

Buy (old: Buy)

ESG Rating: n/a

13-August-24

Price target: EUR 19.00 (old: EUR 23.40)

Tim Wunderlich, CFA
Analyst

Price: EUR 16.95 Next result: Q4'24: 06.12.24
Bloomberg: HNL GR Market cap: EUR 102.8 m
Reuters: HNLG.DE Enterprise Value: EUR 149.3 m

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Soft Q3, guidance looks ambitious; chg.

- See page two for an overview of fiscal Q3 results -

Fiscal Q3 sales declined by -9% yoy to € 24m, on the back of continued low demand from the printing industry, which accounts for an estimated 25-30% of group sales. In particular, customers were hesitant to place orders prior to Drupa in late May / early June, as the printing fair is an important guidepost for industry sentiment and demand.

As a result, Equipment & Systems revenues dropped by -13% yoy to € 13m, **though segment sales stabilised sequentially**, and we expect positive tailwind from Drupa to drive slight sequential revenue growth in Q4. Note that printing customer König & Bauer reported strong Q2 order intake of close to € 400m (+58% yoy / +64% qoq). Accordingly, **segment sales should be bottoming out**.

Adhesives' sales grew by 2% yoy and 4% qoq to € 7m, carried by a project win in the field of organic solar cells. Revenues of Glass & Lamps fell by 11% yoy and 14% qoq to € 4m amidst weakening demand from ballast water applications.

Q3 EBIT arrived at break-even levels vs. c. € -11m last year. However, note that last year's quarter was burdened by approx. € 12m one-offs from inventory write-downs. The adj. EBIT in Q3'23 amounted to € 1.5m. Idle capacity and the reduced fixed cost coverage from lower revenues continue to put pressure on profitability. **The positive impact from the strategic growth and efficiency measures should only become visible in the course of the next fiscal year**, in our view.

Management confirmed the FY'24E guidance ("around € 100m sales / positive EBIT"), which looks ambitious especially on sales, in our view, given the weak demand backdrop and soft operating performance in 9M'24E (€ 72m sales / € -0.1m EBIT). Meanwhile, while Hoenle should generate positive FCF this fiscal year (9M'24E: € 1m), **the balance sheet remains a concern**, with net debt seen at € 43m in FY'24E, which is equal to almost 6x EBITDA.

Action: in light of soft current trading, we cut estimates once again by 7-8% on sales through FY'26E and much more significantly on EBIT to reflect the lack of traction in winning new high-volume / high-margin adhesives projects.

Hoenle remains a high-risk bet on a successful strategic turnaround, which should be needed – together with an end-market demand rebound – to return the company to sustainable profitability within the next two years. **Buy with a new PT of € 19.00** (old: € 23.40), based on DCF.

Y/E 30.9 (EUR m)	2019/20	2020/21	2021/22	2022/23	2023/24E	2024/25E	2025/26E
Sales	93.9	115.2	116.1	106.3	97.3	109.1	119.6
Sales growth	-13%	23%	1%	-8%	-9%	12%	10%
EBITDA	14.9	13.8	12.1	0.4	7.6	12.4	17.7
EBIT (inc revaluation net)	8.1	0.3	5.8	-9.4	-0.5	4.1	9.4
Net income	5.7	-4.8	-13.4	-11.0	-1.6	1.7	5.5
Net debt	12.1	41.5	52.3	47.5	43.3	44.6	42.0
Net gearing	10.4%	37.5%	48.9%	49.6%	46.0%	46.5%	41.4%
Net Debt/EBITDA	0.8	3.0	4.3	119.3	5.7	3.6	2.4
EPS pro forma	0.94	-0.80	0.44	-1.87	-0.26	0.28	0.90
CPS	0.00	0.00	0.00	0.00	1.18	0.37	1.07
Gross profit margin	64.9%	58.6%	53.6%	51.1%	60.6%	60.8%	61.4%
EBITDA margin	15.8%	12.0%	10.4%	0.4%	7.8%	11.4%	14.8%
EBIT margin	8.6%	0.3%	5.0%	-8.9%	-0.5%	3.8%	7.9%
ROCE	4.7%	0.2%	3.3%	-5.7%	-0.3%	2.6%	5.8%
EV/EBITDA	20.1	24.2	16.9	426.0	19.7	12.1	8.4
EV/EBIT	37.0	958.6	35.0	-18.0	-292.4	36.4	15.7
PER	49.1	-59.0	55.5	-10.5	-64.0	60.4	18.8
Adjusted FCF yield	2.0%	0.1%	3.7%	-1.8%	3.5%	5.9%	8.5%

