

Buy EUR 39.00 Price EUR 18.22 Upside 114.1 %	Value Indicators: EUR DCF: 39.00 FCF-Value Potential 24e: 34.50	Warburg ESG Risk Score: 2.7 ESG Score (MSCI based): 3.0 Balance Sheet Score: 4.0 Market Liquidity Score: 1.0	Description: Leading supplier of specialty adhesives, UV/ IR radiation systems and quartz glass products
	Market Snapshot: EUR m Market cap: 110.4 No. of shares (m): 6.1 EV: 147.1 Freefloat MC: 93.8 Ø Trad. Vol. (30d): 69.18 th	Shareholders: Freefloat 84.96 % Peter Möhrle Holding 15.04 % Teslin / Gerlin 5.80 % Allianz Global 3.60 % Lazard 3.30 %	Key Figures (WRe): 2021/22e Beta: 1.3 Price / Book: 1.7 x Equity Ratio: 55 % Net Fin. Debt / EBITDA: 11.7 x Net Debt / EBITDA: 12.6 x

Q1 revenues in line; EBIT slightly above estimates

Figures Q1/2022/23:								Comment on Figures:		
FY End: 30.9. in EUR m	Q1 22/23	Q1 22/23e	Q1 21/22	yoy	22/23e	21/22	yoy	<ul style="list-style-type: none"> Q1 revenues in line with expectation Q1 EBIT somewhat ahead of estimate and at the level of the previous year's adj. EBIT (excl. EUR 1.8m positive one-offs from a book gain). 		
Sales	30.6	30.0	33.4	-8 %	118.4	126.5	-76 %			
EBIT	2.7	2.2	4.5	-40 %	14.1	-10.0	n.a.			
Margin	8.8 %	7.3 %	13.5 %		11.9 %	-7.9 %				

Höhle released preliminary Q1 results on Monday (20.02.23) and confirmed its FY guidance.

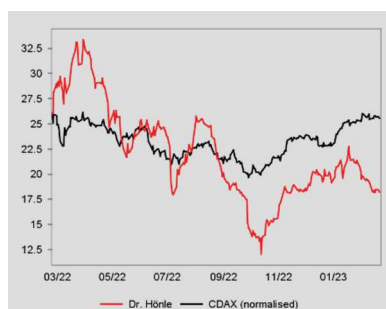
Sales of EUR 30.6m met the forecast of EUR 30m. A yoy-decline of 8.4% was expected as a result of higher contributions from air-treatment systems in the first quarter of the last FY. UV-based air treatment systems are assumed to have contributed ~EUR 5m to Q1 revenues in the last FY. With a less pronounced yoy sales decline of just ~EUR 3m, Höhle was thus able to partially offset these sales. Furthermore, Q1 represents the last quarter with some sales contribution from Raesch (WRe EUR 3m). The sale was concluded in December.

EBIT of EUR 2.7m somewhat surpassed the forecast of EUR 2.2m. Due to the final contributions from Raesch, our forecasts reflected somewhat lower Q1 profitability. Last year's Q1 EBIT benefited from a positive one-off effect to the tune of EUR 1.8m from the sale of real estate. Generally, Höhle is expected to return to double-digit EBIT margins (WRe just below 12%) in the full year.

Höhle **reiterated its FY guidance** and expects EBIT to increase to EUR 10-13m on sales of EUR 110-120m. As Höhle is expected to reach or slightly surpass the upper end of this range, the forecast is regarded to be conservative. Raesch burdened last year's EBIT by ~EUR -3m (operational loss before write-downs). Additionally, Höhle should register a more positive pricing environment.

The Q1 report is scheduled to be released on Friday, 24 February.

Higher organic growth (e.g. driven by new larger projects which should contribute from the current FY onwards) should enable Höhle to return to EBIT margins of >15%, which is not reflected in the current valuation. The **Buy rating and PT of EUR 39 remain unchanged.**



Rel. Performance vs CDAX:

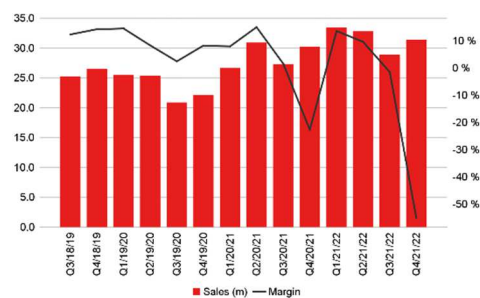
1 month:	-16.9 %
6 months:	-38.6 %
Year to date:	-17.0 %
Trailing 12 months:	-30.7 %

Company events:

