

Dr. Hönle AG

Germany - High-tech Engineering



HAUCK
AUFHÄUSER
INVESTMENT BANKING

Buy (old: Buy)

Price target: EUR 29.30 (old: EUR 37.50)

Price:	EUR 21.30	Next result:	Q4'23: 30.01.24
Bloomberg:	HNL GR	Market cap:	EUR 127.3 m
Reuters:	HNLG.DE	Enterprise Value:	EUR 176.8 m

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Mgmt takes action following soft Q3 and guidance cut; chg.

Fiscal Q3'22/23 results were soft (see next page), marked by disappointing demand for UV air disinfection systems, which triggered the decision to terminate this product line, resulting in approx. € 12m negative one-offs in the quarter.

Q3 sales declined by 1% yoy to € 26.2m: revenues for Equipment & Systems dropped by 3% yoy to € 14.4m while sales of Glass & Lamps declined by 4% yoy to € 4.7m, **both reflecting reduced demand for air disinfection lamps and systems** as the world has learned to live with COVID. **Adhesive revenues grew by 11% yoy to € 7.1m**, courtesy of several smaller project wins across various end-markets, in our view.

Q3 EBIT came in at c. € -11m, versus € 0.3m a year ago, burdened by € 12m one-off expenses relating to the termination of the UV air disinfection product line. This triggered the full write-down of the respective systems and components in inventory. **The Q3 adjusted EBIT would have arrived at approx. € 1.5m.** Note that there was an additional c. € 0.8m one-off expense in Q3 pertaining to the severance payment for ex CEO Mr Haimerl.

The FY'22/23E guidance was already cut in June to € 100-105m sales (prior: "below € 126.5m") and **€ -7m to € -8m EBIT** (underlying: € 5.5m to € 6.5m / prior: "significantly above € 8.9m"). The downgrade reflects one-off expenses (€ 13.5m in FY'22/23E in total) as well as project postponements. In particular, larger adhesive projects remain elusive for the moment, which explains the subdued profitability of the Adhesives segment (8% EBIT margin in Q3'23 / 20% in FY'21), as personnel and capacity investments are waiting to be scaled.

Importantly, interim CEO Dr Richter is **taking the appropriate steps to put Hoenle back on track**, which include focusing the company on differentiated technology and selected verticals, optimizing the corporate structure (e.g. merging smaller entities), capitalizing on synergies between segments and reshuffling the second-level management team. We expect a permanent CEO to be appointed before year-end, who should continue the sensible transformation process.

Action: 2023E estimates are cut to account for the lowered FY guidance. Reduced estimates for 2024E and 2025E reflect Hoenle's lack of execution in the past, which lead us to adopt a more conservative view with regard to achievable top- and bottom-line growth. **Reiterate BUY with a new PT of € 29.30 based on DCF.** continued

Y/E 30.9 (EUR m)	2018/19	2019/20	2020/21	2021/22	2022/23E	2023/24E	2024/25E
Sales	107.7	93.9	115.2	126.5	105.0	113.0	128.8
Sales growth	-15 %	-13 %	23 %	10 %	-17 %	8 %	14 %
EBITDA	20.3	14.9	13.8	4.5	0.6	16.4	22.8
EBIT	17.0	8.1	0.3	-10.1	-7.7	8.3	14.5
Net income	12.5	5.7	-4.8	-13.4	-6.4	4.9	9.3
Net debt	1.6	12.1	41.5	52.3	45.4	42.7	39.7
Net gearing	1.8 %	10.4 %	37.5 %	48.9 %	43.1 %	38.7 %	33.2 %
Net Debt/EBITDA	0.1	0.8	3.0	11.7	72.1	2.6	1.7
EPS pro forma	2.26	0.94	-0.80	-2.20	-1.05	0.80	1.53
CPS	2.56	0.41	-0.72	-1.95	0.31	0.45	0.49
DPS	0.80	0.80	0.20	0.00	0.00	0.00	0.30
Dividend yield	3.8 %	3.8 %	1.0 %	0.0 %	0.0 %	0.0 %	1.4 %
Gross profit margin	66.4 %	64.9 %	58.6 %	46.1 %	50.0 %	61.6 %	63.5 %
EBITDA margin	18.9 %	15.8 %	12.0 %	3.5 %	0.6 %	14.5 %	17.7 %
EBIT margin	15.8 %	8.6 %	0.3 %	-8.0 %	-7.3 %	7.3 %	11.3 %
ROCE	14.8 %	5.7 %	0.2 %	-5.8 %	-4.4 %	4.7 %	8.1 %
EV/sales	1.2	1.6	1.5	1.5	1.7	1.5	1.3
EV/EBITDA	6.2	10.0	12.8	41.2	280.6	10.6	7.5
EV/EBIT	7.4	18.3	508.3	-18.1	-23.0	21.0	11.8
PER	9.3	22.4	-26.4	-9.5	-19.9	26.2	13.7
Adjusted FCF yield	11.0 %	5.6 %	4.8 %	-1.0 %	-1.6 %	4.6 %	7.0 %