Source: Company data, Hauck Aufhäuser Investment Banking Close price as of: 12.08.2024



Source: Company data, HAIB

High/low 52 weeks:	21.40 / 15.35
Price/Book Ratio:	1.1
Relative performance (SDAX):	
3 months	-4.9%
6 months	8.1%
12 months	-20.3%

Changes in estimates

		Sales	EBIT	EPS
2024	old:	104.8	4.6	0.33
	Δ	-7.2%	na	na
2025	old:	118.4	10.3	1.00
	Δ	-7.9%	-59.8%	-72.0%
2026	old:	129.1	14.8	1.53
	Δ	-7.4%	-36.5%	-41.3%

Key share data:

Number of shares: (in m pcs)	6.1
Authorised capital: (in € m)	-
Book value per share: (in €)	15.5
∅ trading volume: (12 months)	7,000

Major shareholders:

Free Float	74.4%
Peter Möhrle GmbH	25.6%
Teslin / Gerlin	4.5%
Hans-Joachim Vits	4.2%
Lazard	4.0%

Company description:

Leading supplier of adhesives for consumer electronics, as well as of equipment, systems and lamps for the printing industry

Company guidance 2024E:

Around € 100m sales / positive EBIT

EUR	Q3 2024	Q3 2023	yoy	Q2 2024	qoq	9M 2024	9M 2023	yoy
Sales	23.9	26.2	-8.7%	24.3	-1.5%	72.1	79.7	-9.6%
Equipment & Systems	12.5	14.4	-13.4%	12.5	0.2%	37.8	44.6	-15.3%
Adhesives	7.3	7.1	2.2%	7.0	4.1%	21.4	21.5	-0.6%
Glass & Lamps	4.2	4.7	-10.5%	4.9	-14.0%	12.9	13.6	-5.4%
EBIT	0.0	-10.5	n.a.	0.7	n.a.	-0.1	-6.8	n.a.
<i>EBIT margin</i>	0.0%	-40.1%	+ 40.1 pp	2.8%	- 2.8 pp	-0.1%	-8.6%	+ 8.4 pp
Equipment & Systems	-0.9	-11.5	n.a.	-0.5	n.a.	-2.3	-10.0	n.a.
Adhesives	0.6	0.5	17.0%	0.6	2.9%	1.2	1.5	-23.6%
Glass & Lamps	0.3	0.4	-35.3%	0.6	-54.0%	1.0	1.6	-39.0%
Net Profit	-0.3	-9.2	n.a.	0.2	n.a.	-1.0	-6.6	n.a.
<i>Net margin</i>	-1.1%	-35.2%	+ 34.1 pp	0.7%	- 1.9 pp	-1.4%	-8.3%	+ 6.9 pp
EPS	-0.04	-1.52	n.a.	0.03	n.a.	-0.16	-1.09	n.a.

Source: Company data, HAIB

Company in a Nutshell

Dr Hoenle is a specialist for UV lamps and systems that are used in the printing industry to dry / harden ink, for the disinfection of water and surfaces as well as for the simulation of sunlight in the automotive industry. It also offers **adhesives for specialised niche applications** in consumer electronics, automotive, medical, and other verticals.

Adhesives account for c. 30% of group sales, Equipment & Systems for c. 50% and Glass & Lamps for c. 20%.

Upcoming Catalysts

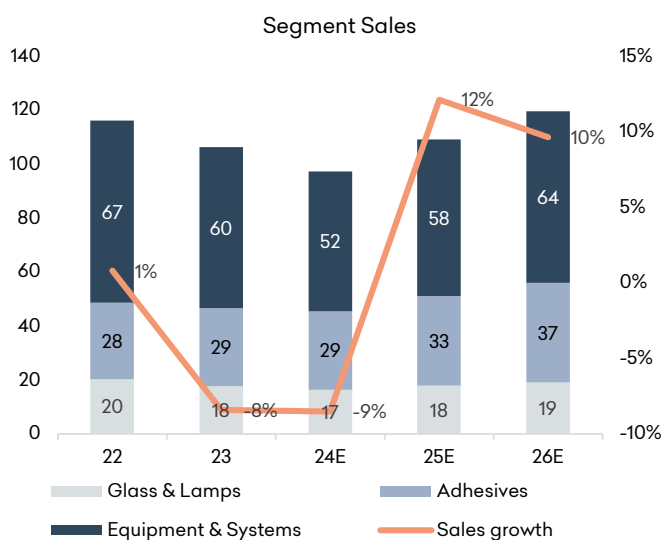
Hoenle has undergone an overdue management change and is in the process of **implementing a large number of efficiency measures** that should return the company to stronger growth and higher margins within 12-18 months. We expect an improved operating performance in FY'25E, as well as evidence that efficiency measures are taking effect, to serve as valuation catalysts going forward.

