

# Dr. Hönle AG

## Germany - High-tech Engineering



HAUCK  
AUFHÄUSER  
INVESTMENT BANKING

**Buy** (old: Buy)

**Price target: EUR 37.50** (old: EUR 37.50)

<b>Price:</b>	EUR 21.40	<b>Next result:</b>	tba
<b>Bloomberg:</b>	HNL GR	<b>Market cap:</b>	EUR 122.8 m
<b>Reuters:</b>	HNLG.DE	<b>Enterprise Value:</b>	EUR 171.6 m

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## The FY guidance should be conservative – here's why

Dr Hoenle at the end of December **issued an initial guidance on FY'22/23E**, expecting sales to arrive € 110-120m and EBIT at € 10-13m. While our expectations (€ 118m / € 13.2m) are at the high-end of the outlook, **we expect the guidance to be conservative**, as management should be looking to restore confidence via a "beat and raise" cycle following last year's challenges.

**A simple EBIT bridge is seen to underpin management's conservative approach.** In 2021/22, Hoenle incurred **extraordinary expenses of c. € 19m**, relating to write-downs on UVC inventories (€ 6.4m) and assets of Raesch (€ 12.5m). **These expenses should not recur in FY'22/23E.** At the same time, the successful divestment of unprofitable Raesch means that the subsidiary's operating losses of € 3-4m will be discontinued this year. Adding it all up, group EBIT is seen to improve by a total € 22-23m yoy in FY'22/23E, **which suggests that € 12-13m EBIT is achievable on group level even without any organic growth.**

**Prospects for organic top- and bottom-line growth look favourable**, however, **potentially yielding upside to guidance**, in our view:

- In Equipment & Systems (60% of sales), Hoenle has a **strong backlog** targeting the printing end-market and is **increasing its share of wallet** with key customers.
- In Glass & Lamps (15% of sales), **Hoenle is seeing particularly strong demand for UV lamps targeting water disinfection**, as regulation requires all container ships to feature ballast water treatment facilities by 2024E.

Visibility in Adhesives (25% of sales) is yet low, **as sales & marketing execution has been lacking**. However, the segment has the **potential to surprise positively** in FY'22/23E, in our view, given that management expects to win major adhesive projects, while the China reopening should facilitate sales & marketing in this important end-market.

**Reiterate BUY with a € 37.50 PT based on DCF** and supported by FCFY 2024E (€ 37.00).

Y/E 30.9 (EUR m)	2017/18	2018/19	2019/20	2020/21	2021/22P	2022/23E	2023/24E
Sales	126.5	107.7	93.9	115.2	125.0	118.0*	134.2
Sales growth	24 %	-15 %	-13 %	23 %	9 %	-6 %	14 %
EBITDA	33.8	20.3	14.9	13.8	6.3	21.9	32.3
EBIT	30.7	17.0	8.1	0.3	-10.0	13.2	23.2
Net income	21.7	12.5	5.7	-4.8	-8.0	8.5	15.6
Net debt	-5.2	1.6	12.1	41.5	40.2	27.7	23.1
Net gearing	-6.0 %	1.8 %	10.4 %	37.5 %	39.6 %	24.1 %	18.4 %
Net Debt/EBITDA	0.0	0.1	0.8	3.0	6.4	1.3	0.7
EPS pro forma	3.94	2.26	0.94	-0.80	-1.32	1.40	2.57
CPS	3.91	2.56	0.41	-0.72	0.79	1.25	1.66
DPS	0.80	0.80	0.80	0.20	0.00	0.80	1.00
Dividend yield	4.0 %	4.0 %	4.0 %	1.0 %	0.0 %	4.0 %	4.9 %
Gross profit margin	66.6 %	66.4 %	64.9 %	58.6 %	50.1 %	63.3 %	64.9 %
EBITDA margin	26.8 %	18.9 %	15.8 %	12.0 %	5.0 %	18.6 %	24.1 %
EBIT margin	24.3 %	15.8 %	8.6 %	0.3 %	-8.0 %	11.2 %	17.3 %
ROCE	31.6 %	14.8 %	5.7 %	0.2 %	-5.8 %	7.4 %	13.0 %
EV/sales	0.9	1.1	1.5	1.5	1.4	1.3	1.2
EV/EBITDA	3.3	6.0	9.7	12.5	27.5	7.3	4.8
EV/EBIT	3.7	7.1	17.7	495.3	-17.2	12.0	6.7
PER	5.1	8.9	21.6	-25.5	-15.3	14.5	7.9
Adjusted FCF yield	20.9 %	11.4 %	5.8 %	5.0 %	2.1 %	7.5 %	12.7 %

