

Buy EUR 19.00 (EUR 21.00) Price EUR 8.34 Upside 127.8 %	Value Indicators: EUR DCF: 19.00 FCF-Value Potential 27e: 11.30	Warburg Risk Score: 0.8 Balance Sheet Score: 1.5 Market Liquidity Score: 0.0	Description: Leading supplier of specialty adhesives, UV/ IR radiation systems and UV specialty lamps
	Market Snapshot: EUR m Market cap: 50.6 No. of shares (m): 6.1 EV: 98.9 Freefloat MC: 37.6 Ø Trad. Vol. (30d): 76.61 th	Shareholders: Freefloat 74.40 % Peter Möhrle Holding 25.60 % Lazard 4.00 %	Key Figures (WRe): 2024/25e Beta: 1.4 Price / Book: 0.6 x Equity Ratio: 51 % Net Fin. Debt / EBITDA: 8.1 x Net Debt / EBITDA: 8.9 x

Weaker H2 operating development disappoints

Stated Figures Q3/2024/25:

FY End: 30.9. in EUR m	Q3 24/25	Q3 24/25e	Q3 23/24	yoy	9M 24/25	9M 24/25e	9M 23/24	yoy
Sales	22.6	25.8	23.9	-5 %	69.8	72.9	72.1	-3 %
EBITDA	0.5	2.2	1.3	-59 %	3.6	5.2	4.0	-12 %
<i>Margin</i>	<i>2.4 %</i>	<i>8.6 %</i>	<i>5.5 %</i>		<i>5.1 %</i>	<i>7.2 %</i>	<i>5.6 %</i>	
EBIT	-0.8	0.8	0.0	n.a.	-0.5	1.0	-0.1	n.a.
<i>Margin</i>	<i>-3.6 %</i>	<i>2.9 %</i>	<i>0.0 %</i>		<i>-0.8 %</i>	<i>1.4 %</i>	<i>-0.2 %</i>	

Comment on Figures:

- Q3 revenues below expectations, forecast was for sales at Q2 level
- Earnings figures below estimates due to low top line, gross margin and OPEX in line with assumptions

Hönle issued weaker-than-expected Q3 results last week and revised down its FY 2025 guidance. Q3 sales stood at EUR 22.6m, clearly below the expectation for sales roughly at the Q2 level. The main reason was weaker development in the Adhesive Systems segment as decreasing orders from automotive customers and supply-chain shifts in consumer electronic applications following the US tariffs led to lower sales (EUR 7.9m after EUR 9m in Q2). Sales in the UV curing and disinfection segments also declined sequentially. The disinfection business was the only segment to show positive yoy growth (+5.5%) after 9M.

The low top line kept the EBITDA at a low EUR 0.5m in the quarter. Thanks to the initiated cost savings, the EBITDA remained just marginally below last year's level after 9M despite a lower top line.

Following the weaker-than-expected development, Hönle is now expecting FY sales of EUR 92-94m implying Q4 sales of ~EUR 22-24m. The EBITDA is now expected to stay at last year's level at EUR 5-6m, implying an EBITDA recovery to EUR 1.4 - 2.4m in Q4.

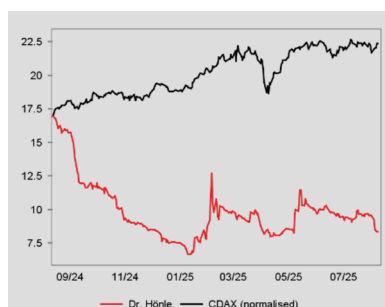
The lower-than-expected operating development in Q3/H2 clearly comes as a negative surprise and largely reflects the postponement of orders by customers amid increased economic uncertainty, which already had a near-term impact resulting from the typically rather low lead-times of just a few weeks. Growth prospects remain in place with new applications (e.g. optics, medical in Adhesives), water treatment at semiconductor customers (disinfection) and growth abroad (Asia, US). While higher growth continues to appear likely in the upcoming 2026, Hönle has yet to prove that it will execute as planned on its mid-term plan. However, as the current share-price level does not factor in a significant improvement in the operating development, the Buy rating is being maintained with a PT of EUR 19 (down from EUR 21), while the mid-term targets would support even stronger upside.

Changes in Estimates:

FY End: 30.9. in EUR m	2024/25e (old)	+ / -	2025/26e (old)	+ / -	2026/27e (old)	+ / -
Sales	100.0	-6.5 %	109.0	-6.4 %	119.9	-6.2 %
EBITDA	8.0	-32.3 %	11.8	-25.8 %	16.8	-18.8 %

Comment on Changes:

- Reduction in estimates following disappointing H2 development

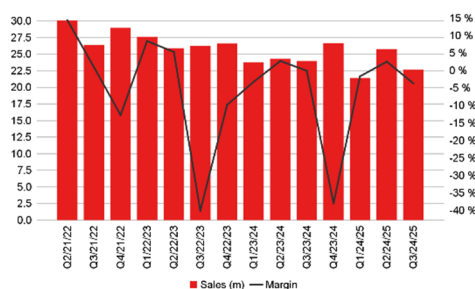


Rel. Performance vs CDAX:

