

Buy EUR 27.00 (EUR 29.00) Price EUR 19.50 Upside 38.5 %	Value Indicators: EUR DCF: 27.00 FCF-Value Potential 25e: 20.00	Warburg ESG Risk Score: 1.4 ESG Score (MSCI based): 3.0 Balance Sheet Score: 0.8 Market Liquidity Score: 0.5	Description: Leading supplier of specialty adhesives, UV/ IR radiation systems and UV specialty lamps
	Market Snapshot: EUR m Market cap: 118.2 No. of shares (m): 6.1 EV: 161.7 Freefloat MC: 87.9 Ø Trad. Vol. (30d): 95.42 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): 2023/24e Beta: 1.3 Price / Book: 1.2 x Equity Ratio: 58 % Net Fin. Debt / EBITDA: 5.8 x Net Debt / EBITDA: 6.3 x

New management should achieve turnaround in operating development in next FY

Stated Figures Q2/2023/24:										Comment on Figures:	
FY End: 30.9. in EUR m	Q2 23/24	Q2 23/24e	Q2 22/23	yoy	6M 23/24	6M 23/24e	6M 22/23	yoy			
Sales	24.3	24.9	25.9	-6 %	48.1	48.6	53.5	-10 %			
EBIT	0.7	0.1	1.4	-52 %	-0.1	-0.6	3.7	n.a.			
Margin	2.7 %	0.6 %	5.4 %		-0.2 %	-1.3 %	7.0 %				

- Q2 sales remained at a low level of around EUR 24m
- Despite the low top line, EBIT development was better than expected thanks to a slightly higher gross margin coupled with better opex (incl. higher other operating income)

Hönle released its final Q2 report, after a profit warning a week earlier.

As indicated, Q2 revenues remained at a relatively low level of 24.3m, down -6% yoy. This was solely due to weakness in the Equipment business, where revenues declined by -11% reflecting weaker demand from printing customers. Despite the low sales level, the EBIT reached a favourable level of EUR 0.7m, ahead of the estimates and improving from EUR -0.8m in Q1. The strong qoq improvement resulted from a better gross margin and higher other operating income.

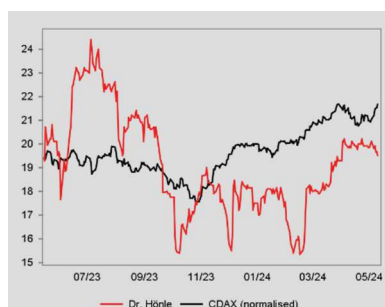
Revenues are expected to increase to just above EUR 52m in H2, up 8% over H1. All segments should contribute to the sequential improvement, as Hönle is already registering an improving environment. At annual revenues of EUR 100m, the EBIT is expected to remain slightly positive.

Despite the unfavourable near-term development, the re-positioning initiated by the new management should provide clear growth opportunities that should facilitate a stronger recovery in the years ahead. In the next FY, Hönle should benefit from a recovery from currently low demand levels in the equipment business and the expectation of proportionately higher growth in Adhesives driven by photovoltaic and EV-related applications, where projects have been postponed. In the medium term, growth should be driven by the more focused positioning as a solutions provider, better exploitation of opportunities in the strongly growing market for specialty adhesives and by proportionately higher sales contributions from markets abroad. In 2023, a mere 8% were generated with American customers and 17% of sales with Asian customers. The former management was not focused on strengthening the business activity in these markets but this is expected to be one of the top priorities of the incoming CEO Markus Arendt, who took office in early May and has a strong international background.

The PT is being reduced to EUR 27 (from EUR 29) which reflects the lower estimates. As outlined above, Hönle should return to better operating development from the next fiscal year onwards

Changes in Estimates:					Comment on Changes:	
FY End: 30.9. in EUR m	2023/24e (old)	+ / -	2024/25e (old)	+ / -		
Sales	109.3	-8.3 %	121.0	-6.6 %		
EBIT	6.0	-85.2 %	12.1	-34.9 %		

- Lower estimates reflect currently weaker demand
- There should be some upside to FY 2025 forecasts especially in the Adhesive segment
- Improving sales is the most important driver of a return to higher margins

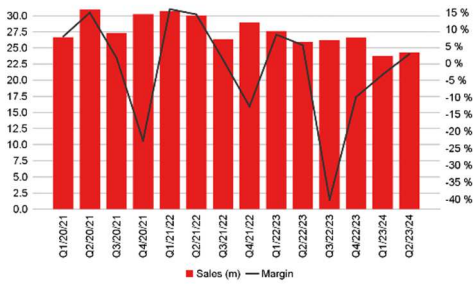


Rel. Performance vs CDAX:	
1 month:	-5.9 %
6 months:	-11.0 %
Year to date:	3.1 %
Trailing 12 months:	n/a