Source: Company data, HAIB Close price as of: 09.01.2023. \* Accounts for the divestment of Raesch Germany



Source: Company data, Hauck Aufhäuser Investment Banking

**High/low 52 weeks:** 40.00 / 12.04

**Price/Book Ratio:** 1.2

**Relative performance (SDAX):**

3 months 33.1 %

6 months 13.6 %

12 months -27.2 %

### Changes in estimates

		Sales	EBIT	EPS
2022	<b>old:</b>	125.0	-10.0	-1.32
	<b>Δ</b>	-	-	-
2023	<b>old:</b>	118.0	13.2	1.40
	<b>Δ</b>	-	-	-
2024	<b>old:</b>	134.2	23.2	2.57
	<b>Δ</b>	-	-	-

### Key share data:

Number of shares: (in m pcs) 6.1

Authorised capital: (in € m) -

Book value per share: (in €) 16.7

Ø trading volume: (12 months) 7,000

### Major shareholders:

Free Float 86.8 %

Peter Möhrle GmbH 11.1 %

Teslin Capital 5.8 %

Hans-Joachim Vits 3.7 %

AGI 3.6 %

Lazard 3.1 %

### Company description:

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

## Financials

Profit and loss (EUR m)	2017/18	2018/19	2019/20	2020/21	2021/22E	2022/23E	2023/24E
<b>Net sales</b>	<b>126.5</b>	<b>107.7</b>	<b>93.9</b>	<b>115.2</b>	<b>125.0</b>	<b>118.0</b>	<b>134.2</b>
Sales growth	24.1 %	-14.8 %	-12.9 %	22.7 %	8.5 %	-5.6 %	13.7 %
Increase/decrease in finished goods and work-in-process	1.5	1.9	-0.6	3.1	1.9	1.8	2.0
<b>Total sales</b>	<b>128.0</b>	<b>109.7</b>	<b>93.3</b>	<b>118.3</b>	<b>126.9</b>	<b>119.8</b>	<b>136.2</b>
Other operating income	1.1	1.5	1.2	1.6	3.8	1.8	2.0
Material expenses	42.8	36.9	32.7	48.9	63.3	44.0	47.8
Personnel expenses	36.0	35.8	33.2	39.7	43.3	39.8	41.3
Other operating expenses	16.5	18.2	13.7	17.4	17.9	15.8	16.8
Total operating expenses	94.2	89.4	78.4	104.5	120.6	97.8	103.8
<b>EBITDA</b>	<b>33.8</b>	<b>20.3</b>	<b>14.9</b>	<b>13.8</b>	<b>6.3</b>	<b>21.9</b>	<b>32.3</b>
Depreciation	2.7	2.8	6.6	9.8	14.3	8.2	8.5
<b>EBITA</b>	<b>31.2</b>	<b>17.5</b>	<b>8.3</b>	<b>4.0</b>	<b>-8.1</b>	<b>13.7</b>	<b>23.8</b>
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.5	0.5	0.2	3.7	1.9	0.5	0.6
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBIT (inc revaluation net)</b>	<b>30.7</b>	<b>17.0</b>	<b>8.1</b>	<b>0.3</b>	<b>-10.0</b>	<b>13.2</b>	<b>23.2</b>
Interest income	0.0	0.0	0.2	0.1	0.1	0.1	0.1
Interest expenses	0.3	0.2	0.5	1.1	1.4	1.4	1.4
Other financial result	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial result	-0.3	-0.1	-0.3	-1.0	-1.3	-1.3	-1.3
<b>Recurring pretax income from continuing operations</b>	<b>30.4</b>	<b>16.9</b>	<b>7.8</b>	<b>-0.6</b>	<b>-11.3</b>	<b>11.9</b>	<b>21.9</b>
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Earnings before taxes</b>	<b>30.4</b>	<b>16.9</b>	<b>7.8</b>	<b>-0.6</b>	<b>-11.3</b>	<b>11.9</b>	<b>21.9</b>
Taxes	8.7	4.5	2.2	4.3	-3.3	3.5	6.4
<b>Net income from continuing operations</b>	<b>21.7</b>	<b>12.4</b>	<b>5.6</b>	<b>-4.9</b>	<b>-8.0</b>	<b>8.5</b>	<b>15.6</b>
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income</b>	<b>21.7</b>	<b>12.4</b>	<b>5.6</b>	<b>-4.9</b>	<b>-8.0</b>	<b>8.5</b>	<b>15.6</b>
Minority interest	0.0	-0.1	-0.1	0.0	0.0	0.0	0.0
<b>Net profit (reported)</b>	<b>21.7</b>	<b>12.5</b>	<b>5.7</b>	<b>-4.8</b>	<b>-8.0</b>	<b>8.5</b>	<b>15.6</b>
Average number of shares	5.5	5.5	5.5	6.1	6.1	6.1	6.1
<b>EPS reported</b>	<b>3.94</b>	<b>2.26</b>	<b>1.03</b>	<b>-0.80</b>	<b>-1.32</b>	<b>1.40</b>	<b>2.57</b>