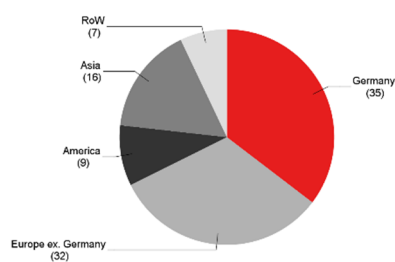
1 month:	-9.7 %
6 months:	-23.9 %
Year to date:	-7.4 %
Trailing 12 months:	-82.5 %

Company events:

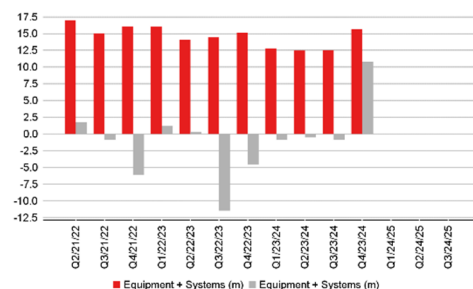
FY End: 30.9. in EUR m	CAGR (23/24-26/27e)	2020/21	2021/22	2022/23	2023/24	2024/25e	2025/26e	2026/27e
Sales	4.4 %	115.2	116.1	106.3	98.7	93.5	102.0	112.5
Change Sales yoy		22.7 %	0.8 %	-8.4 %	-7.2 %	-5.3 %	9.1 %	10.3 %
Gross profit margin		60.2 %	54.6 %	50.2 %	58.7 %	62.5 %	62.5 %	63.6 %
EBITDA	64.2 %	13.8	12.1	0.4	3.1	5.4	8.7	13.7
EBIT	-	0.3	5.8	-9.4	-10.3	-0.1	2.8	7.1
EBIT adj.		7.8	11.7	7.1	0.0	-0.1	2.8	7.1
<i>Margin</i>		<i>6.8 %</i>	<i>10.1 %</i>	<i>6.6 %</i>	<i>0.0 %</i>	<i>-0.1 %</i>	<i>2.7 %</i>	<i>6.3 %</i>
Net income	-	-4.9	-13.4	-11.1	-13.3	-1.6	0.7	4.0
EPS	-	-0.81	-2.20	-1.84	-2.19	-0.26	0.12	0.66
EPS adj.	-	0.45	-1.23	0.88	-0.54	-0.26	0.12	0.66
DPS	-	0.20	0.00	0.00	0.00	0.00	0.10	0.15
Dividend Yield		0.4 %	n.a.	n.a.	n.a.	n.a.	1.2 %	1.8 %
FCFPS		-2.67	-3.31	0.03	0.59	0.30	0.19	0.44
FCF / Market cap		-5.3 %	-10.9 %	0.2 %	3.4 %	3.6 %	2.2 %	5.3 %
EV / Sales		3.1 x	2.1 x	1.6 x	1.6 x	1.1 x	1.0 x	0.9 x
EV / EBITDA		25.6 x	19.8 x	426.3 x	50.6 x	18.2 x	11.2 x	7.0 x
EV / EBIT		n.a.	41.1 x	n.a.	n.a.	n.a.	35.3 x	13.5 x
P / E		n.a.	n.a.	n.a.	n.a.	n.a.	69.5 x	12.6 x
P / E adj.		111.1 x	n.a.	22.3 x	n.a.	n.a.	69.5 x	12.6 x
FCF Potential Yield		1.9 %	-3.5 %	2.9 %	-1.3 %	3.0 %	5.5 %	9.4 %
Net Debt		50.1	56.3	50.7	50.1	48.3	47.2	45.1
ROCE (NOPAT)		1.4 %	2.3 %	n.a.	n.a.	n.a.	1.6 %	4.0 %
Guidance:	2025: Sales EUR 92-94; adj. EBITDA EUR 5-6m							

Sales development
in EUR m


Source: Warburg Research

Sales by regions
2024; in %


Source: Warburg Research

Development Equipment + Systems
Sales and EBIT in EUR m


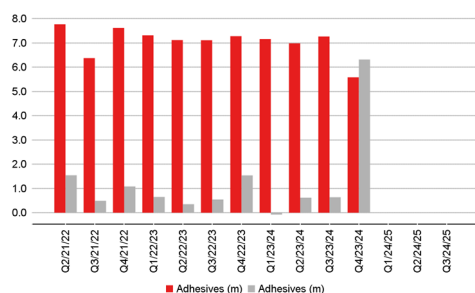
Source: Warburg Research

Company Background

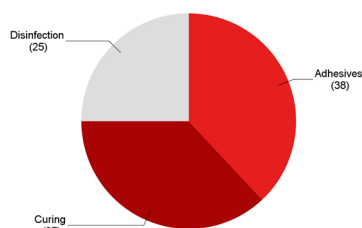
- With sales of more than EUR 130m, Dr. Höhle is active in the areas of UV/IR Systems, specialty adhesives, quartz glass products and IR lamps. The company employs > 600 people.
- The company's activities were clearly expanded partly by acquisitions, which strengthened the core business as well as ancillary 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