Investment Case

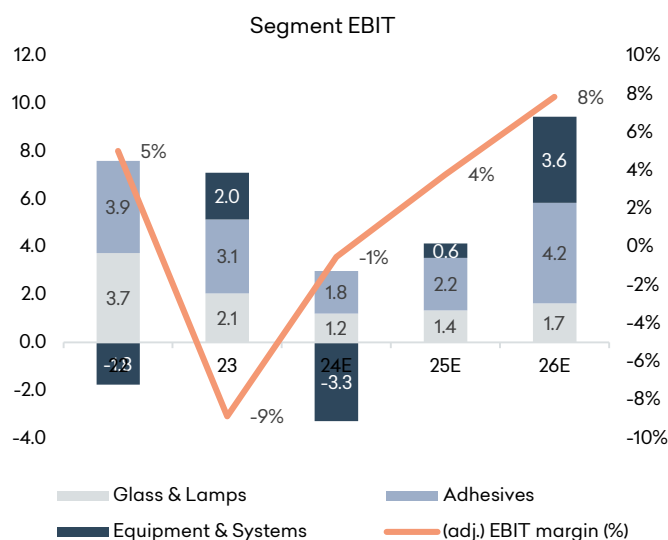
- **Technology leader for UV systems and adhesives with a focus on niche applications**
- A patchy track record but better times ahead: a new management team has **implemented overdue efficiency measures** to return Hönle to stronger growth and higher margins within 12-18 months
- **Sales are seen to rise by 4% CAGR'23-26E to € 120m in FY'26E** as management is re-focusing the company on growth applications and is investing into key account management and sales & marketing to improve execution
- **EBIT should rise to € 9m by FY'26E** from € -9m in 2023 on the back of a strong operating leverage due to idle capacity
- **Value is evident only when looking at FY'26E (8.4x EBITDA)**, as efficiency measures will need time to take effect. Still, the inefficiencies have been identified and are being tackled, and smooth execution could result in upside to estimates. **Buy with a € 19.00 PT based on DCF**

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Key Performance Indicators



Source: Company data, Hauck Aufhäuser Investment Banking



Source: Company data, Hauck Aufhäuser Investment Banking

Cash flow summary	2021/22	2022/23	2023/24E	2024/25E	2025/26E
Operating cash flow	-7.4	3.1	10.2	5.2	9.5
Capex	4.4	2.9	6.0	6.5	6.9
FCF	-11.8	0.2	4.2	-1.3	2.6
FCF per share	neg.	0.0	0.7	neg.	0.4
FCF yield	3.7 %	-1.8 %	3.5 %	5.9 %	8.5 %
Net Debt/EBITDA	4.3	119.3	5.7	3.6	2.4

Source: Company data, Hauck Aufhäuser Investment Banking

Key ratios summary	2021/22	2022/23	2023/24E	2024/25E	2025/26E
EPS growth	177.1 %	-17.6 %	-85.4 %	-206.1 %	220.8 %
Capital Turnover	0.7	0.7	0.6	0.7	0.7
Avg. working capital / sales	48.0 %	40.6 %	40.6 %	40.6 %	40.6 %
Cash conversion cycle (days)	302.0	249.9	289.5	291.3	294.9
FCF / Net profit	neg.	neg.	neg.	neg.	48.2 %
Interest cover	3.8	0.0	0.0	2.3	5.2