Profit and loss (common size)	2017/18	2018/19	2019/20	2020/21	2021/22E	2022/23E	2023/24E
<b>Net sales</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>
Increase/decrease in finished goods and work-in-process	1.2 %	1.8 %	neg.	2.7 %	1.5 %	1.5 %	1.5 %
<b>Total sales</b>	<b>101.2 %</b>	<b>101.8 %</b>	<b>99.4 %</b>	<b>102.7 %</b>	<b>101.5 %</b>	<b>101.5 %</b>	<b>101.5 %</b>
Other operating income	0.9 %	1.4 %	1.3 %	1.4 %	3.0 %	1.5 %	1.5 %
Material expenses	33.8 %	34.2 %	34.9 %	42.5 %	50.6 %	37.3 %	35.6 %
Personnel expenses	28.5 %	33.2 %	35.4 %	34.4 %	34.6 %	33.7 %	30.8 %
Other operating expenses	13.0 %	16.9 %	14.6 %	15.1 %	14.3 %	13.4 %	12.5 %
Total operating expenses	74.5 %	83.0 %	83.5 %	90.7 %	96.5 %	82.9 %	77.4 %
<b>EBITDA</b>	<b>26.8 %</b>	<b>18.9 %</b>	<b>15.8 %</b>	<b>12.0 %</b>	<b>5.0 %</b>	<b>18.6 %</b>	<b>24.1 %</b>
Depreciation	2.1 %	2.6 %	7.0 %	8.5 %	11.4 %	6.9 %	6.3 %
<b>EBITA</b>	<b>24.6 %</b>	<b>16.3 %</b>	<b>8.8 %</b>	<b>3.5 %</b>	<b>neg.</b>	<b>11.7 %</b>	<b>17.8 %</b>
Amortisation of goodwill	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Amortisation of intangible assets	0.4 %	0.5 %	0.2 %	3.2 %	1.5 %	0.4 %	0.4 %
Impairment charges	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>EBIT (inc revaluation net)</b>	<b>24.3 %</b>	<b>15.8 %</b>	<b>8.6 %</b>	<b>0.3 %</b>	<b>neg.</b>	<b>11.2 %</b>	<b>17.3 %</b>
Interest income	0.0 %	0.0 %	0.2 %	0.1 %	0.1 %	0.1 %	0.1 %
Interest expenses	0.3 %	0.2 %	0.5 %	1.0 %	1.1 %	1.2 %	1.0 %
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.
<b>Recurring pretax income from continuing operations</b>	<b>24.0 %</b>	<b>15.7 %</b>	<b>8.4 %</b>	<b>neg.</b>	<b>neg.</b>	<b>10.1 %</b>	<b>16.3 %</b>
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Earnings before taxes</b>	<b>24.0 %</b>	<b>15.7 %</b>	<b>8.4 %</b>	<b>neg.</b>	<b>neg.</b>	<b>10.1 %</b>	<b>16.3 %</b>
Tax rate	28.5 %	26.5 %	28.6 %	n/a	29.0 %	29.0 %	29.0 %
<b>Net income from continuing operations</b>	<b>17.2 %</b>	<b>11.5 %</b>	<b>6.0 %</b>	<b>neg.</b>	<b>neg.</b>	<b>7.2 %</b>	<b>11.6 %</b>
Income from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Net income</b>	<b>17.2 %</b>	<b>11.5 %</b>	<b>6.0 %</b>	<b>neg.</b>	<b>neg.</b>	<b>7.2 %</b>	<b>11.6 %</b>
Minority interest	neg.	neg.	neg.	neg.	0.0 %	0.0 %	0.0 %
<b>Net profit (reported)</b>	<b>17.2 %</b>	<b>11.6 %</b>	<b>6.0 %</b>	<b>neg.</b>	<b>neg.</b>	<b>7.2 %</b>	<b>11.6 %</b>