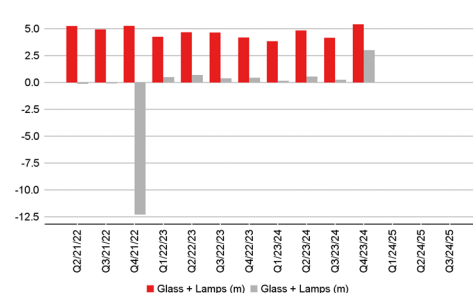
- The competitive structure is characterised by a high number of smaller mainly regionally-active suppliers and just a handful of larger companies.
- Competitors of a comparable size normally serve only part of the market segments, resulting in a comparatively moderate competitive intensity within the 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
2024; 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	93.5	102.0	112.5	121.5	128.8	136.5	143.3	150.5	158.0	164.4	170.9	177.8	180.9	1.8 %
Sales change	-5.3 %	9.1 %	10.3 %	8.0 %	6.0 %	6.0 %	5.0 %	5.0 %	5.0 %	4.0 %	4.0 %	4.0 %	1.8 %	
EBIT	-0.1	2.8	7.1	10.9	15.5	17.1	17.9	18.8	19.8	20.5	21.4	22.2	22.6	12.5 %
EBIT-margin	-0.1 %	2.7 %	6.3 %	9.0 %	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 %	15.9
NOPAT	-0.1	2.0	5.0	7.8	10.9	12.0	12.6	13.3	13.9	14.5	15.1	15.7	15.9	
Depreciation	5.6	6.0	6.6	7.3	7.4	5.9	6.2	6.3	6.5	6.6	6.5	6.5	6.3	3.5 %
in % of Sales	6.0 %	5.8 %	5.8 %	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	1.1
Change in Liquidity from														
- Working Capital	-0.9	1.5	3.1	1.8	2.6	2.7	2.4	2.5	2.6	2.2	2.3	2.4	1.1	7.4
- Capex	3.3	4.3	5.8	5.0	5.0	5.2	5.2	5.4	5.7	5.9	6.2	7.9	7.4	
Capex in % of Sales	3.5 %	4.2 %	5.2 %	4.1 %	3.9 %	3.8 %	3.6 %	3.6 %	3.6 %	3.6 %	3.6 %	4.4 %	4.1 %	0.0
- 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)	3.1	2.1	2.7	9.3	10.7	10.0	11.2	11.7	12.1	12.9	13.1	11.9	13.8	14
PV of FCF	3.1	2.0	2.3	7.4	7.9	6.8	7.1	6.8	6.6	6.5	6.1	5.1	5.5	
share of PVs	4.48 %			40.02 %										55.50 %

Model parameter

Derivation of WACC:

Debt ratio	30.00 %
Cost of debt (after tax)	2.6 %
Market return	8.25 %
Risk free rate	2.75 %

WACC 7.91 %

Derivation of Beta:

Financial Strength	1.25
Liquidity (share)	1.40
Cyclicalit	1.40
Transparency	1.35
Others	1.35

Beta 1.35

Valuation (m)

Present values 2036/37e

Terminal Value	92
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	115
Value per share (EUR)	19.01

Sensitivity Value per Share (EUR)

		Terminal Growth									Delta EBIT-margin						
Beta	WACC	1.00 %	1.25 %	1.50 %	1.75 %	2.00 %	2.25 %	2.50 %	Beta	WACC	-1.5 pp	-1.0 pp	-0.5 pp	+0.0 pp	+0.5 pp	+1.0 pp	+1.5 pp
1.61	8.9 %	13.73	14.08	14.44	14.83	15.26	15.71	16.20	1.61	8.9 %	11.32	12.49	13.66	14.83	16.01	17.18	18.35
1.48	8.4 %	15.42	15.84	16.28	16.76	17.28	17.83	18.44	1.48	8.4 %	12.98	14.24	15.50	16.76	18.02	19.28	20.55
1.41	8.2 %	16.36	16.82	17.31	17.84	18.41	19.03	19.71	1.41	8.2 %	13.91	15.22	16.53	17.84	19.15	20.46	21.77
1.35	7.9 %	17.37	17.88	18.42	19.01	19.65	20.34	21.10	1.35	7.9 %	14.91	16.28	17.64	19.01	20.37	21.74	23.11
1.29	7.7 %	18.46	19.02	19.62	20.28	20.99	21.77	22.63	1.29	7.7 %	16.00	17.43	18.85	20.28	21.70	23.13	24.55
1.22	7.4 %	19.63	20.25	20.93	21.66	22.46	23.34	24.31	1.22	7.4 %	17.19	18.68	20.17	21.66	23.15	24.64	26.13
1.09	6.9 %	22.28	23.05	23.90	24.83	25.86	27.00	28.26	1.09	6.9 %	19.93	21.56	23.20	24.83	26.47	28.10	29.74