Source: Company data, Hauck Aufhäuser Investment Banking Close price as of: 23.08.2023

Please refer to important disclosures at the end of the report



Source: Company data, Hauck Aufhäuser Investment Banking

High/low 52 weeks: 24.40 / 12.04
Price/Book Ratio: 1.2
Relative performance (SDAX):
3 months 9.0 %
6 months 19.3 %
12 months -14.3 %

Changes in estimates

		Sales	EBIT	EPS
2023	old:	118.0	13.2	1.38
	Δ	-11.0%	-	-
2024	old:	134.2	23.2	2.55
	Δ	-15.8%	-64.4%	-68.6%
2025	old:	142.2	26.0	2.87
	Δ	-9.4%	-44.2%	-46.7%

Key share data:

Number of shares: (in m pcs) 6.1
Authorised capital: (in € m) -
Book value per share: (in €) 17.4
Ø trading volume: (12 months) 7,000

Major shareholders:

Free Float 73.6 %
Peter Möhrle GmbH 20.1 %
Teslin Capital 6.3 %
Hans-Joachim Vits 3.7 %
Lazard 3.3 %

Company description:

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

EUR	Q3'23	Q3'22	yoy	Q2'23	yoy	9M'23	9M'22	yoy
Sales	26.2	26.4	-1%	25.9	1%	79.7	87.2	-9%
Adhesives	7.1	6.4	11%	7.1	0%	21.5	20.7	4%
Equipment & Systems	14.4	14.9	-3%	14.1	2%	44.6	51.2	-13%
Glass & Lamps	4.7	4.9	-4%	4.7	0%	13.6	15.1	-10%
EBIT	-10.5	0.3	n.a.	1.3	n.a.	-6.8	9.6	n.a.
EBIT margin	-40%	1.1%	- 41.2 pp	5.2%	- 45.3 pp	-8.6%	11.0%	- 19.5 pp
Adhesives	0.6	0.5	12%	0.4	57%	1.6	2.8	-44%
EBIT margin	8%	8%	+ 0.1 pp	4.9%	+ 2.8 pp	7%	13%	- 6.2 pp
Equipment & Systems	-11.5	-0.9	n.a.	0.3	n.a.	-10.0	4.4	n.a.
EBIT margin	-80%	-6%	- 74.2 pp	2.0%	- 81.8 pp	-22.4%	8.5%	- 30.9 pp
Glass & Lamps	0.4	0.7	-38%	0.7	-43%	1.6	2.5	-34.3%
EBIT margin	9%	13%	- 4.8 pp	14.9%	- 6.4 pp	11.8%	16.2%	- 4.4 pp
Net profit	-9.2	-0.7	n.a.	0.7	n.a.	-6.6	4.6	n.a.
Net margin	-35%	-3%	- 32.4 pp	2.6%	- 37.8 pp	-8%	5%	- 13.6 pp