Source: Company data, Hauck Aufhäuser Investment Banking

Balance sheet (EUR m)	2017/18	2018/19	2019/20	2020/21	2021/22E	2022/23E	2023/24E
<b>Intangible assets</b>	<b>21.5</b>	<b>21.2</b>	<b>21.0</b>	<b>24.0</b>	<b>22.8</b>	<b>22.9</b>	<b>23.0</b>
Property, plant and equipment	27.0	42.2	76.8	87.8	81.3	79.2	77.7
Financial assets	1.3	2.2	2.4	1.4	1.4	1.4	1.4
<b>FIXED ASSETS</b>	<b>49.7</b>	<b>65.6</b>	<b>100.2</b>	<b>113.2</b>	<b>105.4</b>	<b>103.5</b>	<b>102.0</b>
Inventories	33.3	35.9	35.2	46.7	43.9	47.2	53.7
Accounts receivable	23.0	17.0	14.3	17.1	18.2	17.1	19.5
Other current assets	3.6	5.4	6.5	9.0	9.0	9.0	9.0
Liquid assets	12.0	14.6	34.2	12.1	13.3	25.8	30.4
Deferred taxes	4.0	5.7	5.9	4.9	4.9	4.9	4.9
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>CURRENT ASSETS</b>	<b>75.8</b>	<b>78.5</b>	<b>96.0</b>	<b>89.7</b>	<b>89.2</b>	<b>104.0</b>	<b>117.4</b>
<b>TOTAL ASSETS</b>	<b>125.5</b>	<b>144.1</b>	<b>196.2</b>	<b>202.9</b>	<b>194.6</b>	<b>207.4</b>	<b>219.4</b>
SHAREHOLDERS EQUITY	87.1	90.0	116.3	110.7	101.5	115.0	125.6
MINORITY INTEREST	0.2	0.1	0.3	0.4	0.4	0.4	0.4
Long-term debt	4.6	14.6	42.8	49.7	49.7	49.7	49.7
Provisions for pensions and similar obligations	6.0	8.3	8.8	8.6	8.6	8.6	8.6
Other provisions	8.1	6.9	1.9	3.0	3.0	3.0	3.0
<b>Non-current liabilities</b>	<b>18.7</b>	<b>29.8</b>	<b>53.5</b>	<b>61.3</b>	<b>61.3</b>	<b>61.3</b>	<b>61.3</b>
short-term liabilities to banks	2.3	1.7	3.5	3.9	3.9	3.9	3.9
Accounts payable	6.8	7.9	6.5	9.4	10.3	9.7	11.0
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)	9.2	13.4	15.6	16.5	16.5	16.5	16.5
Deferred taxes	1.3	1.3	0.4	0.7	0.7	0.7	0.7
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Current liabilities</b>	<b>19.6</b>	<b>24.3</b>	<b>26.0</b>	<b>30.5</b>	<b>31.4</b>	<b>30.8</b>	<b>32.1</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>125.5</b>	<b>144.1</b>	<b>196.2</b>	<b>202.9</b>	<b>194.6</b>	<b>207.4</b>	<b>219.4</b>