24.02.23	Q1
23.03.23	AGM
12.05.23	Q2
07.08.23	Q3

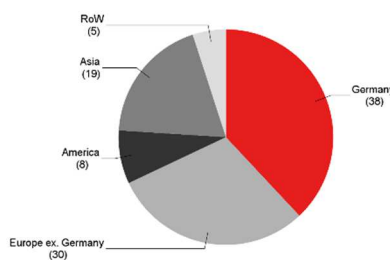
FY End: 30.9. in EUR m	CAGR (21/22-23/24e)	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23e	2023/24e
Sales	1.3 %	126.5	107.7	93.9	115.2	126.5	118.4	129.8
Change Sales yoy		24.1 %	-14.8 %	-12.9 %	22.7 %	9.9 %	-6.4 %	9.6 %
Gross profit margin		67.5 %	67.6 %	64.5 %	60.2 %	49.2 %	62.7 %	63.9 %
EBITDA	148.6 %	33.8	20.3	14.7	13.8	4.5	21.2	27.5
EBIT	-	30.7	17.0	8.1	0.3	-10.0	14.1	20.0
EBIT adj.		30.7	17.0	8.1	7.8	8.3	14.1	20.0
Margin		24.3 %	15.8 %	8.6 %	6.8 %	6.5 %	11.9 %	15.4 %
Net income	-	21.7	12.5	5.8	-4.9	-13.3	8.9	13.1
EPS	-	3.94	2.27	1.01	-0.81	-2.19	1.48	2.16
EPS adj.	61.3 %	3.94	2.27	1.01	0.45	0.83	1.48	2.16
DPS	-	0.80	0.80	0.50	0.20	0.00	0.50	0.70
Dividend Yield		1.2 %	1.5 %	1.1 %	0.4 %	n.a.	2.7 %	3.8 %
FCFPS		2.53	-0.44	-4.00	-2.67	-1.95	2.58	3.26
FCF / Market cap		3.9 %	-0.8 %	-9.0 %	-5.3 %	-6.4 %	14.2 %	17.9 %
EV / Sales		n.a.	2.9 x	2.9 x	3.1 x	1.9 x	1.2 x	1.0 x
EV / EBITDA		n.a.	15.1 x	18.6 x	25.6 x	53.9 x	6.9 x	4.7 x
EV / EBIT		n.a.	18.0 x	33.7 x	n.a.	n.a.	10.4 x	6.5 x
P / E		16.3 x	23.8 x	43.8 x	n.a.	n.a.	12.3 x	8.4 x
P / E adj.		16.3 x	23.8 x	43.8 x	111.1 x	36.5 x	12.3 x	8.4 x
FCF Potential Yield		n.a.	4.4 %	3.6 %	4.1 %	4.7 %	9.8 %	14.6 %
Net Debt		1.0	9.8	20.9	50.1	56.3	36.7	19.9
ROCE (NOPAT)		26.1 %	13.3 %	4.9 %	1.4 %	n.a.	6.4 %	9.6 %
Guidance:		2023: Sales EUR 110 - 120m; EBIT EUR 10 - 13m						

Sales development
in EUR m



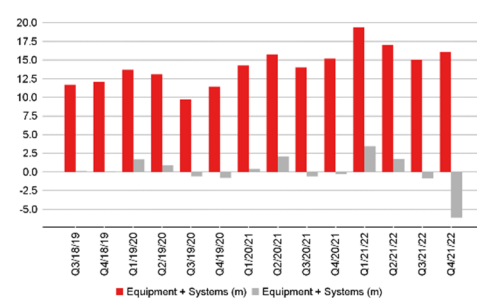
Source: Warburg Research

Sales by regions
2022; in %



Source: Warburg Research

Development Equipment + Systems
Sales and EBIT in EUR m



Source: Warburg Research

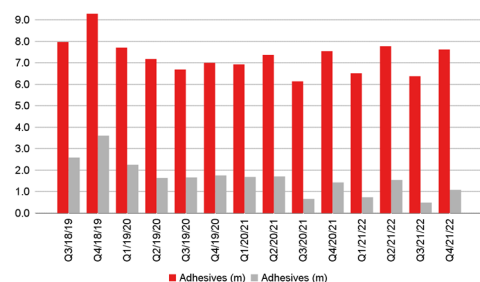
Company Background

- With sales of more than EUR 130m, Dr. Hönle 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

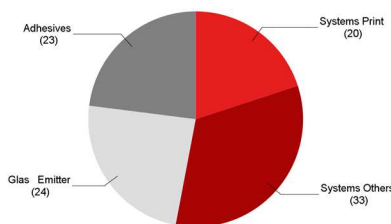
- The competitive structure is characterised by a high number of smaller mainly regionally-active suppliers and just a handful of larger companies.
- Competitors of a comparable size normally serve only part of the market segments, resulting in a comparatively moderate competitive intensity within the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