- 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	2020/21	2021/22	2022/23	2023/24	2024/25e	2025/26e	2026/27e	
Net Income before minorities	-4.9	-13.2	-10.9	-13.0	-1.4	0.9	4.2	
+ Depreciation + Amortisation	13.5	6.3	9.8	13.4	5.6	6.0	6.6	
- Net Interest Income	-1.0	-1.4	-1.6	-2.0	-1.8	-1.5	-1.2	
- Maintenance Capex	2.5	2.6	3.0	3.0	3.0	3.0	3.0	
+ Other	-0.4	-0.4	7.5	-1.3	0.0	0.0	0.0	
= Free Cash Flow Potential	6.6	-8.5	5.0	-2.0	3.0	5.4	9.0	
FCF Potential Yield (on market EV)	1.9 %	-3.5 %	2.9 %	-1.3 %	3.0 %	5.5 %	9.4 %	
WACC	7.91 %	7.91 %	7.91 %	7.91 %	7.91 %	7.91 %	7.91 %	
= Enterprise Value (EV)	353.1	239.9	169.7	156.4	98.9	97.8	95.7	
= Fair Enterprise Value	83.9	n.a.	62.6	n.a.	37.9	67.7	113.3	
- Net Debt (Cash)	45.7	45.7	45.7	45.7	43.9	42.8	40.7	
- Pension Liabilities	4.4	4.4	4.4	4.4	4.4	4.4	4.4	
- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Market value of minorities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
+ Market value of investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
= Fair Market Capitalisation	33.8	n.a.	12.5	n.a.	n.a.	20.5	68.2	
Number of shares, average	6.1	6.1	6.1	6.1	6.1	6.1	6.1	
= Fair value per share (EUR)	5.58	n.a.	2.05	n.a.	n.a.	3.38	11.25	
premium (-) / discount (+) in %						-59.5 %	34.9 %	
Sensitivity Fair value per Share (EUR)								
WACC	10.91 %	1.77	n.a.	n.a.	n.a.	n.a.	0.31	6.11
	9.91 %	2.78	n.a.	n.a.	n.a.	n.a.	1.12	7.48
	8.91 %	4.02	n.a.	0.90	n.a.	n.a.	2.12	9.15
	7.91 %	5.58	n.a.	2.05	n.a.	n.a.	3.38	11.25
	6.91 %	7.58	n.a.	3.55	n.a.	n.a.	4.99	13.95
	5.91 %	10.26	n.a.	5.55	n.a.	0.39	7.16	17.58
	4.91 %	14.04	n.a.	8.36	n.a.	2.09	10.20	22.67

■ Rising value indication triggered by margin expansion

Valuation	2020/21	2021/22	2022/23	2023/24	2024/25e	2025/26e	2026/27e
Price / Book	2.7 x	1.7 x	1.2 x	1.3 x	0.6 x	0.6 x	0.6 x
Book value per share ex intangibles	14.30	13.80	12.56	11.02	10.80	10.97	11.57
EV / Sales	3.1 x	2.1 x	1.6 x	1.6 x	1.1 x	1.0 x	0.9 x
EV / EBITDA	25.6 x	19.8 x	426.3 x	50.6 x	18.2 x	11.2 x	7.0 x
EV / EBIT	n.a.	41.1 x	n.a.	n.a.	n.a.	35.3 x	13.5 x
EV / EBIT adj.*	45.2 x	20.4 x	24.0 x	n.a.	n.a.	35.3 x	13.5 x
P / FCF	n.a.	n.a.	580.3 x	29.6 x	28.0 x	44.6 x	18.9 x
P / E	n.a.	n.a.	n.a.	n.a.	n.a.	69.5 x	12.6 x
P / E adj.*	111.1 x	n.a.	22.3 x	n.a.	n.a.	69.5 x	12.6 x
Dividend Yield	0.4 %	n.a.	n.a.	n.a.	n.a.	1.2 %	1.8 %
FCF Potential Yield (on market EV)	1.9 %	-3.5 %	2.9 %	-1.3 %	3.0 %	5.5 %	9.4 %
*Adjustments made for: -							

Company Specific Items	2020/21	2021/22	2022/23	2023/24	2024/25e	2025/26e	2026/27e
Adj. FCFPS	-0.19	-0.83	2.51	3.07	2.77	2.66	2.92