Source: Company data

Financials

Profit and loss (EUR m)	2018/19	2019/20	2020/21	2021/22	2022/23E	2023/24E	2024/25E
Net sales	107.7	93.9	115.2	126.5	105.0	113.0	128.8
<i>Sales growth</i>	-14.8 %	-12.9 %	22.7 %	9.9 %	-17.0 %	7.6 %	14.0 %
Increase/decrease in finished goods and work-in-process	1.9	-0.6	3.1	8.6	1.6	1.7	1.9
Total sales	109.7	93.3	118.3	135.2	106.6	114.7	130.7
Other operating income	1.5	1.2	1.6	3.9	1.4	1.5	1.7
Material expenses	36.9	32.7	48.9	72.9	53.2	44.1	47.7
Personnel expenses	35.8	33.2	39.7	43.0	39.1	39.9	44.3
Other operating expenses	18.2	13.7	17.4	18.7	15.0	15.8	17.6
Total operating expenses	89.4	78.4	104.5	130.7	105.9	98.3	107.9
EBITDA	20.3	14.9	13.8	4.5	0.6	16.4	22.8
Depreciation	2.8	6.6	9.8	12.7	7.8	7.5	7.5
EBITA	17.5	8.3	4.0	-8.2	-7.2	8.9	15.3
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.5	0.2	3.7	1.9	0.5	0.6	0.8
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT (inc revaluation net)	17.0	8.1	0.3	-10.1	-7.7	8.3	14.5
Interest income	0.0	0.2	0.1	0.1	0.2	0.1	0.1
Interest expenses	0.2	0.5	1.1	1.5	1.5	1.5	1.5
Other financial result	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial result	-0.1	-0.3	-1.0	-1.4	-1.3	-1.4	-1.4
Recurring pretax income from continuing operations	16.9	7.8	-0.6	-11.5	-9.0	6.8	13.1
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	16.9	7.8	-0.6	-11.5	-9.0	6.8	13.1
Taxes	4.5	2.2	4.3	1.7	-2.6	2.0	3.8
Net income from continuing operations	12.4	5.6	-4.9	-13.2	-6.4	4.9	9.3
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	12.4	5.6	-4.9	-13.2	-6.4	4.9	9.3
Minority interest	-0.1	-0.1	0.0	0.2	0.0	0.0	0.0
Net profit (reported)	12.5	5.7	-4.8	-13.4	-6.4	4.9	9.3
Average number of shares	5.5	5.5	6.1	6.1	6.1	6.1	6.1
EPS reported	2.26	1.03	-0.80	-2.20	-1.05	0.80	1.53

Profit and loss (common size)	2018/19	2019/20	2020/21	2021/22	2022/23E	2023/24E	2024/25E
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	1.8 %	neg.	2.7 %	6.8 %	1.5 %	1.5 %	1.5 %
Total sales	101.8 %	99.4 %	102.7 %	106.8 %	101.5 %	101.5 %	101.5 %
Other operating income	1.4 %	1.3 %	1.4 %	3.1 %	1.3 %	1.3 %	1.3 %
Material expenses	34.2 %	34.9 %	42.5 %	57.6 %	50.7 %	39.0 %	37.0 %
Personnel expenses	33.2 %	35.4 %	34.4 %	34.0 %	37.2 %	35.3 %	34.4 %
Other operating expenses	16.9 %	14.6 %	15.1 %	14.8 %	14.3 %	14.0 %	13.7 %
Total operating expenses	83.0 %	83.5 %	90.7 %	103.3 %	100.9 %	87.0 %	83.8 %
EBITDA	18.9 %	15.8 %	12.0 %	3.5 %	0.6 %	14.5 %	17.7 %
Depreciation	2.6 %	7.0 %	8.5 %	10.0 %	7.4 %	6.6 %	5.8 %
EBITA	16.3 %	8.8 %	3.5 %	neg.	neg.	7.9 %	11.9 %
Amortisation of goodwill	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Amortisation of intangible assets	0.5 %	0.2 %	3.2 %	1.5 %	0.5 %	0.5 %	0.6 %
Impairment charges	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBIT (inc revaluation net)	15.8 %	8.6 %	0.3 %	neg.	neg.	7.3 %	11.3 %
Interest income	0.0 %	0.2 %	0.1 %	0.1 %	0.2 %	0.1 %	0.1 %
Interest expenses	0.2 %	0.5 %	1.0 %	1.2 %	1.5 %	1.4 %	1.2 %
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	15.7 %	8.4 %	neg.	neg.	neg.	6.1 %	10.1 %
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Earnings before taxes	15.7 %	8.4 %	neg.	neg.	neg.	6.1 %	10.1 %
Tax rate	26.5 %	28.6 %	n/a	n/a	29.0 %	29.0 %	29.0 %
Net income from continuing operations	11.5 %	6.0 %	neg.	neg.	neg.	4.3 %	7.2 %
Income from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income	11.5 %	6.0 %	neg.	neg.	neg.	4.3 %	7.2 %
Minority interest	neg.	neg.	neg.	0.1 %	0.0 %	0.0 %	0.0 %
Net profit (reported)	11.6 %	6.0 %	neg.	neg.	neg.	4.3 %	7.2 %