Company events:	
07.08.24	Q3
06.12.24	Prel. FY 2023/24

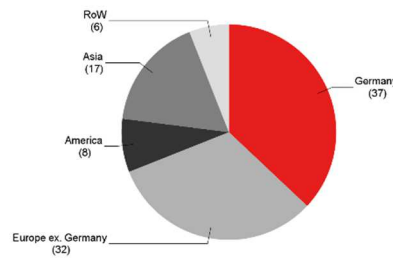
FY End: 30.9. in EUR m	CAGR (22/23-24/25e)	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24e	2024/25e
Sales	3.1 %	107.7	93.9	115.2	116.1	106.3	100.2	113.0
Change Sales yoy		-14.8 %	-12.9 %	22.7 %	0.8 %	-8.4 %	-5.7 %	12.7 %
Gross profit margin		67.6 %	64.5 %	60.2 %	54.6 %	50.2 %	61.1 %	62.3 %
EBITDA	498.6 %	20.3	14.7	13.8	12.1	0.4	7.0	14.3
EBIT		17.0	8.1	0.3	5.8	-9.4	0.9	7.9
EBIT adj.		17.0	8.1	7.8	11.7	7.1	0.9	7.9
Margin		15.8 %	8.6 %	6.8 %	10.1 %	6.6 %	0.9 %	7.0 %
Net income		12.5	5.8	-4.9	-13.4	-11.1	-0.8	4.5
EPS		2.27	1.01	-0.81	-2.20	-1.84	-0.13	0.75
EPS adj.	-7.7 %	2.27	1.01	0.45	-1.23	0.88	-0.13	0.75
DPS		0.80	0.50	0.20	0.00	0.00	0.15	0.30
Dividend Yield		1.5 %	1.1 %	0.4 %	n.a.	n.a.	0.8 %	1.5 %
FCFPS		-0.44	-4.00	-2.67	-3.31	0.03	1.19	0.28
FCF / Market cap		-0.8 %	-9.0 %	-5.3 %	-10.9 %	0.2 %	6.1 %	1.4 %
EV / Sales		n.a.	2.9 x	3.1 x	2.1 x	1.6 x	1.6 x	1.4 x
EV / EBITDA		n.a.	18.6 x	25.6 x	19.8 x	426.3 x	23.2 x	11.3 x
EV / EBIT		n.a.	33.7 x	n.a.	41.1 x	n.a.	181.6 x	20.4 x
P / E		23.8 x	43.8 x	n.a.	n.a.	n.a.	n.a.	26.0 x
P / E adj.		23.8 x	43.8 x	111.1 x	n.a.	22.3 x	n.a.	26.0 x
FCF Potential Yield		n.a.	3.6 %	1.9 %	-0.2 %	-2.3 %	2.6 %	5.8 %
Net Debt		9.8	20.9	50.1	56.3	50.7	43.5	42.7
ROCE (NOPAT)		13.3 %	4.9 %	1.4 %	2.3 %	n.a.	0.4 %	4.0 %
Guidance:		2024: Sales EUR 100m; EBIT positive						

Sales development
in EUR m



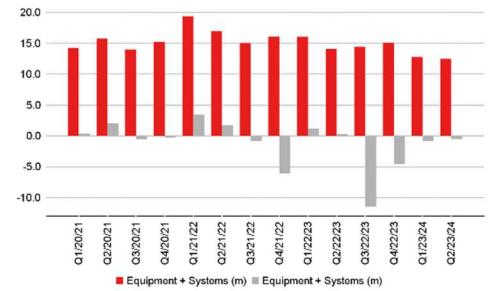
Source: Warburg Research

Sales by regions
2023; in %



Source: Warburg Research

Development Equipment + Systems
Sales and EBIT in EUR m



Source: Warburg Research

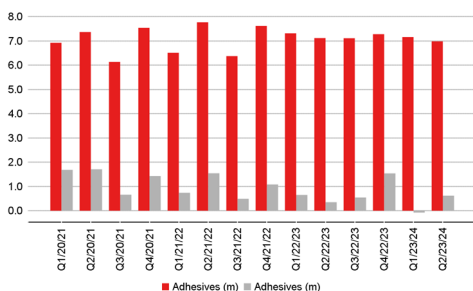
Company Background

- 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

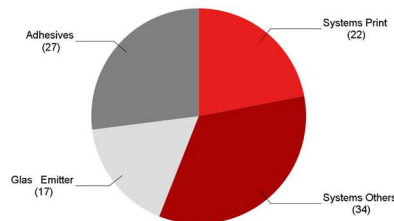
- The competitive structure is characterised by a high number of smaller mainly regionally-active suppliers and just a handful of larger companies.
- Competitors of a comparable size normally serve only part of the market segments, resulting in a comparatively moderate competitive intensity within the 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