Consolidated profit & loss

In EUR m	2020/21	2021/22	2022/23	2023/24	2024/25e	2025/26e	2026/27e
Sales	115.2	116.1	106.3	98.7	93.5	102.0	112.5
Change Sales yoy	22.7 %	0.8 %	-8.4 %	-7.2 %	-5.3 %	9.1 %	10.3 %
Increase / decrease in inventory	3.1	1.7	-1.9	-1.5	0.0	0.0	0.0
Own work capitalised	0.0	0.4	0.1	0.0	0.2	0.0	0.1
Total Sales	118.3	118.2	104.5	97.3	93.7	102.0	112.6
Material expenses	48.9	54.8	51.1	39.3	35.2	38.3	41.1
Gross profit	69.3	63.4	53.3	58.0	58.4	63.8	71.5
<i>Gross profit margin</i>	<i>60.2 %</i>	<i>54.6 %</i>	<i>50.2 %</i>	<i>58.7 %</i>	<i>62.5 %</i>	<i>62.5 %</i>	<i>63.6 %</i>
Personnel expenses	39.7	39.7	39.5	41.3	40.7	42.0	43.9
Other operating income	1.6	3.6	3.3	2.2	1.7	1.8	1.8
Other operating expenses	17.5	15.2	16.7	15.8	14.0	14.8	15.8
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	13.8	12.1	0.4	3.1	5.4	8.7	13.7
<i>Margin</i>	<i>12.0 %</i>	<i>10.4 %</i>	<i>0.4 %</i>	<i>3.1 %</i>	<i>5.8 %</i>	<i>8.6 %</i>	<i>12.2 %</i>
Depreciation of fixed assets	9.0	5.6	5.4	5.1	5.0	5.4	6.0
EBITA	4.8	6.6	-5.0	-2.0	0.4	3.3	7.7
Amortisation of intangible assets	1.1	0.7	1.8	0.5	0.6	0.6	0.6
Goodwill amortisation	3.4	0.0	2.6	7.7	0.0	0.0	0.0
EBIT	0.3	5.8	-9.4	-10.3	-0.1	2.8	7.1
<i>Margin</i>	<i>0.3 %</i>	<i>5.0 %</i>	<i>-8.9 %</i>	<i>-10.4 %</i>	<i>-0.1 %</i>	<i>2.7 %</i>	<i>6.3 %</i>
EBIT adj.	7.8	11.7	7.1	0.0	-0.1	2.8	7.1
Interest income	0.1	0.1	0.2	0.1	0.1	0.0	0.0
Interest expenses	1.1	1.5	1.8	2.1	1.9	1.5	1.2
Other financial income (loss)	0.0	0.0	0.1	0.1	0.0	0.0	0.0
EBT	-0.7	4.4	-11.0	-12.2	-1.9	1.3	5.9
<i>Margin</i>	<i>-0.6 %</i>	<i>3.8 %</i>	<i>-10.3 %</i>	<i>-12.4 %</i>	<i>-2.1 %</i>	<i>1.3 %</i>	<i>5.2 %</i>
Total taxes	4.3	1.6	0.3	0.8	-0.6	0.4	1.7
Net income from continuing operations	-4.9	2.8	-11.3	-13.0	-1.4	0.9	4.2
Income from discontinued operations (net of tax)	0.0	-16.0	0.3	0.0	0.0	0.0	0.0
Net income before minorities	-4.9	-13.2	-10.9	-13.0	-1.4	0.9	4.2
Minority interest	0.0	0.2	0.2	0.3	0.2	0.2	0.2
Net income	-4.9	-13.4	-11.1	-13.3	-1.6	0.7	4.0
<i>Margin</i>	<i>-4.2 %</i>	<i>-11.5 %</i>	<i>-10.5 %</i>	<i>-13.5 %</i>	<i>-1.7 %</i>	<i>0.7 %</i>	<i>3.5 %</i>
Number of shares, average	6.1	6.1	6.1	6.1	6.1	6.1	6.1
EPS	-0.81	-2.20	-1.84	-2.19	-0.26	0.12	0.66
EPS diluted	-0.81	-2.20	-1.84	-2.19	-0.26	0.12	0.66

*Adjustments made for:

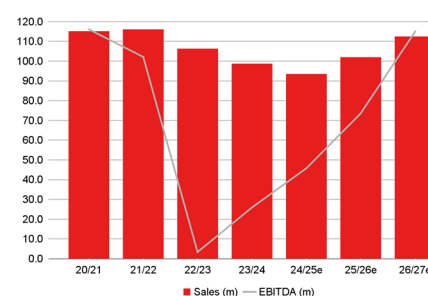
Guidance: 2025: Sales EUR 92-94; adj. EBITDA EUR 5-6m

Financial Ratios

	2020/21	2021/22	2022/23	2023/24	2024/25e	2025/26e	2026/27e
Total Operating Costs / Sales	90.7 %	91.4 %	97.9 %	95.4 %	94.4 %	91.4 %	87.9 %
Operating Leverage	-4.3 x	2395.4 x	n.a.	-1.3 x	18.6 x	n.a.	15.2 x
EBITDA / Interest expenses	12.3 x	8.0 x	0.2 x	1.5 x	2.9 x	6.0 x	11.3 x
Tax rate (EBT)	-635.7 %	35.9 %	-2.5 %	-6.3 %	29.0 %	29.0 %	29.0 %
Dividend Payout Ratio	n.m.	0.0 %	0.0 %	0.0 %	0.0 %	64.7 %	21.7 %
Sales per Employee	175,297	176,971	181,471	170,222	155,833	159,375	175,781