Source: Company data, Hauck Aufhäuser Investment Banking

Balance sheet (EUR m)	2018/19	2019/20	2020/21	2021/22	2022/23E	2023/24E	2024/25E
Intangible assets	21.2	21.0	24.0	23.3	23.3	23.3	23.2
Property, plant and equipment	42.2	76.8	87.8	79.6	77.2	75.6	74.5
Financial assets	2.2	2.4	1.4	1.4	1.4	1.4	1.4
FIXED ASSETS	65.6	100.2	113.2	104.2	101.9	100.3	99.1
Inventories	35.9	35.2	46.7	46.4	42.0	45.2	51.5
Accounts receivable	17.0	14.3	17.1	19.7	16.3	17.6	20.0
Other current assets	5.4	6.5	9.0	15.0	15.0	15.0	15.0
Liquid assets	14.6	34.2	12.1	7.1	14.0	16.7	19.7
Deferred taxes	5.7	5.9	4.9	3.0	3.0	3.0	3.0
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CURRENT ASSETS	78.5	96.0	89.7	91.2	90.4	97.5	109.3
TOTAL ASSETS	144.1	196.2	202.9	195.5	192.3	197.8	208.4
SHAREHOLDERS EQUITY	90.0	116.3	110.7	106.9	105.5	110.3	119.6
MINORITY INTEREST	0.1	0.3	0.4	0.4	0.4	0.4	0.4
Long-term debt	14.6	42.8	49.7	33.1	33.1	33.1	33.1
Provisions for pensions and similar obligations	8.3	8.8	8.6	4.0	4.0	4.0	4.0
Other provisions	6.9	1.9	3.0	2.2	2.2	2.2	2.2
Non-current liabilities	29.8	53.5	61.3	39.3	39.3	39.3	39.3
short-term liabilities to banks	1.7	3.5	3.9	26.4	26.4	26.4	26.4
Accounts payable	7.9	6.5	9.4	10.3	8.5	9.2	10.5
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)	13.4	15.6	16.5	11.3	11.3	11.3	11.3
Deferred taxes	1.3	0.4	0.7	1.0	1.0	1.0	1.0
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current liabilities	24.3	26.0	30.5	49.0	47.2	47.9	49.1
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	144.1	196.2	202.9	195.5	192.3	197.8	208.4