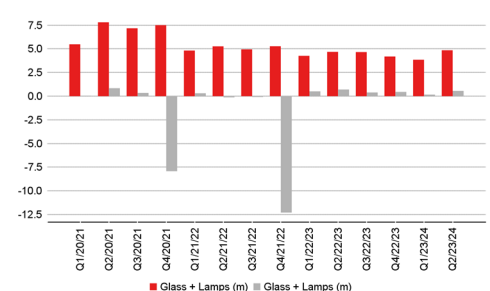
Source: Warburg Research

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
	23/24e	24/25e	25/26e	26/27e	27/28e	28/29e	29/30e	30/31e	31/32e	32/33e	33/34e	34/35e	35/36e	
Sales	100.2	113.0	124.3	134.2	143.6	152.2	159.9	167.9	176.2	183.3	190.6	198.3	201.7	1.8 %
Sales change	-5.7 %	12.7 %	10.0 %	8.0 %	7.0 %	6.0 %	5.0 %	5.0 %	5.0 %	4.0 %	4.0 %	4.0 %	1.8 %	
EBIT	0.9	7.9	12.4	15.4	18.7	19.8	20.8	21.8	22.9	23.8	24.8	25.8	26.2	13.0 %
EBIT-margin	0.9 %	7.0 %	10.0 %	11.5 %	13.0 %	13.0 %	13.0 %	13.0 %	13.0 %	13.0 %	13.0 %	13.0 %	13.0 %	
Tax rate (EBT)	29.0 %	29.0 %	29.0 %	29.5 %	29.5 %	29.5 %	29.5 %	29.5 %	29.5 %	29.5 %	29.5 %	29.5 %	29.5 %	
NOPAT	0.6	5.6	8.8	10.9	13.2	14.0	14.7	15.4	16.2	16.8	17.5	18.2	18.5	
Depreciation	6.1	6.4	6.6	8.1	8.3	6.5	6.9	7.0	7.2	7.3	7.2	7.2	7.1	
in % of Sales	6.1 %	5.6 %	5.3 %	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	-5.7	4.9	4.2	0.9	1.8	1.3	2.4	2.6	2.7	2.3	2.3	2.4	1.1	
- Capex	5.3	5.8	5.8	5.5	5.6	5.8	5.8	6.0	6.3	6.6	6.9	8.7	8.2	
Capex in % of Sales	5.3 %	5.1 %	4.7 %	4.1 %	3.9 %	3.8 %	3.6 %	3.6 %	3.6 %	3.6 %	3.6 %	4.4 %	4.1 %	
- Other	0.0	-1.0	-1.0	-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)	7.1	2.3	6.4	13.6	14.1	13.4	13.3	13.8	14.3	15.3	15.5	14.2	16.2	17
PV of FCF	7.3	2.2	5.6	11.1	10.6	9.4	8.7	8.3	8.0	7.9	7.4	6.3	6.7	114
share of PVs	7.04 %			39.43 %										53.53 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	27.00 %	Financial Strength	1.20
Cost of debt (after tax)	2.6 %	Liquidity (share)	1.35
Market return	8.25 %	Cyclicality	1.35
Risk free rate	2.75 %	Transparency	1.30
		Others	1.30
WACC	7.94 %	Beta	1.30

Valuation (m)

Present values 2035/36e	99		
Terminal Value	114		
Financial liabilities	57		
Pension liabilities	3		
Hybrid capital	0		
Minority interest	1		
Market val. of investments	1		
Liquidity	9	No. of shares (m)	6.1
Equity Value	163	Value per share (EUR)	26.97

Sensitivity Value per Share (EUR)