Source: Company data, Hauck Aufhäuser Investment Banking

Financials

Profit and loss (EUR m)	2019/20	2020/21	2021/22	2022/23	2023/24E	2024/25E	2025/26E
Net sales	93.9	115.2	116.1	106.3	97.3	109.1	119.6
Sales growth	-12.9 %	22.7 %	0.8 %	-8.4 %	-8.5 %	12.1 %	9.6 %
Increase/decrease in finished goods and work-in-process	-0.6	3.1	2.1	-1.9	1.5	1.5	1.7
Total sales	93.3	118.3	118.2	104.5	98.8	110.6	121.3
Other operating income	1.2	1.6	3.6	3.3	2.8	2.9	3.1
Material expenses	32.7	48.9	54.8	51.1	38.9	43.3	46.8
Personnel expenses	33.2	39.7	39.7	39.5	40.0	41.6	42.8
Other operating expenses	13.7	17.4	15.2	16.7	15.1	16.3	17.1
Total operating expenses	78.4	104.5	106.1	104.1	91.2	98.2	103.6
EBITDA	14.9	13.8	12.1	0.4	7.6	12.4	17.7
Depreciation	6.6	9.8	4.6	9.8	7.5	7.5	7.5
EBITA	8.3	4.0	7.6	-9.4	0.1	4.9	10.2
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.2	3.7	1.7	0.0	0.6	0.8	0.8
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT (inc revaluation net)	8.1	0.3	5.8	-9.4	-0.5	4.1	9.4
Interest income	0.2	0.1	0.1	0.3	0.1	0.1	0.1
Interest expenses	0.5	1.1	1.5	1.8	1.8	1.8	1.8
Other financial result	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial result	-0.3	-1.0	-1.4	-1.6	-1.8	-1.7	-1.7
Recurring pretax income from continuing operations	7.8	-0.6	4.4	-11.0	-2.3	2.4	7.7
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	7.8	-0.6	4.4	-11.0	-2.3	2.4	7.7
Taxes	2.2	4.3	1.6	0.3	-0.7	0.7	2.2
Net income from continuing operations	5.6	-4.9	2.8	-11.3	-1.6	1.7	5.5
Result from discontinued operations (net of tax)	0.0	0.0	16.0	-0.3	0.0	0.0	0.0
Net income	5.6	-4.9	-13.2	-10.9	-1.6	1.7	5.5
Minority interest	-0.1	0.0	0.2	0.1	0.0	0.0	0.0
Net profit (reported)	5.7	-4.8	-13.4	-11.0	-1.6	1.7	5.5
Average number of shares	5.5	6.1	6.1	6.1	6.1	6.1	6.1
EPS reported	1.03	-0.80	-2.20	-1.82	-0.26	0.28	0.90

Profit and loss (common size)	2019/20	2020/21	2021/22	2022/23	2023/24E	2024/25E	2025/26E
Net sales	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Increase/decrease in finished goods and work-in-process	neg.	2.7 %	1.8 %	neg.	1.5 %	1.4 %	1.4 %
Total sales	99.4 %	102.7 %	101.8 %	98.2 %	101.5 %	101.4 %	101.4 %
Other operating income	1.3 %	1.4 %	3.1 %	3.1 %	2.9 %	2.7 %	2.6 %
Material expenses	34.9 %	42.5 %	47.2 %	48.1 %	40.0 %	39.7 %	39.1 %
Personnel expenses	35.4 %	34.4 %	34.2 %	37.2 %	41.1 %	38.1 %	35.8 %
Other operating expenses	14.6 %	15.1 %	13.1 %	15.7 %	15.5 %	14.9 %	14.3 %
Total operating expenses	83.5 %	90.7 %	91.4 %	97.9 %	93.7 %	90.0 %	86.6 %
EBITDA	15.8 %	12.0 %	10.4 %	0.4 %	7.8 %	11.4 %	14.8 %
Depreciation	7.0 %	8.5 %	3.9 %	9.2 %	7.7 %	6.9 %	6.3 %
EBITA	8.8 %	3.5 %	6.5 %	neg.	0.1 %	4.5 %	8.5 %
Amortisation of goodwill	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Amortisation of intangible assets	0.2 %	3.2 %	1.5 %	0.0 %	0.6 %	0.7 %	0.7 %
Impairment charges	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBIT (inc revaluation net)	8.6 %	0.3 %	5.0 %	neg.	neg.	3.8 %	7.9 %
Interest income	0.2 %	0.1 %	0.1 %	0.2 %	0.1 %	0.1 %	0.1 %
Interest expenses	0.5 %	1.0 %	1.3 %	1.7 %	1.9 %	1.7 %	1.5 %
Other financial result	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Financial result	neg.	neg.	neg.	neg.	neg.	neg.	neg.
Recurring pretax income from continuing operations	8.4 %	neg.	3.8 %	neg.	neg.	2.2 %	6.4 %
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Earnings before taxes	8.4 %	neg.	3.8 %	neg.	neg.	2.2 %	6.4 %
Tax rate	28.6 %	n/a	n/a	n/a	29.0 %	29.0 %	29.0 %
Net income from continuing operations	6.0 %	neg.	2.4 %	neg.	neg.	1.6 %	4.6 %
Income from discontinued operations (net of tax)	0.0 %	0.0 %	13.8 %	-0.3 %	0.0 %	0.0 %	0.0 %
Net income	6.0 %	neg.	neg.	neg.	neg.	1.6 %	4.6 %
Minority interest	neg.	neg.	0.1 %	0.1 %	0.0 %	0.0 %	0.0 %
Net profit (reported)	6.0 %	neg.	neg.	neg.	neg.	1.6 %	4.6 %