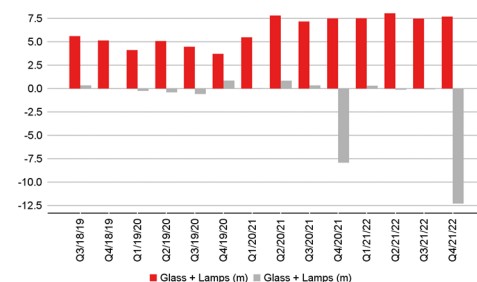
Source: Warburg Research

Sales by segments
2022; 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
	21/22	22/23e	23/24e	24/25e	25/26e	26/27e	27/28e	28/29e	29/30e	30/31e	31/32e	32/33e	33/34e	
Sales	126.5	118.4	129.8	138.8	147.2	156.0	165.4	173.6	182.3	191.4	199.1	207.0	215.3	
Sales change	9.9 %	-6.4 %	9.6 %	7.0 %	6.0 %	6.0 %	6.0 %	5.0 %	5.0 %	5.0 %	4.0 %	4.0 %	4.0 %	1.8 %
EBIT	-10.0	14.1	20.0	23.4	24.3	25.7	27.3	28.6	30.1	31.6	32.8	34.2	35.5	
EBIT-margin	-7.9 %	11.9 %	15.4 %	16.9 %	16.5 %	16.5 %	16.5 %	16.5 %	16.5 %	16.5 %	16.5 %	16.5 %	16.5 %	
Tax rate (EBT)	-14.4 %	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	-11.5	10.0	14.2	16.6	17.1	18.1	19.2	20.2	21.2	22.3	23.2	24.1	25.0	
Depreciation	14.5	7.1	7.6	7.6	8.8	9.0	7.1	7.5	7.7	7.8	8.0	7.9	7.9	
in % of Sales	11.4 %	6.0 %	5.8 %	5.4 %	6.0 %	5.8 %	4.3 %	4.3 %	4.2 %	4.1 %	4.0 %	3.8 %	3.7 %	
Changes in provisions	-4.6	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	1.9	-5.7	-2.9	3.4	2.2	1.4	1.4	2.6	2.8	2.9	2.5	2.5	2.7	
- Capex	4.4	5.3	5.3	5.8	5.5	5.8	6.0	6.3	6.6	6.9	7.2	7.5	9.3	
Capex in % of Sales	3.5 %	4.5 %	4.1 %	4.2 %	3.8 %	3.7 %	3.6 %	3.6 %	3.6 %	3.6 %	3.6 %	3.6 %	4.3 %	
- Other	0.0	0.0	-1.0	-1.0	-1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Free Cash Flow (WACC Model)	-7.8	17.5	20.3	16.0	19.3	19.9	19.0	18.8	19.5	20.3	21.5	21.9	20.9	24
PV of FCF	0.0	17.0	18.1	13.1	14.6	13.9	12.2	11.2	10.7	10.3	10.1	9.5	8.3	130
share of PVs	16.78 %			38.03 %										45.19 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	20.00 %	Financial Strength	1.20
Cost of debt (after tax)	2.5 %	Liquidity (share)	1.35
Market return	8.25 %	Cyclicality	1.35
Risk free rate	2.75 %	Transparency	1.30
		Others	1.30
WACC	8.41 %	Beta	1.30

Valuation (m)

Present values 2033/34e	158		
Terminal Value	130		
Financial liabilities	59		
Pension liabilities	4		
Hybrid capital	0		
Minority interest	1		
Market val. of investments	1		
Liquidity	13	No. of shares (m)	6.1
Equity Value	237	Value per share (EUR)	39.17

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
1.53	9.4 %	31.61	32.07	32.57	33.09	33.65	34.25	34.90	1.53	9.4 %	29.24	30.53	31.81	33.09	34.37	35.66	36.94
1.41	8.9 %	34.13	34.69	35.28	35.92	36.60	37.33	38.12	1.41	8.9 %	31.79	33.17	34.54	35.92	37.29	38.67	40.05
1.36	8.7 %	35.52	36.13	36.79	37.49	38.24	39.05	39.93	1.36	8.7 %	33.20	34.63	36.06	37.49	38.91	40.34	41.77
1.30	8.4 %	37.00	37.68	38.40	39.17	40.01	40.91	41.89	1.30	8.4 %	34.72	36.21	37.69	39.17	40.66	42.14	43.62
1.24	8.2 %	38.59	39.33	40.13	40.99	41.92	42.93	44.03	1.24	8.2 %	36.36	37.90	39.45	40.99	42.54	44.08	45.62
1.19	7.9 %	40.30	41.12	42.00	42.96	44.00	45.13	46.36	1.19	7.9 %	38.13	39.74	41.35	42.96	44.57	46.18	47.79
1.07	7.4 %	44.11	45.13	46.22	47.42	48.73	50.16	51.74	1.07	7.4 %	42.15	43.91	45.66	47.42	49.18	50.94	52.69