Beta	WACC	Terminal Growth							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
1.55	8.9 %	20.47	20.90	21.35	21.85	22.37	22.94	23.55	17.84	19.18	20.51	21.85	23.18	24.52	25.85
1.42	8.4 %	22.54	23.06	23.62	24.21	24.86	25.55	26.30	19.91	21.34	22.78	24.21	25.65	27.08	28.52
1.36	8.2 %	23.69	24.26	24.88	25.54	26.25	27.03	27.87	21.07	22.56	24.05	25.54	27.03	28.52	30.01
1.30	7.9 %	24.93	25.56	26.24	26.97	27.77	28.63	29.58	22.32	23.87	25.42	26.97	28.52	30.07	31.62
1.24	7.7 %	26.26	26.95	27.71	28.53	29.41	30.38	31.45	23.68	25.29	26.91	28.53	30.14	31.76	33.37
1.18	7.4 %	27.69	28.47	29.31	30.22	31.22	32.31	33.51	25.16	26.84	28.53	30.22	31.91	33.59	35.28
1.05	6.9 %	30.93	31.90	32.95	34.10	35.38	36.78	38.35	28.55	30.40	32.25	34.10	35.96	37.81	39.66

- 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	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24e	2024/25e	
Net Income before minorities	n.a.	5.7	-4.9	-13.2	-10.9	-0.6	4.7	
+ Depreciation + Amortisation	n.a.	6.6	13.5	6.3	9.8	6.1	6.4	
- Net Interest Income	n.a.	-0.2	-1.0	-1.4	-1.6	-1.7	-1.2	
- Maintenance Capex	n.a.	2.1	2.5	2.6	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.	10.0	6.6	-0.6	-3.8	4.2	9.3	
FCF Potential Yield (on market EV)	n/a	3.6 %	1.9 %	-0.2 %	-2.3 %	2.6 %	5.8 %	
WACC	7.94 %	7.94 %	7.94 %	7.94 %	7.94 %	7.94 %	7.94 %	
= Enterprise Value (EV)	n.a.	273.1	353.1	239.9	169.7	161.7	160.9	
= Fair Enterprise Value	n.a.	125.6	83.7	n.a.	n.a.	52.8	117.5	
- Net Debt (Cash)	n.a.	47.5	47.5	47.5	47.5	40.3	39.5	
- Pension Liabilities	n.a.	3.2	3.2	3.2	3.2	3.2	3.2	
- 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.	74.9	33.0	n.a.	n.a.	9.3	74.8	
Number of shares, average	5.5	5.7	6.1	6.1	6.1	6.1	6.1	
= Fair value per share (EUR)	n.a.	13.15	5.44	n.a.	n.a.	1.54	12.34	
premium (-) / discount (+) in %						-92.1 %	-36.7 %	
Sensitivity Fair value per Share (EUR)								
	10.94 %	n.a.	6.67	1.65	n.a.	n.a.	n.a.	7.02
	9.94 %	n.a.	8.18	2.66	n.a.	n.a.	n.a.	8.44
	8.94 %	n.a.	10.03	3.89	n.a.	n.a.	0.56	10.17
WACC	7.94 %	n.a.	13.15	5.44	n.a.	n.a.	1.54	12.34
	6.94 %	n.a.	15.34	7.43	n.a.	n.a.	2.79	15.14
	5.94 %	n.a.	19.33	10.09	n.a.	n.a.	4.47	18.87
	4.94 %	n.a.	24.95	13.83	n.a.	n.a.	6.83	24.12

▪ Rising value indication triggered by margin expansion

Valuation	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24e	2024/25e
Price / Book	3.3 x	2.2 x	2.7 x	1.7 x	1.2 x	1.2 x	1.2 x
Book value per share ex intangibles	12.47	15.72	14.30	13.80	12.56	12.47	13.12
EV / Sales	n.a.	2.9 x	3.1 x	2.1 x	1.6 x	1.6 x	1.4 x
EV / EBITDA	n.a.	18.6 x	25.6 x	19.8 x	426.3 x	23.2 x	11.3 x
EV / EBIT	n.a.	33.7 x	n.a.	41.1 x	n.a.	181.6 x	20.4 x
EV / EBIT adj.*	n.a.	33.7 x	45.2 x	20.4 x	24.0 x	181.6 x	20.4 x
P / FCF	n.a.	n.a.	n.a.	n.a.	580.3 x	16.4 x	69.1 x
P / E	23.8 x	43.8 x	n.a.	n.a.	n.a.	n.a.	26.0 x
P / E adj.*	23.8 x	43.8 x	111.1 x	n.a.	22.3 x	n.a.	26.0 x
Dividend Yield	1.5 %	1.1 %	0.4 %	n.a.	n.a.	0.8 %	1.5 %
FCF Potential Yield (on market EV)	n.a.	3.6 %	1.9 %	-0.2 %	-2.3 %	2.6 %	5.8 %

*Adjustments made for: -

Company Specific Items	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24e	2024/25e
Adj. FCFPS	1.73	-0.66	-0.19	-0.83	2.51	3.66	2.76