Balance sheet (common size)	2017/18	2018/19	2019/20	2020/21	2021/22E	2022/23E	2023/24E
<b>Intangible assets</b>	<b>17.1 %</b>	<b>14.7 %</b>	<b>10.7 %</b>	<b>11.8 %</b>	<b>11.7 %</b>	<b>11.0 %</b>	<b>10.5 %</b>
Property, plant and equipment	21.5 %	29.3 %	39.2 %	43.3 %	41.8 %	38.2 %	35.4 %
Financial assets	1.0 %	1.5 %	1.2 %	0.7 %	0.7 %	0.7 %	0.6 %
<b>FIXED ASSETS</b>	<b>39.6 %</b>	<b>45.5 %</b>	<b>51.1 %</b>	<b>55.8 %</b>	<b>54.2 %</b>	<b>49.9 %</b>	<b>46.5 %</b>
Inventories	26.5 %	24.9 %	18.0 %	23.0 %	22.5 %	22.8 %	24.5 %
Accounts receivable	18.3 %	11.8 %	7.3 %	8.4 %	9.3 %	8.3 %	8.9 %
Other current assets	2.8 %	3.7 %	3.3 %	4.4 %	4.6 %	4.3 %	4.1 %
Liquid assets	9.6 %	10.1 %	17.4 %	6.0 %	6.8 %	12.4 %	13.9 %
Deferred taxes	3.1 %	3.9 %	3.0 %	2.4 %	2.5 %	2.3 %	2.2 %
Deferred charges and prepaid expenses	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>CURRENT ASSETS</b>	<b>60.4 %</b>	<b>54.5 %</b>	<b>48.9 %</b>	<b>44.2 %</b>	<b>45.8 %</b>	<b>50.1 %</b>	<b>53.5 %</b>
<b>TOTAL ASSETS</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>
SHAREHOLDERS EQUITY	69.4 %	62.4 %	59.3 %	54.6 %	52.2 %	55.4 %	57.3 %
MINORITY INTEREST	0.1 %	0.1 %	0.2 %	0.2 %	0.2 %	0.2 %	0.2 %
Long-term debt	3.6 %	10.1 %	21.8 %	24.5 %	25.5 %	23.9 %	22.6 %
Provisions for pensions and similar obligations	4.8 %	5.7 %	4.5 %	4.2 %	4.4 %	4.1 %	3.9 %
Other provisions	6.5 %	4.8 %	1.0 %	1.5 %	1.5 %	1.5 %	1.4 %
<b>Non-current liabilities</b>	<b>14.9 %</b>	<b>20.6 %</b>	<b>27.3 %</b>	<b>30.2 %</b>	<b>31.5 %</b>	<b>29.5 %</b>	<b>27.9 %</b>
short-term liabilities to banks	1.8 %	1.2 %	1.8 %	1.9 %	2.0 %	1.9 %	1.8 %
Accounts payable	5.4 %	5.5 %	3.3 %	4.6 %	5.3 %	4.7 %	5.0 %
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)	7.3 %	9.3 %	8.0 %	8.1 %	8.5 %	8.0 %	7.5 %
Deferred taxes	1.0 %	0.9 %	0.2 %	0.3 %	0.3 %	0.3 %	0.3 %
Deferred income	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Current liabilities</b>	<b>15.6 %</b>	<b>16.8 %</b>	<b>13.2 %</b>	<b>15.0 %</b>	<b>16.1 %</b>	<b>14.8 %</b>	<b>14.6 %</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>