- Growth and mix improvements to drive return to higher profitability
- Disproportionately high growth of adhesive segment provides further upside potential
- Sustainable EBIT margin of 16.5% 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	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23e	2023/24e	
Net Income before minorities	n.a.	12.4	5.7	-4.9	-13.1	9.1	13.3	
+ Depreciation + Amortisation	n.a.	3.3	6.6	13.5	14.5	7.1	7.6	
- Net Interest Income	n.a.	-0.1	-0.2	-1.0	-1.4	-1.3	-1.2	
- Maintenance Capex	n.a.	2.1	2.1	2.5	2.6	3.0	3.0	
+ Other	n.a.	-0.4	-0.4	7.5	11.1	0.0	0.0	
= Free Cash Flow Potential	n.a.	13.4	10.0	14.5	11.3	14.5	19.1	
FCF Potential Yield (on market EV)	n/a	4.4 %	3.6 %	4.1 %	4.7 %	9.8 %	14.6 %	
WACC	8.41 %	8.41 %	8.41 %	8.41 %	8.41 %	8.41 %	8.41 %	
= Enterprise Value (EV)	n.a.	307.3	273.1	353.1	239.9	147.1	130.4	
= Fair Enterprise Value	n.a.	159.0	118.5	172.9	134.4	172.1	227.0	
- Net Debt (Cash)	n.a.	52.3	52.3	52.3	52.3	32.7	15.9	
- Pension Liabilities	n.a.	4.0	4.0	4.0	4.0	4.0	4.0	
- 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.	102.6	62.2	116.6	78.1	135.5	207.1	
Number of shares, average	5.5	5.5	5.7	6.1	6.1	6.1	6.1	
= Fair value per share (EUR)	n.a.	18.62	10.92	19.23	12.88	22.35	34.16	
premium (-) / discount (+) in %						22.6 %	87.5 %	
Sensitivity Fair value per Share (EUR)								
	11.41 %	n.a.	10.04	5.12	11.73	7.05	14.88	24.32
	10.41 %	n.a.	11.89	6.50	13.75	8.62	16.89	26.97
	9.41 %	n.a.	14.15	8.18	16.20	10.52	19.33	30.18
WACC	8.41 %	n.a.	18.62	10.92	19.23	12.88	22.35	34.16
	7.41 %	n.a.	20.47	12.90	23.08	15.87	26.18	39.22
	6.41 %	n.a.	25.12	16.36	28.13	19.79	31.21	45.85
	5.41 %	n.a.	31.47	21.10	35.05	25.17	38.09	54.93

▪ Rising value indication triggered by margin expansion

Valuation	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23e	2023/24e
Price / Book	4.1 x	3.3 x	2.2 x	2.7 x	1.7 x	1.0 x	0.9 x
Book value per share ex intangibles	11.90	12.47	15.72	14.30	13.80	14.99	16.69
EV / Sales	n.a.	2.9 x	2.9 x	3.1 x	1.9 x	1.2 x	1.0 x
EV / EBITDA	n.a.	15.1 x	18.6 x	25.6 x	53.9 x	6.9 x	4.7 x
EV / EBIT	n.a.	18.0 x	33.7 x	n.a.	n.a.	10.4 x	6.5 x
EV / EBIT adj.*	n.a.	18.0 x	33.7 x	45.2 x	29.0 x	10.4 x	6.5 x
P / FCF	25.3 x	n.a.	n.a.	n.a.	n.a.	7.1 x	5.6 x
P / E	16.3 x	23.8 x	43.8 x	n.a.	n.a.	12.3 x	8.4 x
P / E adj.*	16.3 x	23.8 x	43.8 x	111.1 x	36.5 x	12.3 x	8.4 x
Dividend Yield	1.2 %	1.5 %	1.1 %	0.4 %	n.a.	2.7 %	3.8 %
FCF Potential Yield (on market EV)	n.a.	4.4 %	3.6 %	4.1 %	4.7 %	9.8 %	14.6 %