Consolidated profit & loss

In EUR m	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24e	2024/25e
Sales	107.7	93.9	115.2	116.1	106.3	100.2	113.0
Change Sales yoy	-14.8 %	-12.9 %	22.7 %	0.8 %	-8.4 %	-5.7 %	12.7 %
Increase / decrease in inventory	1.9	-0.6	3.1	1.7	-1.9	0.3	0.0
Own work capitalised	0.1	0.0	0.0	0.4	0.1	0.1	0.1
Total Sales	109.7	93.3	118.3	118.2	104.5	100.6	113.1
Material expenses	36.9	32.7	48.9	54.8	51.1	39.4	42.7
Gross profit	72.8	60.5	69.3	63.4	53.3	61.2	70.3
<i>Gross profit margin</i>	<i>67.6 %</i>	<i>64.5 %</i>	<i>60.2 %</i>	<i>54.6 %</i>	<i>50.2 %</i>	<i>61.1 %</i>	<i>62.3 %</i>
Personnel expenses	35.8	33.2	39.7	39.7	39.5	40.6	41.8
Other operating income	1.5	1.2	1.6	3.6	3.3	2.1	2.0
Other operating expenses	18.2	13.8	17.5	15.2	16.7	15.7	16.3
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	20.3	14.7	13.8	12.1	0.4	7.0	14.3
<i>Margin</i>	<i>18.9 %</i>	<i>15.7 %</i>	<i>12.0 %</i>	<i>10.4 %</i>	<i>0.4 %</i>	<i>6.9 %</i>	<i>12.6 %</i>
Depreciation of fixed assets	2.8	6.0	9.0	5.6	5.4	5.5	5.8
EBITA	17.6	8.7	4.8	6.6	-5.0	1.5	8.5
Amortisation of intangible assets	0.5	0.6	1.1	0.7	1.8	0.6	0.6
Goodwill amortisation	0.0	0.0	3.4	0.0	2.6	0.0	0.0
EBIT	17.0	8.1	0.3	5.8	-9.4	0.9	7.9
<i>Margin</i>	<i>15.8 %</i>	<i>8.6 %</i>	<i>0.3 %</i>	<i>5.0 %</i>	<i>-8.9 %</i>	<i>0.9 %</i>	<i>7.0 %</i>
EBIT adj.	17.0	8.1	7.8	11.7	7.1	0.9	7.9
Interest income	0.0	0.2	0.1	0.1	0.2	0.0	0.0
Interest expenses	0.2	0.5	1.1	1.5	1.8	1.7	1.2
Other financial income (loss)	0.0	0.1	0.0	0.0	0.1	0.0	0.0
EBT	16.9	7.9	-0.7	4.4	-11.0	-0.8	6.7
<i>Margin</i>	<i>15.7 %</i>	<i>8.5 %</i>	<i>-0.6 %</i>	<i>3.8 %</i>	<i>-10.3 %</i>	<i>-0.8 %</i>	<i>5.9 %</i>
Total taxes	4.5	2.2	4.3	1.6	0.3	-0.2	1.9
Net income from continuing operations	12.4	5.7	-4.9	2.8	-11.3	-0.6	4.7
Income from discontinued operations (net of tax)	0.0	0.0	0.0	-16.0	0.3	0.0	0.0
Net income before minorities	12.4	5.7	-4.9	-13.2	-10.9	-0.6	4.7
Minority interest	-0.1	-0.1	0.0	0.2	0.2	0.2	0.2
Net income	12.5	5.8	-4.9	-13.4	-11.1	-0.8	4.5
<i>Margin</i>	<i>11.6 %</i>	<i>6.2 %</i>	<i>-4.2 %</i>	<i>-11.5 %</i>	<i>-10.5 %</i>	<i>-0.8 %</i>	<i>4.0 %</i>
Number of shares, average	5.5	5.7	6.1	6.1	6.1	6.1	6.1
EPS	2.27	1.01	-0.81	-2.20	-1.84	-0.13	0.75
EPS diluted	2.27	0.95	-0.81	-2.20	-1.84	-0.13	0.75

*Adjustments made for:

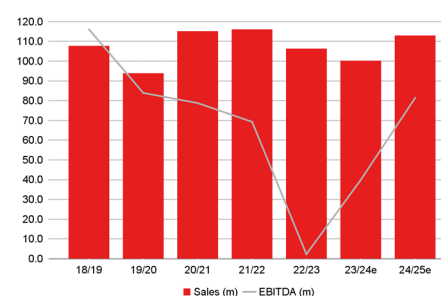
Guidance: 2024: Sales EUR 100m; EBIT positive