Balance sheet (common size)	2018/19	2019/20	2020/21	2021/22	2022/23E	2023/24E	2024/25E
Intangible assets	14.7 %	10.7 %	11.8 %	11.9 %	12.1 %	11.8 %	11.1 %
Property, plant and equipment	29.3 %	39.2 %	43.3 %	40.7 %	40.2 %	38.2 %	35.8 %
Financial assets	1.5 %	1.2 %	0.7 %	0.7 %	0.7 %	0.7 %	0.7 %
FIXED ASSETS	45.5 %	51.1 %	55.8 %	53.3 %	53.0 %	50.7 %	47.6 %
Inventories	24.9 %	18.0 %	23.0 %	23.7 %	21.8 %	22.8 %	24.7 %
Accounts receivable	11.8 %	7.3 %	8.4 %	10.1 %	8.5 %	8.9 %	9.6 %
Other current assets	3.7 %	3.3 %	4.4 %	7.7 %	7.8 %	7.6 %	7.2 %
Liquid assets	10.1 %	17.4 %	6.0 %	3.6 %	7.3 %	8.4 %	9.5 %
Deferred taxes	3.9 %	3.0 %	2.4 %	1.6 %	1.6 %	1.5 %	1.5 %
Deferred charges and prepaid expenses	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
CURRENT ASSETS	54.5 %	48.9 %	44.2 %	46.7 %	47.0 %	49.3 %	52.4 %
TOTAL ASSETS	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
SHAREHOLDERS EQUITY	62.4 %	59.3 %	54.6 %	54.7 %	54.9 %	55.8 %	57.4 %
MINORITY INTEREST	0.1 %	0.2 %	0.2 %	0.2 %	0.2 %	0.2 %	0.2 %
Long-term debt	10.1 %	21.8 %	24.5 %	16.9 %	17.2 %	16.7 %	15.9 %
Provisions for pensions and similar obligations	5.7 %	4.5 %	4.2 %	2.1 %	2.1 %	2.0 %	1.9 %
Other provisions	4.8 %	1.0 %	1.5 %	1.1 %	1.1 %	1.1 %	1.1 %
Non-current liabilities	20.6 %	27.3 %	30.2 %	20.1 %	20.4 %	19.8 %	18.8 %
short-term liabilities to banks	1.2 %	1.8 %	1.9 %	13.5 %	13.7 %	13.3 %	12.7 %
Accounts payable	5.5 %	3.3 %	4.6 %	5.3 %	4.4 %	4.6 %	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)	9.3 %	8.0 %	8.1 %	5.8 %	5.9 %	5.7 %	5.4 %
Deferred taxes	0.9 %	0.2 %	0.3 %	0.5 %	0.5 %	0.5 %	0.5 %
Deferred income	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Current liabilities	16.8 %	13.2 %	15.0 %	25.0 %	24.5 %	24.2 %	23.6 %
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)	2018/19	2019/20	2020/21	2021/22	2022/23E	2023/24E	2024/25E
Net profit/loss	12.4	5.6	-4.9	-13.2	-6.4	4.9	9.3
Depreciation of fixed assets (incl. leases)	3.3	6.6	9.8	12.7	7.8	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	0.0	0.2	3.7	1.9	0.5	0.6	0.8
Others	-3.2	-7.2	3.9	4.5	0.0	0.0	0.0
Cash flow from operations before changes in w/c	12.5	5.2	12.5	5.9	1.9	13.0	17.6
Increase/decrease in inventory	-2.6	0.6	-11.5	-11.6	4.4	-3.2	-6.3
Increase/decrease in accounts receivable	6.0	2.7	-2.8	-2.6	3.3	-1.2	-2.5
Increase/decrease in accounts payable	1.0	-1.4	2.9	0.9	-1.8	0.6	1.3
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	4.4	2.0	-11.3	-13.3	6.0	-3.8	-7.5
Cash flow from operating activities	16.9	7.2	1.1	-7.4	7.9	9.2	10.1
CAPEX	19.3	30.2	17.1	4.4	6.0	6.5	7.1
Payments for acquisitions	0.0	0.0	7.7	0.0	0.0	0.0	0.0
Financial investments	0.0	0.0	-0.1	0.0	0.0	0.0	0.0
Income from asset disposals	0.1	-0.5	0.2	2.7	5.0	0.0	0.0
Cash flow from investing activities	-19.1	-30.7	-24.5	-1.7	-1.0	-6.5	-7.1
Cash flow before financing	-2.2	-23.5	-23.4	-9.1	6.9	2.7	3.0
Increase/decrease in debt position	9.1	21.9	4.3	4.9	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	25.7	0.0	0.0	0.0	0.0	0.0
Dividends paid	4.4	4.4	3.0	1.2	0.0	0.0	0.0
Others	0.0	0.1	0.0	0.0	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.1	-0.1	0.0	0.4	0.0	0.0	0.0
Cash flow from financing activities	4.7	43.3	1.2	3.7	0.0	0.0	0.0
Increase/decrease in liquid assets	2.5	19.6	-22.1	-4.9	6.9	2.7	3.0
Liquid assets at end of period	14.6	34.2	12.1	7.1	14.0	16.7	19.7