*Adjustments made for: -

Company Specific Items	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23e	2023/24e
Adj. FCFPS	2.53	1.73	-0.66	-0.19	0.53	5.06	5.74

Consolidated profit & loss

In EUR m	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23e	2023/24e
Sales	126.5	107.7	93.9	115.2	126.5	118.4	129.8
Change Sales yoy	24.1 %	-14.8 %	-12.9 %	22.7 %	9.9 %	-6.4 %	9.6 %
Increase / decrease in inventory	1.5	1.9	-0.6	3.1	8.3	0.0	0.0
Own work capitalised	0.2	0.1	0.0	0.0	0.4	0.1	0.1
Total Sales	128.2	109.7	93.3	118.3	135.2	118.5	129.8
Material expenses	42.8	36.9	32.7	48.9	72.9	44.3	46.8
Gross profit	85.4	72.8	60.5	69.3	62.3	74.2	83.0
<i>Gross profit margin</i>	<i>67.5 %</i>	<i>67.6 %</i>	<i>64.5 %</i>	<i>60.2 %</i>	<i>49.2 %</i>	<i>62.7 %</i>	<i>63.9 %</i>
Personnel expenses	36.0	35.8	33.2	39.7	43.0	38.4	40.2
Other operating income	0.9	1.5	1.2	1.6	3.9	0.9	1.0
Other operating expenses	16.5	18.2	13.8	17.5	18.7	15.5	16.2
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	33.8	20.3	14.7	13.8	4.5	21.2	27.5
<i>Margin</i>	<i>26.8 %</i>	<i>18.9 %</i>	<i>15.7 %</i>	<i>12.0 %</i>	<i>3.5 %</i>	<i>17.9 %</i>	<i>21.2 %</i>
Depreciation of fixed assets	2.7	2.8	6.0	9.0	13.7	6.5	7.0
EBITA	31.2	17.6	8.7	4.8	-9.3	14.7	20.5
Amortisation of intangible assets	0.5	0.5	0.6	1.1	0.7	0.6	0.6
Goodwill amortisation	0.0	0.0	0.0	3.4	0.0	0.0	0.0
EBIT	30.7	17.0	8.1	0.3	-10.0	14.1	20.0
<i>Margin</i>	<i>24.3 %</i>	<i>15.8 %</i>	<i>8.6 %</i>	<i>0.3 %</i>	<i>-7.9 %</i>	<i>11.9 %</i>	<i>15.4 %</i>
EBIT adj.	30.7	17.0	8.1	7.8	8.3	14.1	20.0
Interest income	0.0	0.0	0.2	0.1	0.1	0.0	0.0
Interest expenses	0.3	0.2	0.5	1.1	1.5	1.3	1.2
Other financial income (loss)	0.0	0.0	0.1	0.0	0.0	0.0	0.0
EBT	30.4	16.9	7.9	-0.7	-11.4	12.9	18.7
<i>Margin</i>	<i>24.0 %</i>	<i>15.7 %</i>	<i>8.5 %</i>	<i>-0.6 %</i>	<i>-9.0 %</i>	<i>10.9 %</i>	<i>14.4 %</i>
Total taxes	8.7	4.5	2.2	4.3	1.7	3.7	5.4
Net income from continuing operations	21.7	12.4	5.7	-4.9	-13.1	9.1	13.3
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income before minorities	21.7	12.4	5.7	-4.9	-13.1	9.1	13.3
Minority interest	0.0	-0.1	-0.1	0.0	0.2	0.2	0.2
Net income	21.7	12.5	5.8	-4.9	-13.3	8.9	13.1
<i>Margin</i>	<i>17.2 %</i>	<i>11.6 %</i>	<i>6.2 %</i>	<i>-4.2 %</i>	<i>-10.5 %</i>	<i>7.6 %</i>	<i>10.1 %</i>
Number of shares, average	5.5	5.5	5.7	6.1	6.1	6.1	6.1
EPS	3.94	2.27	1.01	-0.81	-2.19	1.48	2.16
EPS diluted	3.94	2.27	0.95	-0.81	-2.19	1.48	2.16

*Adjustments made for:

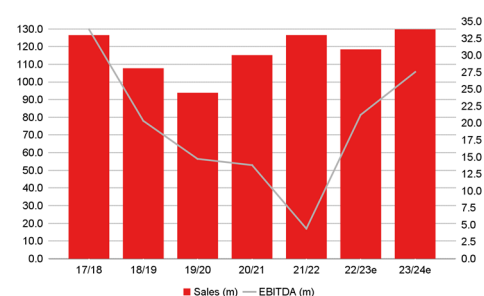
Guidance: 2023: Sales EUR 110 - 120m; EBIT EUR 10 - 13m