Financial Ratios

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24e	2024/25e
Total Operating Costs / Sales	82.9 %	83.7 %	90.7 %	91.4 %	97.9 %	93.4 %	87.4 %
Operating Leverage	3.0 x	4.1 x	-4.3 x	2395.4 x	n.a.	n.a.	61.9 x
EBITDA / Interest expenses	125.6 x	32.2 x	12.3 x	8.0 x	0.2 x	4.1 x	11.7 x
Tax rate (EBT)	26.5 %	28.2 %	-635.7 %	35.9 %	-2.5 %	29.0 %	29.0 %
Dividend Payout Ratio	35.5 %	49.9 %	n.m.	0.0 %	0.0 %	n.m.	38.3 %
Sales per Employee	173,785	160,472	175,297	176,971	181,471	171,352	182,244

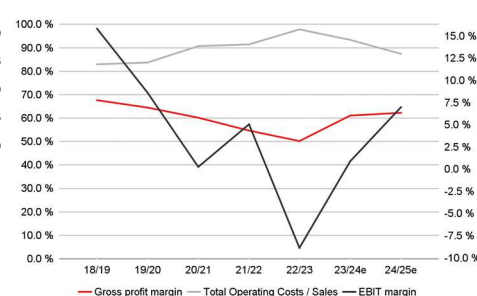
Sales, EBITDA

in EUR m

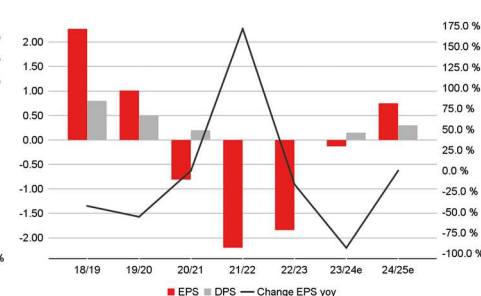


Operating Performance

in %



Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

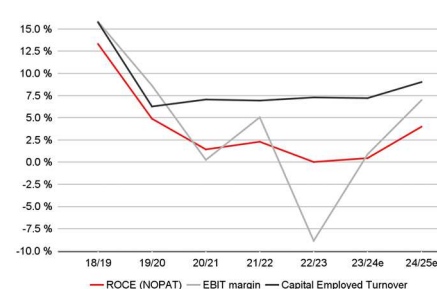
Consolidated balance sheet

In EUR m	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24e	2024/25e
Assets							
Goodwill and other intangible assets	21.2	21.0	24.0	23.3	19.7	19.4	19.2
thereof other intangible assets	2.4	2.2	2.9	2.1	1.3	1.0	0.8
thereof Goodwill	18.8	18.8	21.1	21.1	18.4	18.4	18.4
Property, plant and equipment	42.2	76.8	87.8	79.6	75.1	74.6	74.3
Financial assets	1.2	1.1	1.1	1.1	1.0	1.0	1.0
Other long-term assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fixed assets	64.6	99.0	112.9	103.9	95.8	95.1	94.5
Inventories	35.9	35.2	46.7	46.4	35.0	28.6	32.3
Accounts receivable	17.0	14.3	17.1	19.7	15.6	15.9	18.0
Liquid assets	14.6	34.2	12.1	7.1	9.3	7.3	3.1
Other short-term assets	12.1	13.6	14.1	18.4	20.3	18.8	17.3
Current assets	79.5	97.2	90.0	91.6	80.3	70.6	70.7
Total Assets	144.1	196.2	202.9	195.5	176.2	165.7	165.3
Liabilities and shareholders' equity							
Subscribed capital	5.5	6.1	6.1	6.1	6.1	6.1	6.1
Capital reserve	16.6	42.0	42.0	42.0	42.0	42.0	42.0
Retained earnings	67.9	68.3	62.7	58.8	47.8	47.0	50.6
Other equity components	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Shareholders' equity	90.0	116.3	110.7	106.9	95.8	95.0	98.7
Minority interest	0.1	0.3	0.4	0.4	0.3	0.3	0.3
Total equity	90.1	116.7	111.1	107.2	96.1	95.4	99.0
Provisions	8.8	9.5	9.3	4.7	3.6	3.6	3.6
thereof provisions for pensions and similar obligations	8.3	8.8	8.6	4.0	3.2	3.2	3.2
Financial liabilities (total)	16.2	46.3	53.5	59.4	56.8	47.6	42.6
Short-term financial liabilities	1.7	3.5	3.9	26.4	12.4	0.0	0.0
Accounts payable	7.9	6.5	9.4	10.3	7.6	7.1	8.0
Other liabilities	21.2	17.3	19.5	13.8	12.1	12.1	12.1
Liabilities	54.0	79.5	91.8	88.2	80.0	70.4	66.3
Total liabilities and shareholders' equity	144.1	196.2	202.9	195.5	176.2	165.7	165.3