Source: Company data, Hauck Aufhäuser Investment Banking

Balance sheet (EUR m)	2019/20	2020/21	2021/22	2022/23	2023/24E	2024/25E	2025/26E
Intangible assets	21.0	24.0	23.3	19.7	19.6	19.5	19.3
Property, plant and equipment	76.8	87.8	79.6	75.1	73.1	71.5	70.2
Financial assets	2.4	1.4	1.4	1.4	1.4	1.4	1.4
FIXED ASSETS	100.2	113.2	104.2	96.3	94.1	92.4	91.0
Inventories	35.2	46.7	46.4	35.0	32.1	36.0	39.4
Accounts receivable	14.3	17.1	19.7	15.6	14.3	16.0	17.6
Other current assets	6.5	9.0	15.0	14.8	14.8	14.8	14.8
Liquid assets	34.2	12.1	7.1	9.3	13.5	12.2	14.8
Deferred taxes	5.9	4.9	3.0	5.2	5.2	5.2	5.2
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CURRENT ASSETS	96.0	89.7	91.2	79.9	79.8	84.1	91.7
TOTAL ASSETS	196.2	202.9	195.5	176.2	173.9	176.4	182.7
SHAREHOLDERS EQUITY	116.3	110.7	106.9	95.8	94.2	95.9	101.4
MINORITY INTEREST	0.3	0.4	0.4	0.3	0.3	0.3	0.3
Long-term debt	42.8	49.7	33.1	44.4	44.4	44.4	44.4
Provisions for pensions and similar obligations	8.8	8.6	4.0	3.2	3.2	3.2	3.2
Other provisions	1.9	3.0	2.2	1.7	1.7	1.7	1.7
Non-current liabilities	53.5	61.3	39.3	49.3	49.3	49.3	49.3
short-term liabilities to banks	3.5	3.9	26.4	12.4	12.4	12.4	12.4
Accounts payable	6.5	9.4	10.3	7.6	6.9	7.8	8.5
Advance payments received on orders	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities (incl. from lease and rental contracts)	15.6	16.5	11.3	9.5	9.5	9.5	9.5
Deferred taxes	0.4	0.7	1.0	1.2	1.2	1.2	1.2
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current liabilities	26.0	30.5	49.0	30.7	30.0	30.9	31.6
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	196.2	202.9	195.5	176.2	173.9	176.4	182.7