Source: Company data, Hauck Aufhäuser Investment Banking

Regional split (EUR m)	2018/19	2019/20	2020/21	2021/22	2022/23E	2023/24E	2024/25E
Domestic	36.2	33.8	31.9	31.9	0.0	0.0	0.0
yoy change	-14.9 %	-6.7 %	-5.6 %	0.0 %	n/a	n/a	n/a
Rest of Europe	26.6	23.5	22.5	22.5	0.0	0.0	0.0
yoy change	4.6 %	-11.9 %	-4.0 %	0.0 %	n/a	n/a	n/a
NAFTA	32.3	28.2	26.3	26.3	0.0	0.0	0.0
yoy change	234.8 %	-12.8 %	-6.7 %	0.0 %	n/a	n/a	n/a
Asia Pacific	8.8	5.6	9.4	9.4	0.0	0.0	0.0
yoy change	-79.9 %	-35.8 %	66.7 %	0.0 %	n/a	n/a	n/a
Rest of world	3.8	4.7	3.8	3.8	0.0	0.0	0.0
yoy change	-25.4 %	22.9 %	-20.0 %	0.0 %	n/a	n/a	n/a
TTL	107.7	93.9	115.2	126.5	0.0	0.0	0.0
yoy change	-14.8 %	-12.9 %	22.7 %	9.9 %	n/a	n/a	n/a

Source: Company data, Hauck Aufhäuser Investment Banking

Key ratios (EUR m)	2018/19	2019/20	2020/21	2021/22	2022/23E	2023/24E	2024/25E
P&L growth analysis							
Sales growth	-14.8 %	-12.9 %	22.7 %	9.9 %	-17.0 %	7.6 %	14.0 %
EBITDA growth	-40.0 %	-56.1 %	-32.0 %	-70.0 %	-95.4 %	267.8 %	3518.6 %
EBIT growth	-44.6 %	-73.6 %	-97.9 %	-225.0 %	-	-181.8 %	-289.0 %
EPS growth	-42.6 %	-73.9 %	-135.1 %	-314.0 %	32.5 %	-136.3 %	-245.2 %
Efficiency							
Total operating costs / sales	83.0 %	83.5 %	90.7 %	103.3 %	100.9 %	87.0 %	83.8 %
Sales per employee	174.3	154.4	186.6	205.7	159.0	342.3	380.7
EBITDA per employee	32.9	24.5	22.4	7.2	1.0	49.6	67.4
Balance sheet analysis							
Avg. working capital / sales	43.9 %	49.3 %	43.2 %	39.0 %	49.6 %	48.4 %	43.0 %
Inventory turnover (sales/inventory)	3.0	2.7	2.5	2.7	2.5	2.5	2.5
Trade debtors in days of sales	57.5	55.4	54.1	56.7	56.7	56.7	56.7
A/P turnover [(A/P*365)/sales]	26.6	25.2	29.9	29.7	29.7	29.7	29.7
Cash conversion cycle (days)	335.0	376.0	332.2	237.4	286.1	354.9	371.0
Cash flow analysis							
Free cash flow	-2.4	-23.0	-16.0	-11.8	1.9	2.7	3.0
Free cash flow/sales	-2.2 %	-24.5 %	-13.9 %	-9.3 %	1.8 %	2.4 %	2.3 %
FCF / net profit	neg.	neg.	neg.	neg.	neg.	55.8 %	32.0 %
Capex / deprn	581.5 %	443.6 %	125.6 %	30.1 %	72.4 %	79.8 %	85.7 %
Capex / maintenance capex	676.9 %	n/a	187.3 %	118.0 %	90.9 %	90.9 %	90.6 %
Capex / sales	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Security							
Net debt	1.6	12.1	41.5	52.3	45.4	42.7	39.7
Net Debt/EBITDA	0.1	0.8	3.0	11.7	72.1	2.6	1.7
Net debt / equity	0.0	0.1	0.4	0.5	0.4	0.4	0.3
Interest cover	105.0	17.7	0.3	0.0	0.0	5.4	9.5
Dividend payout ratio	35.3 %	85.4 %	100.0 %	0.0 %	0.0 %	0.0 %	19.6 %
Asset utilisation							
Capital employed turnover	0.9	0.5	0.7	0.7	0.6	0.6	0.7
Operating assets turnover	1.2	0.8	0.8	0.9	0.8	0.9	0.9
Plant turnover	2.6	1.2	1.3	1.6	1.4	1.5	1.7
Inventory turnover (sales/inventory)	3.0	2.7	2.5	2.7	2.5	2.5	2.5
Returns							
ROCE	14.8 %	5.7 %	0.2 %	-5.8 %	-4.4 %	4.7 %	8.1 %
ROE	13.9 %	4.9 %	-4.4 %	-12.5 %	-6.1 %	4.4 %	7.8 %
Other							
Interest paid / avg. debt	1.4 %	1.7 %	3.2 %	2.9 %	2.7 %	2.6 %	2.6 %
No. employees (average)	618	608	617	615	660	330	338
Number of shares	5.5	5.5	6.1	6.1	6.1	6.1	6.1
DPS	0.8	0.8	0.2	0.0	0.0	0.0	0.3
EPS reported	2.26	1.03	-0.80	-2.20	-1.05	0.80	1.53
Valuation ratios							
P/BV	1.3	1.1	1.1	1.2	1.2	1.2	1.1
EV/sales	1.2	1.6	1.5	1.5	1.7	1.5	1.3
EV/EBITDA	6.2	10.0	12.8	41.2	280.6	10.6	7.5
EV/EBITA	7.2	17.9	44.2	-22.4	-24.7	19.6	11.2
EV/EBIT	7.4	18.3	508.3	-18.1	-23.0	21.0	11.8
EV/FCF	-53.4	-6.5	-11.1	-15.6	94.4	64.2	57.6
Adjusted FCF yield	11.0 %	5.6 %	4.8 %	-1.0 %	-1.6 %	4.6 %	7.0 %
Dividend yield	3.8 %	3.8 %	1.0 %	0.0 %	0.0 %	0.0 %	1.4 %