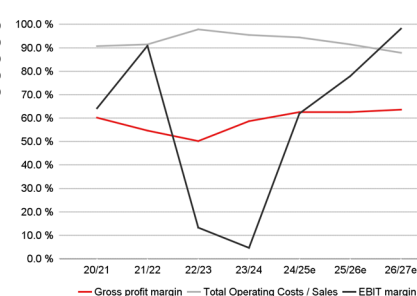
Sales, EBITDA

in EUR m

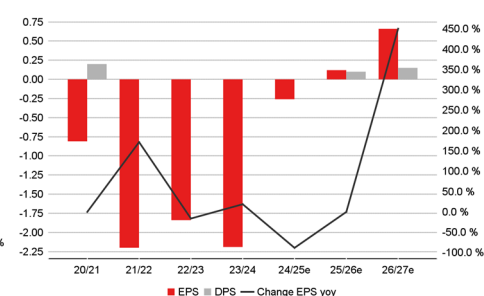


Operating Performance

in %



Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

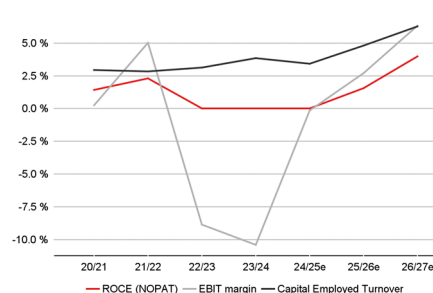
Consolidated balance sheet

In EUR m	2020/21	2021/22	2022/23	2023/24	2024/25e	2025/26e	2026/27e
Assets							
Goodwill and other intangible assets	24.0	23.3	19.7	12.6	12.4	12.1	11.8
thereof other intangible assets	2.9	2.1	1.3	1.6	1.3	1.1	0.8
thereof Goodwill	21.1	21.1	18.4	11.0	11.0	11.0	11.0
Property, plant and equipment	87.8	79.6	75.1	71.6	69.6	68.2	67.7
Financial assets	1.1	1.1	1.0	0.0	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	112.9	103.9	95.8	84.3	82.0	80.4	79.6
Inventories	46.7	46.4	35.0	30.5	29.2	30.0	32.1
Accounts receivable	17.1	19.7	15.6	14.9	14.9	16.2	17.9
Liquid assets	12.1	7.1	9.3	7.5	8.6	4.7	6.8
Other short-term assets	14.1	18.4	20.3	18.2	18.0	17.8	16.8
Current assets	90.0	91.6	80.3	71.1	70.7	68.7	73.5
Total Assets	202.9	195.5	176.2	155.4	152.7	149.0	153.1
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	62.7	58.8	47.8	31.4	29.8	30.6	33.9
Other equity components	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Shareholders' equity	110.7	106.9	95.8	79.4	77.9	78.6	82.0
Minority interest	0.4	0.4	0.3	0.3	0.3	0.3	0.3
Total equity	111.1	107.2	96.1	79.7	78.1	78.9	82.2
Provisions	9.3	4.7	3.6	4.7	4.7	4.7	4.7
thereof provisions for pensions and similar obligations	8.6	4.0	3.2	4.4	4.4	4.4	4.4
Financial liabilities (total)	53.5	59.4	56.8	53.2	52.5	47.5	47.5
Short-term financial liabilities	3.9	26.4	12.4	13.0	10.0	5.0	5.0
Accounts payable	9.4	10.3	7.6	6.4	6.0	6.6	7.3
Other liabilities	19.5	13.8	12.1	11.3	11.3	11.3	11.3
Liabilities	91.8	88.2	80.0	75.7	74.6	70.2	70.9
Total liabilities and shareholders' equity	202.9	195.5	176.2	155.4	152.7	149.0	153.1

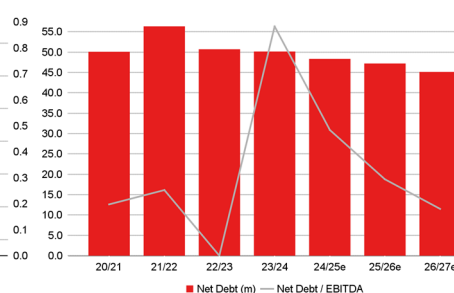
Financial Ratios

	2020/21	2021/22	2022/23	2023/24	2024/25e	2025/26e	2026/27e
Efficiency of Capital Employment							
Operating Assets Turnover	0.8 x	0.9 x	0.9 x	0.9 x	0.9 x	1.0 x	1.0 x
Capital Employed Turnover	0.7 x	0.7 x	0.7 x	0.8 x	0.7 x	0.8 x	0.9 x
ROA	-4.3 %	-12.9 %	-11.6 %	-15.8 %	-1.9 %	0.9 %	5.0 %
Return on Capital							
ROCE (NOPAT)	1.4 %	2.3 %	n.a.	n.a.	n.a.	1.6 %	4.0 %
ROE	-4.3 %	-12.3 %	-11.0 %	-15.2 %	-2.0 %	0.9 %	5.0 %
Adj. ROE	2.4 %	-6.9 %	5.3 %	-3.7 %	-2.0 %	0.9 %	5.0 %
Balance sheet quality							
Net Debt	50.1	56.3	50.7	50.1	48.3	47.2	45.1
Net Financial Debt	41.5	52.3	47.5	45.7	43.9	42.8	40.7
Net Gearing	45.1 %	52.5 %	52.7 %	62.9 %	61.9 %	59.9 %	54.9 %
Net Fin. Debt / EBITDA	300.7 %	431.5 %	n.a.	1480.5 %	808.2 %	489.9 %	297.9 %
Book Value / Share	18.3	17.6	15.8	13.1	12.8	13.0	13.5
Book value per share ex intangibles	14.3	13.8	12.6	11.0	10.8	11.0	11.6

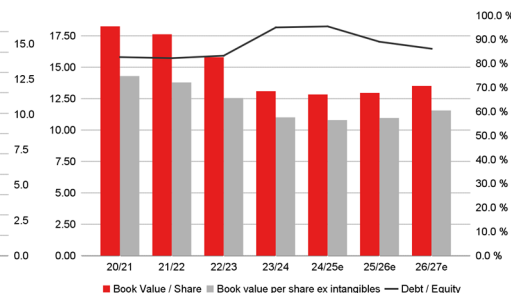
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