Balance sheet (common size)	2019/20	2020/21	2021/22	2022/23	2023/24E	2024/25E	2025/26E
Intangible assets	10.7 %	11.8 %	11.9 %	11.2 %	11.3 %	11.0 %	10.6 %
Property, plant and equipment	39.2 %	43.3 %	40.7 %	42.6 %	42.0 %	40.5 %	38.4 %
Financial assets	1.2 %	0.7 %	0.7 %	0.8 %	0.8 %	0.8 %	0.8 %
FIXED ASSETS	51.1 %	55.8 %	53.3 %	54.6 %	54.1 %	52.4 %	49.8 %
Inventories	18.0 %	23.0 %	23.7 %	19.9 %	18.4 %	20.4 %	21.6 %
Accounts receivable	7.3 %	8.4 %	10.1 %	8.9 %	8.2 %	9.1 %	9.6 %
Other current assets	3.3 %	4.4 %	7.7 %	8.4 %	8.5 %	8.4 %	8.1 %
Liquid assets	17.4 %	6.0 %	3.6 %	5.3 %	7.8 %	6.9 %	8.1 %
Deferred taxes	3.0 %	2.4 %	1.6 %	2.9 %	3.0 %	2.9 %	2.8 %
Deferred charges and prepaid expenses	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
CURRENT ASSETS	48.9 %	44.2 %	46.7 %	45.4 %	45.9 %	47.6 %	50.2 %
TOTAL ASSETS	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
SHAREHOLDERS EQUITY	59.3 %	54.6 %	54.7 %	54.4 %	54.2 %	54.4 %	55.5 %
MINORITY INTEREST	0.2 %	0.2 %	0.2 %	0.2 %	0.2 %	0.2 %	0.2 %
Long-term debt	21.8 %	24.5 %	16.9 %	25.2 %	25.5 %	25.2 %	24.3 %
Provisions for pensions and similar obligations	4.5 %	4.2 %	2.1 %	1.8 %	1.8 %	1.8 %	1.8 %
Other provisions	1.0 %	1.5 %	1.1 %	1.0 %	1.0 %	1.0 %	1.0 %
Non-current liabilities	27.3 %	30.2 %	20.1 %	28.0 %	28.4 %	28.0 %	27.0 %
short-term liabilities to banks	1.8 %	1.9 %	13.5 %	7.0 %	7.1 %	7.0 %	6.8 %
Accounts payable	3.3 %	4.6 %	5.3 %	4.3 %	4.0 %	4.4 %	4.7 %
Advance payments received on orders	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other liabilities (incl. from lease and rental contracts)	8.0 %	8.1 %	5.8 %	5.4 %	5.5 %	5.4 %	5.2 %
Deferred taxes	0.2 %	0.3 %	0.5 %	0.7 %	0.7 %	0.7 %	0.6 %
Deferred income	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Current liabilities	13.2 %	15.0 %	25.0 %	17.4 %	17.3 %	17.5 %	17.3 %
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

Source: Company data, Hauck Aufhäuser Investment Banking

Cash flow statement (EUR m)	2019/20	2020/21	2021/22	2022/23	2023/24E	2024/25E	2025/26E
Net profit/loss	5.6	-4.9	-13.2	-10.9	-1.6	1.7	5.5
Depreciation of fixed assets (incl. leases)	6.6	9.8	4.6	9.8	7.5	7.5	7.5
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.2	3.7	1.7	0.0	0.6	0.8	0.8
Others	-7.2	3.9	15.9	4.8	0.0	0.0	0.0
Cash flow from operations before changes in w/c	7.3	23.0	9.0	3.6	6.5	10.0	13.8
Increase/decrease in inventory	0.6	-11.5	-11.6	-1.8	3.0	-3.9	-3.5
Increase/decrease in accounts receivable	2.7	-2.8	-2.6	4.0	1.3	-1.7	-1.5
Increase/decrease in accounts payable	-1.4	2.9	0.9	-2.7	-0.6	0.8	0.7
Increase/decrease in other working capital positions	0.0	0.0	-3.1	0.0	0.0	0.0	0.0
Increase/decrease in working capital	2.0	-11.3	-16.4	-0.5	3.7	-4.8	-4.3
Cash flow from operating activities	7.2	1.1	-7.4	3.1	10.2	5.2	9.5
CAPEX	30.2	17.1	4.4	2.9	6.0	6.5	6.9
Payments for acquisitions	0.0	7.7	0.0	0.0	0.0	0.0	0.0
Financial investments	0.0	-0.1	0.1	-0.6	0.0	0.0	0.0
Income from asset disposals	-0.5	0.2	2.8	5.0	0.0	0.0	0.0
Cash flow from investing activities	-30.7	-24.5	-1.7	2.7	-6.0	-6.5	-6.9
Cash flow before financing	-21.5	-12.9	-9.1	5.8	4.2	-1.3	2.6
Increase/decrease in debt position	21.9	4.3	4.9	-3.3	0.0	0.0	0.0
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
Dividends paid	4.4	3.0	1.2	0.1	0.0	0.0	0.0
Others	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Effects of exchange rate changes on cash	-0.1	0.0	0.4	-0.2	0.0	0.0	0.0
Cash flow from financing activities	43.3	1.2	3.7	-3.4	0.0	0.0	0.0
Increase/decrease in liquid assets	21.6	-11.6	-4.9	2.2	4.2	-1.3	2.6
Liquid assets at end of period	34.2	12.1	7.1	9.3	13.5	12.2	14.8