Source: Company data, Hauck Aufhäuser Investment Banking

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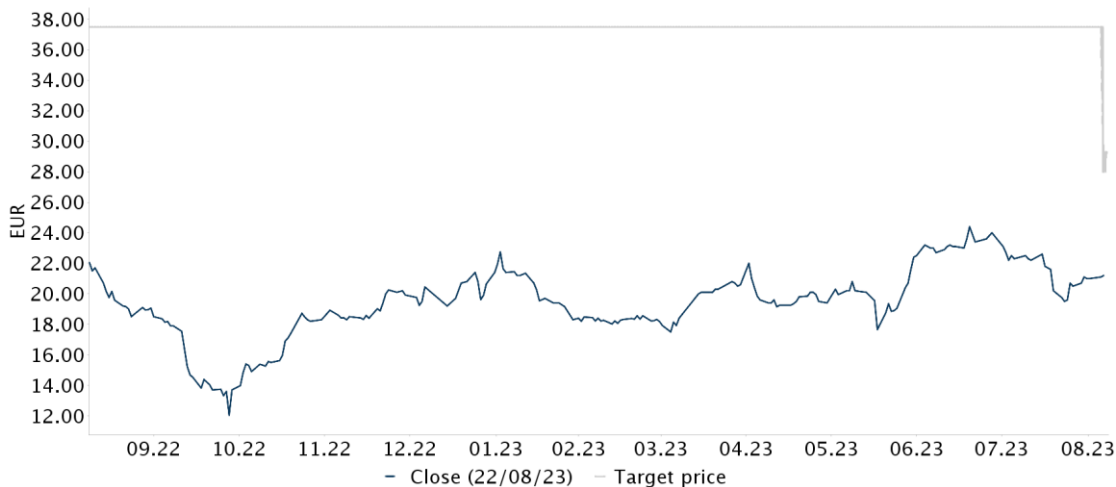
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Company	Disclosure
Dr. Hönle AG	2, 6, 8

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

**Price and Rating History
Dr. Hönle AG as of 23/08/23**

Initiation coverage
14-May-20



Company	Date	Analyst	Rating	Target price	Close
Dr. Hönle AG	22.02.2023	Wunderlich, CFA, Tim	Buy	EUR 37,50	EUR 18,40
	10.01.2023	Wunderlich, CFA, Tim	Buy	EUR 37,50	EUR 20,80
	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

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