Consolidated cash flow statement

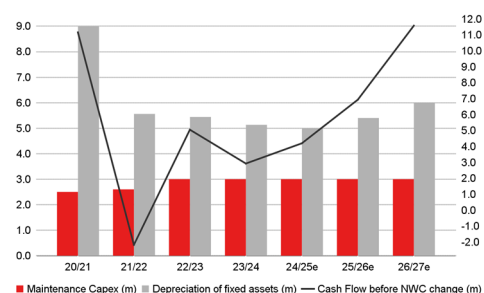
In EUR m	2020/21	2021/22	2022/23	2023/24	2024/25e	2025/26e	2026/27e
Net income	-4.9	-13.4	-11.1	-13.3	-1.6	0.7	4.0
Depreciation of fixed assets	9.0	5.6	5.4	5.1	5.0	5.4	6.0
Amortisation of goodwill	3.4	0.0	2.6	7.7	0.0	0.0	0.0
Amortisation of intangible assets	1.1	0.7	1.8	0.5	0.6	0.6	0.6
Increase/decrease in long-term provisions	0.4	-0.2	-0.8	-0.1	0.0	0.0	0.0
Other non-cash income and expenses	2.1	5.1	7.2	3.0	0.2	0.2	1.0
Cash Flow before NWC change	11.2	-2.2	5.1	2.9	4.2	6.9	11.6
Increase / decrease in inventory	-12.5	-11.6	-1.8	2.7	1.3	-0.8	-2.1
Increase / decrease in accounts receivable	-1.3	-2.7	0.7	0.7	0.0	-1.3	-1.7
Increase / decrease in accounts payable	3.6	0.8	-0.9	-0.6	-0.4	0.6	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)	-10.2	-13.5	-1.9	2.8	0.9	-1.5	-3.1
Net cash provided by operating activities [1]	0.9	-15.7	3.1	5.7	5.1	5.4	8.5
Investments in intangible assets	-0.2	-0.1	-1.0	-0.7	-0.3	-0.3	-0.3
Investments in property, plant and equipment	-16.9	-5.2	-4.1	-3.0	-3.0	-4.0	-5.5
Payments for acquisitions	-7.7	0.0	0.0	-0.7	0.0	0.0	0.0
Financial investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	0.2	2.7	5.5	0.4	0.0	0.0	0.0
Net cash provided by investing activities [2]	-24.6	-1.7	2.6	-2.4	-3.3	-4.3	-5.8
Change in financial liabilities	4.3	4.9	-3.3	-4.8	-0.8	-5.0	0.0
Dividends paid	-3.0	-1.2	-0.1	-0.1	0.0	0.0	-0.6
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net cash provided by financing activities [3]	1.2	3.7	-3.4	-4.9	-0.8	-5.0	-0.6
Change in liquid funds [1]+[2]+[3]	-22.5	-13.6	2.3	-1.6	1.1	-3.9	2.1
Effects of exchange-rate changes on cash	0.0	0.4	-0.2	0.0	0.0	0.0	0.0
Cash and cash equivalent at end of period	11.7	-1.1	9.2	7.7	8.6	4.7	6.8

Financial Ratios

	2020/21	2021/22	2022/23	2023/24	2024/25e	2025/26e	2026/27e
Cash Flow							
FCF	-16.2	-20.0	0.2	3.6	1.8	1.1	2.7
Free Cash Flow / Sales	-14.0 %	-17.3 %	0.2 %	3.6 %	1.9 %	1.1 %	2.4 %
Free Cash Flow Potential	6.6	-8.5	5.0	-2.0	3.0	5.4	9.0
Free Cash Flow / Net Profit	331.2 %	150.0 %	-1.8 %	-27.0 %	-114.8 %	153.7 %	67.1 %
Interest Received / Avg. Cash	0.6 %	0.7 %	2.4 %	0.6 %	1.2 %	0.0 %	0.0 %
Interest Paid / Avg. Debt	2.2 %	2.7 %	3.1 %	3.8 %	3.6 %	2.9 %	2.6 %
Management of Funds							
Investment ratio	14.8 %	4.5 %	4.8 %	3.7 %	3.5 %	4.2 %	5.2 %
Maint. Capex / Sales	2.2 %	2.2 %	2.8 %	3.0 %	3.2 %	2.9 %	2.7 %
Capex / Dep	126.5 %	83.8 %	51.8 %	27.1 %	59.3 %	72.1 %	88.3 %
Avg. Working Capital / Sales	40.2 %	44.9 %	44.4 %	39.7 %	39.1 %	36.2 %	34.8 %
Trade Debtors / Trade Creditors	180.9 %	191.0 %	206.6 %	234.4 %	248.3 %	245.5 %	245.2 %
Inventory Turnover	1.0 x	1.2 x	1.5 x	1.3 x	1.2 x	1.3 x	1.3 x
Receivables collection period (days)	54	62	54	55	58	58	58
Payables payment period (days)	70	69	54	59	62	63	65
Cash conversion cycle (Days)	309	284	238	261	278	262	261