Financial Ratios

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23e	2023/24e
Total Operating Costs / Sales	74.6 %	82.9 %	83.7 %	90.7 %	103.3 %	82.1 %	78.8 %
Operating Leverage	4.2 x	3.0 x	4.1 x	-4.3 x	n.a.	n.a.	4.3 x
EBITDA / Interest expenses	106.4 x	125.6 x	32.2 x	12.3 x	2.9 x	16.7 x	22.7 x
Tax rate (EBT)	28.5 %	26.5 %	28.2 %	-635.7 %	-14.4 %	29.0 %	29.0 %
Dividend Payout Ratio	20.3 %	35.5 %	49.9 %	n.m.	0.0 %	33.2 %	31.9 %
Sales per Employee	204,019	173,785	160,472	175,297	192,880	162,229	169,611

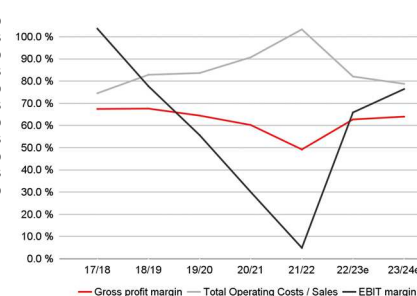
Sales, EBITDA

in EUR m

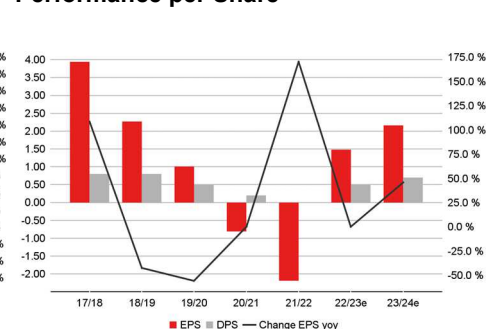


Operating Performance

in %



Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

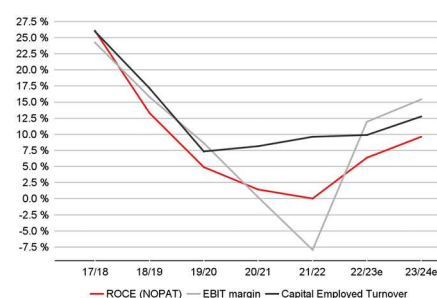
Consolidated balance sheet

In EUR m	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23e	2023/24e
Assets							
Goodwill and other intangible assets	21.5	21.2	21.0	24.0	23.3	23.0	22.7
thereof other intangible assets	2.6	2.4	2.2	2.9	2.1	1.9	1.6
thereof Goodwill	18.8	18.8	18.8	21.1	21.1	21.1	21.1
Property, plant and equipment	27.0	42.2	76.8	87.8	79.6	74.1	72.1
Financial assets	1.2	1.2	1.1	1.1	1.1	1.1	1.1
Other long-term assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fixed assets	49.7	64.6	99.0	112.9	103.9	98.1	95.8
Inventories	33.3	35.9	35.2	46.7	46.4	40.8	37.1
Accounts receivable	23.0	17.0	14.3	17.1	19.7	18.8	20.6
Liquid assets	12.0	14.6	34.2	12.1	7.1	15.5	32.3
Other short-term assets	7.5	12.1	13.6	14.1	18.4	17.2	15.7
Current assets	75.8	79.5	97.2	90.0	91.6	92.4	105.7
Total Assets	125.5	144.1	196.2	202.9	195.5	190.5	201.6
Liabilities and shareholders' equity							
Subscribed capital	5.5	5.5	6.1	6.1	6.1	6.1	6.1
Capital reserve	16.6	16.6	42.0	42.0	42.0	42.0	42.0
Retained earnings	65.0	67.9	68.3	62.7	58.8	67.8	77.9
Other equity components	0.0	0.0	0.0	0.0	0.0	-2.0	-2.0
Shareholders' equity	87.1	90.0	116.3	110.7	106.9	113.8	123.9
Minority interest	0.2	0.1	0.3	0.4	0.4	0.4	0.4
Total equity	87.2	90.1	116.7	111.1	107.2	114.2	124.3
Provisions	6.6	8.8	9.5	9.3	4.7	4.7	4.7
thereof provisions for pensions and similar obligations	6.0	8.3	8.8	8.6	4.0	4.0	4.0
Financial liabilities (total)	7.1	16.2	46.3	53.5	59.4	48.2	48.2
Short-term financial liabilities	2.3	1.7	3.5	3.9	26.4	0.0	0.0
Accounts payable	6.8	7.9	6.5	9.4	10.3	9.6	10.6
Other liabilities	17.8	21.2	17.3	19.5	13.8	13.8	13.8
Liabilities	38.3	54.0	79.5	91.8	88.2	76.3	77.3
Total liabilities and shareholders' equity	125.5	144.1	196.2	202.9	195.5	190.5	201.6