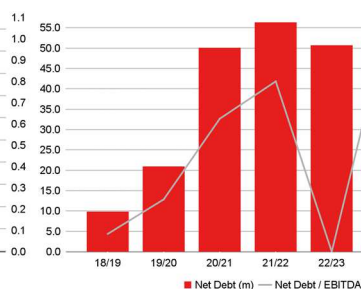
Financial Ratios

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24e	2024/25e
Efficiency of Capital Employment							
Operating Assets Turnover	1.3 x	0.8 x	0.8 x	0.9 x	0.9 x	0.9 x	1.0 x
Capital Employed Turnover	1.1 x	0.7 x	0.7 x	0.7 x	0.7 x	0.7 x	0.8 x
ROA	19.3 %	5.8 %	-4.3 %	-12.9 %	-11.6 %	-0.8 %	4.8 %
Return on Capital							
ROCE (NOPAT)	13.3 %	4.9 %	1.4 %	2.3 %	n.a.	0.4 %	4.0 %
ROE	14.1 %	5.6 %	-4.3 %	-12.3 %	-11.0 %	-0.8 %	4.7 %
Adj. ROE	14.1 %	5.6 %	2.4 %	-6.9 %	5.3 %	-0.8 %	4.7 %
Balance sheet quality							
Net Debt	9.8	20.9	50.1	56.3	50.7	43.5	42.7
Net Financial Debt	1.6	12.1	41.5	52.3	47.5	40.3	39.5
Net Gearing	10.9 %	17.9 %	45.1 %	52.5 %	52.7 %	45.6 %	43.1 %
Net Fin. Debt / EBITDA	7.8 %	82.4 %	300.7 %	431.5 %	n.a.	579.2 %	276.9 %
Book Value / Share	16.3	19.2	18.3	17.6	15.8	15.7	16.3
Book value per share ex intangibles	12.5	15.7	14.3	13.8	12.6	12.5	13.1

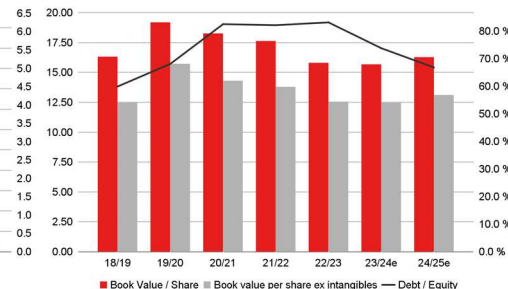
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

Consolidated cash flow statement

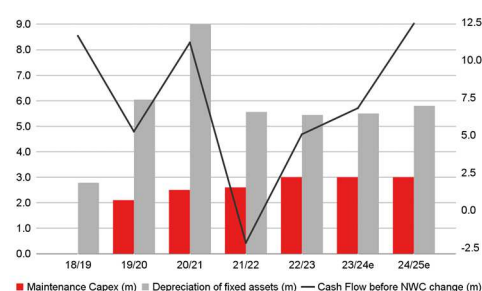
In EUR m	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24e	2024/25e
Net income	12.5	5.8	-4.9	-13.4	-11.1	-0.8	4.5
Depreciation of fixed assets	2.8	6.0	9.0	5.6	5.4	5.5	5.8
Amortisation of goodwill	0.0	0.0	3.4	0.0	2.6	0.0	0.0
Amortisation of intangible assets	0.5	0.6	1.1	0.7	1.8	0.6	0.6
Increase/decrease in long-term provisions	0.0	0.3	0.4	-0.2	-0.8	0.0	0.0
Other non-cash income and expenses	-4.2	-7.5	2.1	5.1	7.2	1.5	1.5
Cash Flow before NWC change	11.6	5.2	11.2	-2.2	5.1	6.8	12.4
Increase / decrease in inventory	-2.4	0.6	-12.5	-11.6	-1.8	6.4	-3.7
Increase / decrease in accounts receivable	6.5	2.7	-1.3	-2.7	0.7	-0.3	-2.1
Increase / decrease in accounts payable	1.1	-1.2	3.6	0.8	-0.9	-0.5	0.9
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)	5.2	2.2	-10.2	-13.5	-1.9	5.7	-4.9
Net cash provided by operating activities [1]	16.8	7.4	0.9	-15.7	3.1	12.5	7.5
Investments in intangible assets	-0.2	-0.3	-0.2	-0.1	-1.0	-0.3	-0.3
Investments in property, plant and equipment	-19.1	-35.1	-16.9	-5.2	-4.1	-5.0	-5.5
Payments for acquisitions	0.0	-0.2	-7.7	0.0	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	0.1	0.0	0.2	2.7	5.5	0.0	0.0
Net cash provided by investing activities [2]	-19.2	-30.4	-24.6	-1.7	2.6	-5.3	-5.8
Change in financial liabilities	9.1	21.9	4.3	4.9	-3.3	-9.2	-5.0
Dividends paid	-4.4	-4.4	-3.0	-1.2	-0.1	0.0	-0.9
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	25.7	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.1	0.0	0.0	0.0	0.0	0.0
Net cash provided by financing activities [3]	4.7	43.3	1.2	3.7	-3.4	-9.2	-5.9
Change in liquid funds [1]+[2]+[3]	2.4	20.3	-22.5	-13.6	2.3	-2.0	-4.2
Effects of exchange-rate changes on cash	0.1	-0.1	0.0	0.4	-0.2	0.0	0.0
Cash and cash equivalent at end of period	14.5	34.7	11.7	-1.1	9.2	7.3	3.1