Source: Company data, Hauck Aufhäuser Investment Banking

Cash flow statement (EUR m)	2017/18	2018/19	2019/20	2020/21	2021/22E	2022/23E	2023/24E
Net profit/loss	21.7	12.4	5.6	-4.9	-8.0	8.5	15.6
Depreciation of fixed assets (incl. leases)	2.7	3.3	6.6	9.8	14.3	8.2	8.5
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.5	0.0	0.2	3.7	1.9	0.5	0.6
Others	6.2	-3.2	-7.2	3.9	0.0	0.0	0.0
Cash flow from operations before changes in w/c	31.1	12.5	5.2	12.5	8.2	17.2	24.7
Increase/decrease in inventory	-3.2	-2.6	0.6	-11.5	2.9	-3.3	-6.5
Increase/decrease in accounts receivable	-5.0	6.0	2.7	-2.8	-1.1	1.0	-2.3
Increase/decrease in accounts payable	1.6	1.0	-1.4	2.9	0.8	-0.6	1.3
Increase/decrease in other working capital positions	-0.2	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in working capital	-6.8	4.4	2.0	-11.3	2.6	-2.9	-7.5
<b>Cash flow from operating activities</b>	<b>24.2</b>	<b>16.9</b>	<b>7.2</b>	<b>1.1</b>	<b>10.8</b>	<b>14.3</b>	<b>17.2</b>
CAPEX	10.6	19.3	30.2	17.1	8.4	6.8	7.7
Payments for acquisitions	0.0	0.0	0.0	7.7	0.0	0.0	0.0
Financial investments	0.0	0.0	0.0	-0.1	0.0	0.0	0.0
Income from asset disposals	0.0	0.1	-0.5	0.2	0.0	5.0	0.0
<b>Cash flow from investing activities</b>	<b>-10.6</b>	<b>-19.1</b>	<b>-30.7</b>	<b>-24.5</b>	<b>-8.4</b>	<b>-1.8</b>	<b>-7.7</b>
Cash flow before financing	13.6	-2.2	-23.5	-23.4	2.4	12.5	9.5
Increase/decrease in debt position	-2.8	9.1	21.9	4.3	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	0.0	0.0	25.7	0.0	0.0	0.0	0.0
Dividends paid	3.3	4.4	4.4	3.0	1.2	0.0	4.9
Others	-0.8	0.0	0.1	0.0	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.0	0.1	-0.1	0.0	0.0	0.0	0.0
<b>Cash flow from financing activities</b>	<b>-6.8</b>	<b>4.7</b>	<b>43.3</b>	<b>1.2</b>	<b>-1.2</b>	<b>0.0</b>	<b>-4.9</b>
Increase/decrease in liquid assets	6.8	2.5	19.6	-22.1	1.2	12.5	4.6
<b>Liquid assets at end of period</b>	<b>12.0</b>	<b>14.6</b>	<b>34.2</b>	<b>12.1</b>	<b>13.3</b>	<b>25.8</b>	<b>30.4</b>

Source: Company data, Hauck Aufhäuser Investment Banking

Regional split (EUR m)	2017/18	2018/19	2019/20	2020/21	2021/22E	2022/23E	2023/24E
Domestic	42.6	36.2	33.8	31.9	31.9	0.0	0.0
yoy change	n/a	-14.9 %	-6.7 %	-5.6 %	0.0 %	n/a	n/a
Rest of Europe	25.5	26.6	23.5	22.5	22.5	0.0	0.0
yoy change	n/a	4.6 %	-11.9 %	-4.0 %	0.0 %	n/a	n/a
NAFTA	9.6	32.3	28.2	26.3	26.3	0.0	0.0
yoy change	n/a	234.8 %	-12.8 %	-6.7 %	0.0 %	n/a	n/a
Asia Pacific	43.7	8.8	5.6	9.4	9.4	0.0	0.0
yoy change	n/a	-79.9 %	-35.8 %	66.7 %	0.0 %	n/a	n/a
Rest of world	5.1	3.8	4.7	3.8	3.8	0.0	0.0
yoy change	n/a	-25.4 %	22.9 %	-20.0 %	0.0 %	n/a	n/a
<b>TTL</b>	<b>126.5</b>	<b>107.7</b>	<b>93.9</b>	<b>115.2</b>	<b>125.0</b>	<b>0.0</b>	<b>0.0</b>
yoy change	n/a	-14.8 %	-12.9 %	22.7 %	8.5 %	n/a	n/a