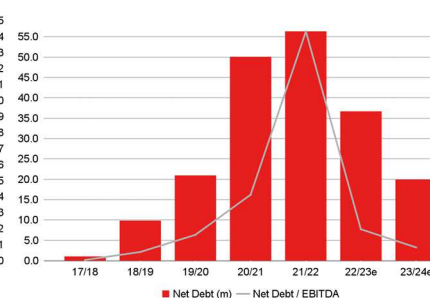
Financial Ratios

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23e	2023/24e
Efficiency of Capital Employment							
Operating Assets Turnover	1.7 x	1.3 x	0.8 x	0.8 x	1.0 x	1.0 x	1.1 x
Capital Employed Turnover	1.4 x	1.1 x	0.7 x	0.7 x	0.8 x	0.8 x	0.9 x
ROA	43.8 %	19.3 %	5.8 %	-4.3 %	-12.8 %	9.1 %	13.7 %
Return on Capital							
ROCE (NOPAT)	26.1 %	13.3 %	4.9 %	1.4 %	n.a.	6.4 %	9.6 %
ROE	28.1 %	14.1 %	5.6 %	-4.3 %	-12.2 %	8.1 %	11.0 %
Adj. ROE	28.1 %	14.1 %	5.6 %	2.4 %	4.6 %	8.1 %	11.0 %
Balance sheet quality							
Net Debt	1.0	9.8	20.9	50.1	56.3	36.7	19.9
Net Financial Debt	-4.9	1.6	12.1	41.5	52.3	32.7	15.9
Net Gearing	1.2 x	10.9 %	17.9 %	45.1 %	52.5 %	32.1 %	16.0 %
Net Fin. Debt / EBITDA	n.a.	7.8 %	82.4 %	300.7 %	1174.5 %	154.0 %	57.8 %
Book Value / Share	15.8	16.3	19.2	18.3	17.6	18.8	20.4
Book value per share ex intangibles	11.9	12.5	15.7	14.3	13.8	15.0	16.7

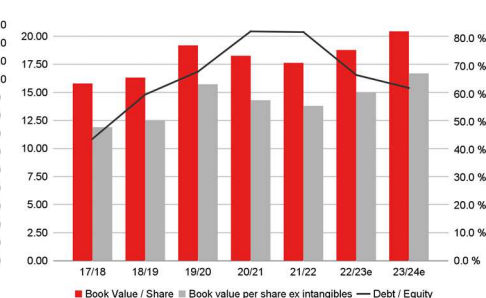
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

Consolidated cash flow statement

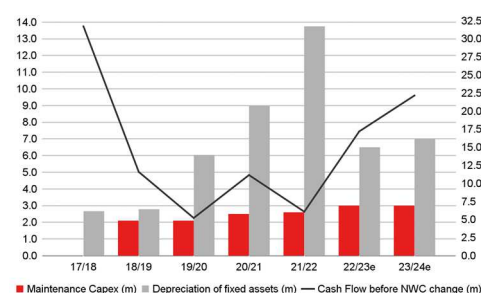
In EUR m	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23e	2023/24e
Net income	21.7	12.5	5.8	-4.9	-13.3	8.9	13.1
Depreciation of fixed assets	2.7	2.8	6.0	9.0	13.7	6.5	7.0
Amortisation of goodwill	0.0	0.0	0.0	3.4	0.0	0.0	0.0
Amortisation of intangible assets	0.5	0.5	0.6	1.1	0.7	0.6	0.6
Increase/decrease in long-term provisions	0.4	0.0	0.3	0.4	-0.2	0.0	0.0
Other non-cash income and expenses	6.5	-4.2	-7.5	2.1	5.0	1.2	1.5
Cash Flow before NWC change	31.7	11.6	5.2	11.2	6.1	17.2	22.2
Increase / decrease in inventory	-3.5	-2.4	0.6	-12.5	-11.6	5.6	3.7
Increase / decrease in accounts receivable	-5.1	6.5	2.7	-1.3	-2.7	0.9	-1.8
Increase / decrease in accounts payable	1.4	1.1	-1.2	3.6	0.8	-0.7	1.0
Increase / decrease in other working capital positions	0.0	0.0	0.0	0.0	0.0	-2.0	0.0
Increase / decrease in working capital (total)	-7.2	5.2	2.2	-10.2	-13.5	3.7	2.9
Net cash provided by operating activities [1]	24.5	16.8	7.4	0.9	-7.4	20.9	25.1
Investments in intangible assets	-0.5	-0.2	-0.3	-0.2	-0.1	-0.3	-0.3
Investments in property, plant and equipment	-10.1	-19.1	-35.1	-16.9	-5.2	-5.0	-5.0
Payments for acquisitions	-0.8	0.0	-0.2	-7.7	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	0.0	0.1	0.0	0.2	2.7	4.0	0.0
Net cash provided by investing activities [2]	-11.4	-19.2	-30.4	-24.6	-1.7	-1.3	-5.3
Change in financial liabilities	-2.7	9.1	21.9	4.3	4.9	-11.2	0.0
Dividends paid	-3.3	-4.4	-4.4	-3.0	-1.2	0.0	-3.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	25.7	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Net cash provided by financing activities [3]	-6.0	4.7	43.3	1.2	3.7	-11.2	-3.0
Change in liquid funds [1]+[2]+[3]	7.1	2.4	20.3	-22.5	-5.4	8.4	16.7
Effects of exchange-rate changes on cash	0.0	0.1	-0.1	0.0	0.4	0.0	0.0
Cash and cash equivalent at end of period	12.4	14.5	34.7	11.7	7.1	15.5	32.3

