	-3.4	-4.9	-0.8	-5.3
Change in liquid funds [1]+[2]+[3]	20.3	-22.5	-13.6	2.3	-1.6	-2.4	0.8
Effects of exchange-rate changes on cash	-0.1	0.0	0.4	-0.2	0.0	0.0	0.0
Cash and cash equivalent at end of period	34.7	11.7	-1.1	9.2	7.7	5.1	5.9

Financial Ratios

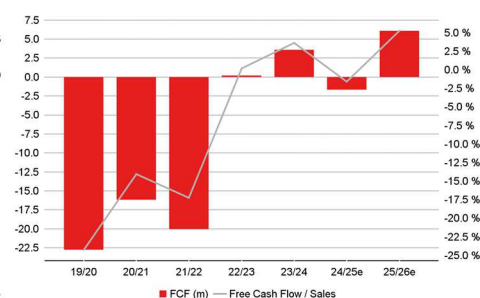
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25e	2025/26e
Cash Flow							
FCF	-22.8	-16.2	-20.0	0.2	3.6	-1.7	6.1
Free Cash Flow / Sales	-24.2 %	-14.0 %	-17.3 %	0.2 %	3.6 %	-1.6 %	5.3 %
Free Cash Flow Potential	n.a.	6.6	-8.5	5.0	-2.0	6.1	10.2
Free Cash Flow / Net Profit	-393.9 %	331.2 %	150.0 %	-1.8 %	-27.0 %	-157.2 %	117.1 %
Interest Received / Avg. Cash	0.8 %	0.6 %	0.7 %	2.4 %	0.6 %	0.0 %	0.0 %
Interest Paid / Avg. Debt	1.5 %	2.2 %	2.7 %	3.1 %	3.8 %	2.8 %	2.4 %
Management of Funds							
Investment ratio	37.7 %	14.8 %	4.5 %	4.8 %	3.7 %	5.5 %	5.0 %
Maint. Capex / Sales	n.a.	2.2 %	2.2 %	2.8 %	3.0 %	2.8 %	2.6 %
Capex / Dep	535.7 %	126.5 %	83.8 %	51.8 %	27.1 %	91.1 %	88.3 %
Avg. Working Capital / Sales	45.3 %	40.2 %	44.9 %	44.4 %	39.7 %	37.0 %	35.7 %
Trade Debtors / Trade Creditors	219.7 %	180.9 %	191.0 %	206.6 %	234.4 %	245.6 %	245.3 %
Inventory Turnover	0.9 x	1.0 x	1.2 x	1.5 x	1.3 x	1.2 x	1.3 x
Receivables collection period (days)	55	54	62	54	55	58	58
Payables payment period (days)	72	70	69	54	59	62	64
Cash conversion cycle (Days)	358	309	284	238	261	279	259

CAPEX and Cash Flow in EUR m



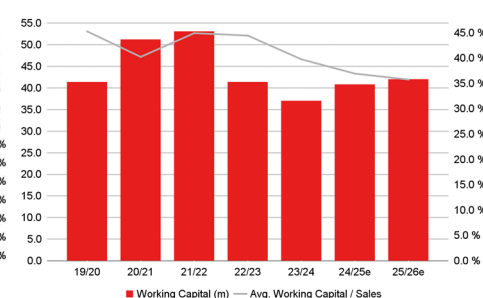
Source: Warburg Research

Free Cash Flow Generation



Source: Warburg Research

Working Capital



Source: Warburg Research

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Company	Disclosure	Link to the historical price targets and rating changes (last 12 months)
Dr. Hönle	3, 5	https://www.mmwarburg.com/disclaimer/disclaimer_en/DE0005157101.htm

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Investment recommendation: expected direction of the share price development of the financial instrument up to the given price target in the opinion of the analyst who covers this financial instrument.

-B-	Buy:	The price of the analysed financial instrument is expected to rise over the next 12 months.
-H-	Hold:	The price of the analysed financial instrument is expected to remain mostly flat over the next 12 months.
-S-	Sell:	The price of the analysed financial instrument is expected to fall over the next 12 months.
“-“	Rating suspended:	The available information currently does not permit an evaluation of the company.

WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING

Rating	Number of stocks	% of Universe
Buy	146	72
Hold	42	21
Sell	9	4
Rating suspended	6	3
Total	203	100

WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING ...

... taking into account only those companies which were provided with major investment services in the last twelve months.

Rating	Number of stocks	% of Universe
Buy	40	75
Hold	8	15
Sell	2	4
Rating suspended	3	6
Total	53	100

PRICE AND RATING HISTORY DR. HÖNLE AS OF 26.02.2025



Markings in the chart show rating changes by Warburg Research GmbH in the last 12 months. Every marking details the date and closing price on the day of the rating change.

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