Financial Ratios

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24e	2024/25e
Cash Flow							
FCF	-2.4	-22.8	-16.2	-20.0	0.2	7.2	1.7
Free Cash Flow / Sales	-2.3 %	-24.2 %	-14.0 %	-17.3 %	0.2 %	7.2 %	1.5 %
Free Cash Flow Potential	n.a.	10.0	6.6	-0.6	-3.8	4.2	9.3
Free Cash Flow / Net Profit	-19.6 %	-393.9 %	331.2 %	150.0 %	-1.8 %	-928.8 %	37.6 %
Interest Received / Avg. Cash	0.1 %	0.8 %	0.6 %	0.7 %	2.4 %	0.0 %	0.0 %
Interest Paid / Avg. Debt	1.4 %	1.5 %	2.2 %	2.7 %	3.1 %	3.3 %	2.7 %
Management of Funds							
Investment ratio	17.9 %	37.7 %	14.8 %	4.5 %	4.8 %	5.3 %	5.1 %
Maint. Capex / Sales	n.a.	2.2 %	2.2 %	2.2 %	2.8 %	3.0 %	2.7 %
Capex / Dep	581.5 %	535.7 %	126.5 %	83.8 %	51.8 %	87.4 %	91.1 %
Avg. Working Capital / Sales	42.6 %	45.3 %	40.2 %	44.9 %	44.4 %	38.4 %	33.8 %
Trade Debtors / Trade Creditors	215.9 %	219.7 %	180.9 %	191.0 %	206.6 %	223.9 %	225.0 %
Inventory Turnover	1.0 x	0.9 x	1.0 x	1.2 x	1.5 x	1.4 x	1.3 x
Receivables collection period (days)	58	55	54	62	54	58	58
Payables payment period (days)	78	72	70	69	54	66	68
Cash conversion cycle (Days)	321	358	309	284	238	241	251

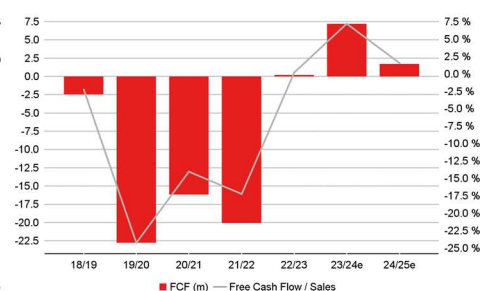
CAPEX and Cash Flow

in EUR m



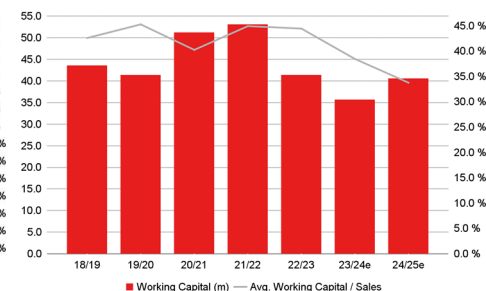
Source: Warburg Research

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	71
Hold	46	22
Sell	8	4
Rating suspended	7	3
Total	207	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	46	81
Hold	8	14
Sell	0	0
Rating suspended	3	5
Total	57	100

PRICE AND RATING HISTORY DR. HÖNLE AS OF 13.05.2024



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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