Source: Company data, Hauck Aufhäuser Investment Banking

Key ratios (EUR m)	2017/18	2018/19	2019/20	2020/21	2021/22E	2022/23E	2023/24E
<b>P&amp;L growth analysis</b>							
Sales growth	24.1 %	-14.8 %	-12.9 %	22.7 %	8.5 %	-5.6 %	13.7 %
EBITDA growth	86.5 %	-40.0 %	-56.1 %	-32.0 %	-58.0 %	58.8 %	417.3 %
EBIT growth	101.8 %	-44.6 %	-73.6 %	-97.9 %	-222.9 %	3696.0 %	-333.5 %
EPS growth	108.5 %	-42.6 %	-73.9 %	-135.1 %	-228.2 %	-275.4 %	-294.3 %
<b>Efficiency</b>							
Total operating costs / sales	74.5 %	83.0 %	83.5 %	90.7 %	96.5 %	82.9 %	77.4 %
Sales per employee	206.2	174.3	154.4	186.6	203.2	178.7	406.4
EBITDA per employee	55.2	32.9	24.5	22.4	10.2	33.2	98.0
<b>Balance sheet analysis</b>							
Avg. working capital / sales	36.0 %	43.9 %	49.3 %	43.2 %	37.9 %	46.3 %	42.5 %
Inventory turnover (sales/inventory)	3.8	3.0	2.7	2.5	2.9	2.5	2.5
Trade debtors in days of sales	66.4	57.5	55.4	54.1	53.0	53.0	53.0
A/P turnover [(A/P*365)/sales]	19.7	26.6	25.2	29.9	30.0	30.0	30.0
Cash conversion cycle (days)	292.0	335.0	376.0	332.2	246.8	364.0	378.8
<b>Cash flow analysis</b>							
Free cash flow	13.6	-2.4	-23.0	-16.0	2.4	7.5	9.5
Free cash flow/sales	10.8 %	-2.2 %	-24.5 %	-13.9 %	1.9 %	6.4 %	7.1 %
FCF / net profit	62.7 %	neg.	neg.	neg.	neg.	88.8 %	61.0 %
Capex / depre	337.1 %	581.5 %	443.6 %	125.6 %	51.9 %	77.6 %	84.3 %
Capex / maintenance capex	382.2 %	676.9 %	n/a	187.3 %	129.2 %	91.6 %	98.3 %
Capex / sales	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Security</b>							
Net debt	-5.2	1.6	12.1	41.5	40.2	27.7	23.1
Net Debt/EBITDA	0.0	0.1	0.8	3.0	6.4	1.3	0.7
Net debt / equity	neg.	0.0	0.1	0.4	0.4	0.2	0.2
Interest cover	96.5	105.0	17.7	0.3	0.0	9.5	16.6
Dividend payout ratio	20.3 %	35.3 %	85.4 %	100.0 %	0.0 %	57.3 %	39.0 %
<b>Asset utilisation</b>							
Capital employed turnover	1.2	0.9	0.5	0.7	0.7	0.7	0.7
Operating assets turnover	1.7	1.2	0.8	0.8	0.9	0.9	1.0
Plant turnover	4.7	2.6	1.2	1.3	1.5	1.5	1.7
Inventory turnover (sales/inventory)	3.8	3.0	2.7	2.5	2.9	2.5	2.5
<b>Returns</b>							
ROCE	31.6 %	14.8 %	5.7 %	0.2 %	-5.8 %	7.4 %	13.0 %
ROE	25.0 %	13.9 %	4.9 %	-4.4 %	-7.9 %	7.4 %	12.4 %
<b>Other</b>							
Interest paid / avg. debt	3.9 %	1.4 %	1.7 %	3.2 %	2.8 %	2.6 %	2.6 %
No. employees (average)	614	618	608	617	615	660	330
Number of shares	5.5	5.5	5.5	6.1	6.1	6.1	6.1
DPS	0.8	0.8	0.8	0.2	0.0	0.8	1.0
EPS reported	3.94	2.26	1.03	-0.80	-1.32	1.40	2.57
<b>Valuation ratios</b>							
P/BV	1.3	1.2	1.1	1.1	1.2	1.1	1.0
EV/sales	0.9	1.1	1.5	1.5	1.4	1.3	1.2
EV/EBITDA	3.3	6.0	9.7	12.5	27.5	7.3	4.8
EV/EBITA	3.6	6.9	17.4	43.1	-21.3	11.6	6.5
EV/EBIT	3.7	7.1	17.7	495.3	-17.2	12.0	6.7
EV/FCF	8.2	-51.6	-6.3	-10.8	71.3	21.2	16.3
Adjusted FCF yield	20.9 %	11.4 %	5.8 %	5.0 %	2.1 %	7.5 %	12.7 %
Dividend yield	4.0 %	4.0 %	4.0 %	1.0 %	0.0 %	4.0 %	4.9 %