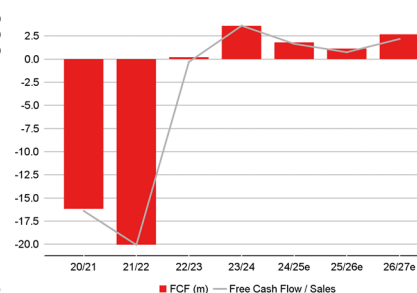
CAPEX and Cash Flow

in EUR m



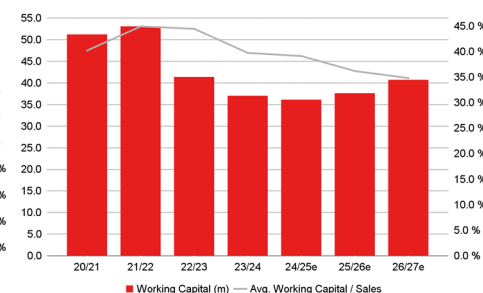
Source: Warburg Research

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	142	71
Hold	50	25
Sell	5	2
Rating suspended	4	2
Total	201	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	38	75
Hold	10	20
Sell	1	2
Rating suspended	2	4
Total	51	100

PRICE AND RATING HISTORY DR. HÖNLE AS OF 11.08.2025



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.

EQUITIES

Matthias Rode +49 40 3282-2678
Head of Equities mrode@mmwarburg.com

RESEARCH

Henner Rüschemeyer +49 40 309537-270
Head of Research hrueschmeier@warburg-research.com

Stefan Augustin +49 40 309537-168
Cap. Goods, Engineering saugustin@warburg-research.com

Christian Cohrs +49 40 309537-175
Industrials & Transportation ccohrs@warburg-research.com

Dr. Christian Ehmann +49 40 309537-167
BioTech, Life Science cehmann@warburg-research.com

Felix Ellmann +49 40 309537-120
Software, IT fellmann@warburg-research.com

Jörg Philipp Frey +49 40 309537-258
Retail, Consumer Goods jfrey@warburg-research.com

Marius Fuhrberg +49 40 309537-185
Financial Services mfuhrberg@warburg-research.com

Fabio Hölscher +49 40 309537-240
Automobiles, Car Suppliers fhoelscher@warburg-research.com

Philipp Kaiser +49 40 309537-260
Real Estate, Construction pkaiser@warburg-research.com

Thilo Kleibauer +49 40 309537-257
Retail, Consumer Goods tkleibauer@warburg-research.com

Hannes Müller +49 40 309537-255
Software, IT hmueller@warburg-research.com

Andreas Pläsier +49 40 309537-246
Banks, Financial Services aplaesier@warburg-research.com

Malte Schaumann +49 40 309537-170
Technology mschaumann@warburg-research.com

Oliver Schwarz +49 40 309537-250
Chemicals, Agriculture oschwarz@warburg-research.com

Simon Stippig +49 40 309537-265
Real Estate, Telco sstippig@warburg-research.com

Marc-René Tonn +49 40 309537-259
Automobiles, Car Suppliers mtonn@warburg-research.com

Robert-Jan van der Horst +49 40 309537-290
Technology rvanderhorst@warburg-research.com

Andreas Wolf +49 40 309537-140
Software, IT awolf@warburg-research.com

INSTITUTIONAL EQUITY SALES

Klaus Schilling +49 69 5050-7400
Head of Equity Sales, Germany kschilling@mmwarburg.com

Tim Beckmann +49 40 3282-2665
United Kingdom tbeckmann@mmwarburg.com

Jens Buchmüller +49 69 5050-7415
Scandinavia, Austria jbuchmueller@mmwarburg.com

Matthias Fritsch +49 40 3282-2696
United Kingdom, Ireland mfritsch@mmwarburg.com

Roman Alexander Niklas +49 69 5050-7412
Switzerland, Poland, Italy rniklas@mmwarburg.com

Sascha Propp +49 40 3282-2656
France spropp@mmwarburg.com

Leyan Ilkbahar +49 40 3282-2695
Roadshow/Marketing lilkbahar@mmwarburg.com

Antonia Möller +49 69 5050-7417
Roadshow/Marketing amoeller@mmwarburg.com

Juliane Niemann +49 40 3282-2694
Roadshow/Marketing jniemann@mmwarburg.com

SALES TRADING

Oliver Merckel +49 40 3282-2634
Head of Sales Trading omerckel@mmwarburg.com

Bastian Quast +49 40 3282-2701
Sales Trading bqast@mmwarburg.com

Christian Salomon +49 40 3282-2685
Sales Trading csalomon@mmwarburg.com

DESIGNATED SPONSORING

Sebastian Schulz +49 40 3282-2631
Designated Sponsoring sschulz@mmwarburg.com

Jörg Treptow +49 40 3282-2658
Designated Sponsoring jtreptow@mmwarburg.com

MACRO RESEARCH

Carsten Klude +49 40 3282-2572
Macro Research cklude@mmwarburg.com

Dr. Christian Jasperneite +49 40 3282-2439
Investment Strategy cjasperneite@mmwarburg.com

Our research can be found under:

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Capital IQ www.capitaliq.com

For access please contact:

Andrea Schaper +49 40 3282-2632
Sales Assistance aschaper@mmwarburg.com

Kerstin Muthig +49 40 3282-2703
Sales Assistance kmuthig@mmwarburg.com