Quarterly results (EUR m)	Q1 22/23	Q2 22/23	Q3 22/23	Q4 22/23	Q1 23/24	Q2 23/24	Q3 23/24	Q4 23/24E	FY 23/24E
Sales	27.6	25.9	26.2	26.6	23.8	24.3	23.9	25.2	97.3
Sales growth	-10 %	-14 %	-1 %	-8 %	-14 %	-6 %	-9 %	-5 %	-9 %
Gross profit	16.7	16.0	4.9	17.6	14.3	15.0	14.8	14.3	59.8
Gross profit margin	60.6 %	61.9 %	18.7 %	66.0 %	59.9 %	61.7 %	62.0 %	56.6 %	60.6 %
EBITDA	3.8	2.9	-9.1	2.8	0.7	2.1	1.3	3.5	7.6
EBITDA margin	13.9 %	11.1 %	-34.5 %	10.4 %	2.7 %	8.6 %	5.5 %	14.0 %	7.8 %
EBIT (inc revaluation net)	2.3	1.3	-10.5	-2.6	-0.8	0.7	0.0	-0.4	-0.5
EBIT margin	8.5 %	5.2 %	-40.1 %	-9.7 %	-3.3 %	2.8 %	0.0 %	-1.6 %	-0.5 %
EPS reported	0.32	0.11	-1.52	-0.72	-0.15	0.03	-0.04	-0.10	-0.26

Source: Company data, Hauck Aufhäuser Investment Banking

Key ratios (EUR m)	2019/20	2020/21	2021/22	2022/23	2023/24E	2024/25E	2025/26E
P&L growth analysis							
Sales growth	-12.9 %	22.7 %	0.8 %	-8.4 %	-8.5 %	12.1 %	9.6 %
EBITDA growth	-86.2 %	-7.0 %	-12.3 %	-96.7 %	1806.9 %	63.9 %	42.3 %
EBIT growth	n/a	-95.7 %	1572.5 %	-261.4 %	-94.6 %	-910.3 %	127.2 %
EPS growth	n/a	-177.2 %	177.1 %	-17.6 %	-85.4 %	-206.1 %	220.8 %
Efficiency							
Total operating costs / sales	83.5 %	90.7 %	91.4 %	97.9 %	93.7 %	90.0 %	86.6 %
Sales per employee	152.9	184.4	176.6	171.2	163.0	181.8	194.5
EBITDA per employee	24.2	22.1	18.4	0.6	12.7	20.7	28.8
Balance sheet analysis							
Avg. working capital / sales	45.8 %	42.3 %	47.5 %	46.5 %	42.5 %	38.4 %	38.8 %
Inventory turnover (sales/inventory)	0.4	2.5	2.5	3.0	3.0	3.0	3.0
Trade debtors in days of sales	380.8	54.1	61.8	53.6	53.6	53.6	53.6
A/P turnover [(A/P*365)/sales]	173.3	29.9	32.4	25.9	25.9	25.9	25.9
Cash conversion cycle (days)	376.0	332.2	302.0	249.9	289.5	291.3	294.9
Cash flow analysis							
Free cash flow	-23.0	-16.0	-11.8	0.2	4.2	-1.3	2.6
Free cash flow/sales	-24.5 %	-13.9 %	-10.2 %	0.2 %	4.3 %	-1.2 %	2.2 %
FCF / net profit	neg.	neg.	neg.	neg.	neg.	neg.	48.2 %
Capex / deprn	443.6 %	125.6 %	71.9 %	23.8 %	74.0 %	78.8 %	82.8 %
Capex / maintenance capex	n/a	76.3 %	172.8 %	184.3 %	181.7 %	197.3 %	206.7 %
Capex / sales	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Security							
Net debt	121	415	523	475	433	44.6	42.0
Net Debt/EBITDA	0.8	3.0	4.3	119.3	5.7	3.6	2.4
Net debt / equity	0.1	0.4	0.5	0.5	0.5	0.5	0.4
Interest cover	17.7	0.3	3.8	0.0	0.0	2.3	5.2
Dividend payout ratio	85.4 %	100.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Asset utilisation							
Capital employed turnover	0.5	0.7	0.7	0.7	0.6	0.7	0.7
Operating assets turnover	0.8	0.8	0.9	0.9	0.9	0.9	1.0
Plant turnover	1.2	1.3	1.5	1.4	1.3	1.5	1.7
Inventory turnover (sales/inventory)	0.4	2.5	2.5	3.0	3.0	3.0	3.0
Returns							
ROCE	4.7 %	0.2 %	3.3 %	-5.7 %	-0.3 %	2.6 %	5.8 %
ROE	4.9 %	-4.4 %	-12.5 %	-11.5 %	-1.7 %	1.8 %	5.4 %
Other							
Interest paid / avg. debt	1.0 %	2.2 %	2.7 %	3.1 %	3.2 %	3.2 %	3.2 %
No. employees (average)	614	625	658	621	597	600	615
Number of shares	5.5	6.1	6.1	6.1	6.1	6.1	6.1
DPS	0.8	0.2	0.0	0.0	0.0	0.0	0.0
EPS reported	1.03	-0.80	-2.20	-1.82	-0.26	0.28	0.90
Valuation ratios							
P/BV	2.4	2.6	1.4	1.2	1.1	1.1	1.0
EV/sales	3.2	2.9	1.8	1.6	1.5	1.4	1.2
EV/EBITDA	20.1	24.2	16.9	426.0	19.7	12.1	8.4
EV/EBITA	36.3	83.4	27.0	-18.0	1670.0	30.5	14.5
EV/EBIT	37.0	958.6	35.0	-18.0	-292.4	36.4	15.7
EV/FCF	-13.0	-21.0	-17.3	811.2	35.8	-114.0	56.2
Adjusted FCF yield	2.0 %	0.1 %	3.7 %	-1.8 %	3.5 %	5.9 %	8.5 %
Dividend yield	1.7 %	0.4 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %

Source: Company data, Hauck Aufhäuser Investment Banking

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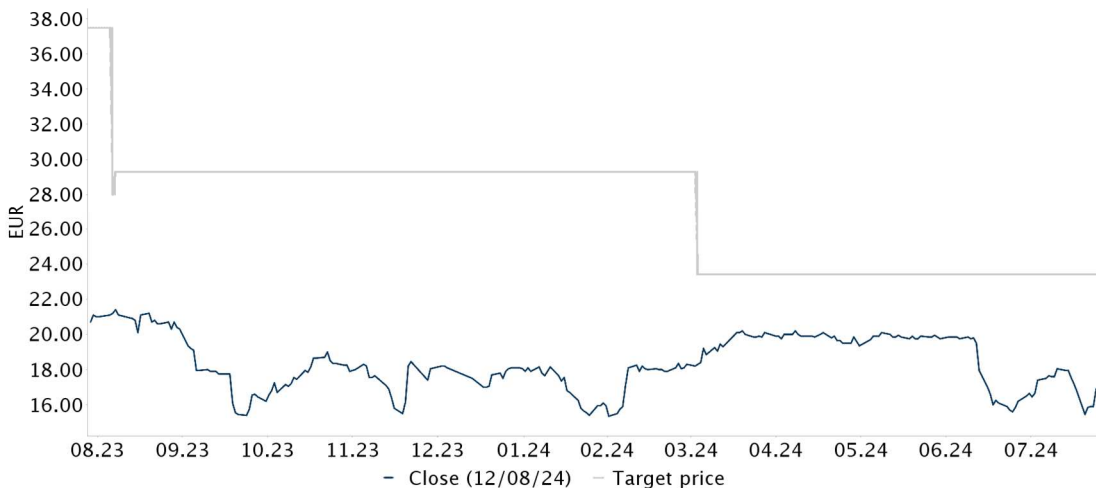
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Company	Disclosure
Dr. Hönle AG	2, 6

Historical target price and rating changes for Dr. Hönle AG in the last 12 months

**Price and Rating History
Dr. Hönle AG as of 12/08/24**

Initiation coverage
14-May-20



Company	Date	Analyst	Rating	Target price	Close
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Dr. Höhle AG

Dr. Höhle AG	15.05.2024	Wunderlich, Tim	Buy	EUR 23,40	EUR 19,85
	21.03.2024	Wunderlich, Tim	Buy	EUR 23,40	EUR 19,20
	11.12.2023	Wunderlich, Tim	Buy	EUR 29,30	EUR 18,45
	18.09.2023	Wunderlich, Tim	Buy	EUR 29,30	EUR 19,35
	24.08.2023	Wunderlich, Tim	Buy	EUR 29,30	EUR 21,10

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