Source: Company data, Hauck Aufhäuser Investment Banking

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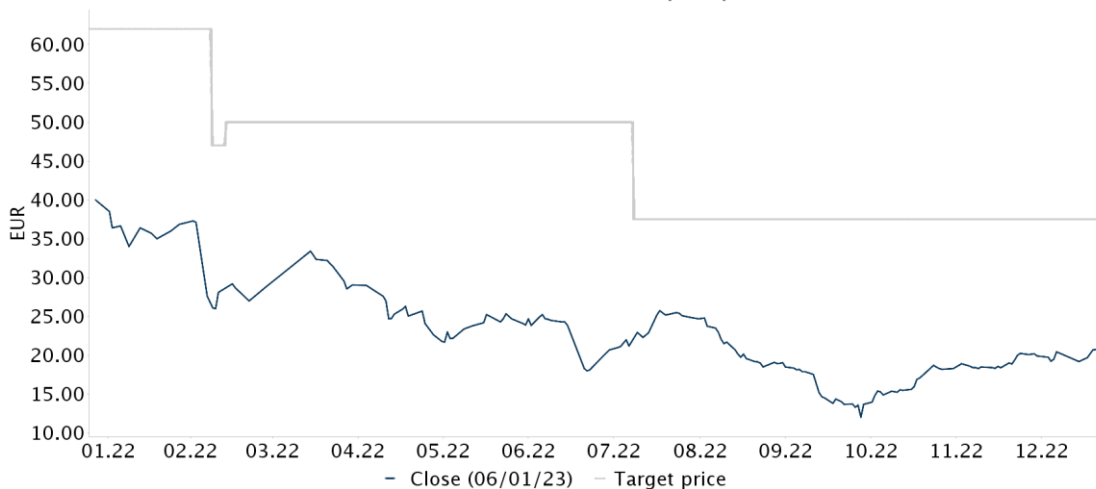
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Company	Disclosure
Dr. Hönle AG	2, 6, 8

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

**Price and Rating History  
Dr. Hönle AG as of 09/01/23**

**Initiation coverage**  
14-May-20



Company	Date	Analyst	Rating	Target price	Close
Dr. Hönle AG	15.12.2022	Wunderlich, CFA, Tim	Buy	EUR 37,50	EUR 19,92
	05.12.2022	Wunderlich, CFA, Tim	Buy	EUR 37,50	EUR 19,02
	09.11.2022	Wunderlich, CFA, Tim	Buy	EUR 37,50	EUR 18,48
	07.11.2022	Wunderlich, CFA, Tim	Buy	EUR 37,50	EUR 17,40
	28.07.2022	Wunderlich, CFA, Tim	Buy	EUR 37,50	EUR 22,30

09.06.2022	Wunderlich, CFA, Tim	Buy	EUR 50,00	EUR 25,35
01.03.2022	Wunderlich, CFA, Tim	Buy	EUR 50,00	EUR 28,10

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