Financial Ratios

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23e	2023/24e
Cash Flow							
FCF	14.0	-2.4	-22.8	-16.2	-11.8	15.6	19.8
Free Cash Flow / Sales	11.0 %	-2.3 %	-24.2 %	-14.0 %	-9.3 %	13.2 %	15.2 %
Free Cash Flow Potential	n.a.	13.4	10.0	14.5	11.3	14.5	19.1
Free Cash Flow / Net Profit	64.2 %	-19.6 %	-393.9 %	331.2 %	88.9 %	174.9 %	150.8 %
Interest Received / Avg. Cash	0.3 %	0.1 %	0.8 %	0.6 %	0.7 %	0.0 %	0.0 %
Interest Paid / Avg. Debt	3.8 %	1.4 %	1.5 %	2.2 %	2.7 %	2.4 %	2.5 %
Management of Funds							
Investment ratio	8.4 %	17.9 %	37.7 %	14.8 %	4.2 %	4.5 %	4.1 %
Maint. Capex / Sales	n.a.	1.9 %	2.2 %	2.2 %	2.1 %	2.5 %	2.3 %
Capex / Dep	335.8 %	581.5 %	535.7 %	126.5 %	36.4 %	75.0 %	70.1 %
Avg. Working Capital / Sales	35.3 %	42.6 %	45.3 %	40.2 %	41.2 %	42.4 %	35.4 %
Trade Debtors / Trade Creditors	336.3 %	215.9 %	219.7 %	180.9 %	191.0 %	195.8 %	194.3 %
Inventory Turnover	1.3 x	1.0 x	0.9 x	1.0 x	1.6 x	1.1 x	1.3 x
Receivables collection period (days)	66	58	55	54	57	58	58
Payables payment period (days)	58	78	72	70	52	79	83
Cash conversion cycle (Days)	281	321	358	309	224	293	244

CAPEX and Cash Flow

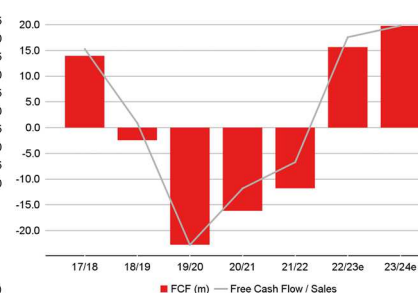
in EUR m



Source: Warburg Research

Free Cash Flow Generation

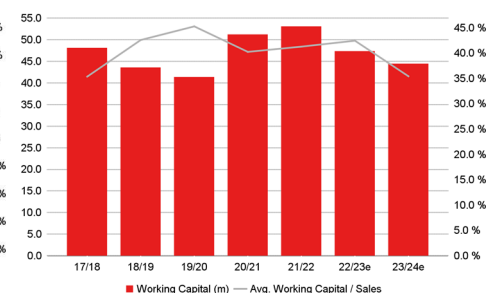
in EUR m



Source: Warburg Research

Working Capital

in EUR m



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	http://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	162	76
Hold	43	20
Sell	6	3
Rating suspended	3	1
Total	214	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	44	86
Hold	6	12
Sell	0	0
Rating suspended	1	2
Total	51	100

PRICE AND RATING HISTORY DR. HÖNLE AS OF 22.02.2023


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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