

Dr. Hönle AG

Germany - High-tech Engineering



HAUCK
AUFHÄUSER
INVESTMENT BANKING

Buy (old: Buy)

Price target: EUR 23.40 (old: EUR 29.30)

Price:	EUR 18.40	Next result:	Q2'24: 08.05.24
Bloomberg:	HNL GR	Market cap:	EUR 111.6 m
Reuters:	HNLG.DE	Enterprise Value:	EUR 162.3 m

21-March-24

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FY'23/24E guidance looks ambitious following weak Q1; chg.

The management team is taking the appropriate measures to streamline and re-focus the company, including for instance the introduction of Business Units, simplification of the corporate structure, exploitation of synergies between subsidiaries, introduction of operational excellence as well as the strengthening of key account management to bolster co-operation with customers.

Still, **most of the positive effects should become visible only in around 12-18 months**, which means that FY'23/24E looks set to be a transition year, especially with the new CEO Dr Arendt (formerly MKS and SUSS) starting only in May 2024.

Softer-than-expected Q1 results (see next page) suggest that the **transition period will be more challenging** than previously thought, in light of weak demand from the printing end-market, which accounts for an estimated 25-30% of group sales.

Indeed, **Q1 group revenues dropped by -14% yoy to € 23.8m** (eHAIB: € 26.6m), as major printing customers reduced orders for Hoenle's UV drying systems amidst soft end-market demand. This is seen to explain the steep Q1 revenue decline for the segment 'Equipment & Systems' (-20% yoy to € 12.8m). Sales of 'Glass & Lamps' decreased by -10% yoy to € 3.8m, on the back of project postponements due to macro uncertainty. Meanwhile, Adhesives' revenues dropped slightly by -2% yoy to € 7.2m, given the absence of larger project wins.

Q1 EBIT dropped to € -0.8m from a positive € 2.3m a year ago, reflecting diseconomies of scale due to the top-line decline, while the gross margin remained at a strong level of around 60%. Also, Q1 personnel expenses rose in absolute terms by 6% yoy to € 10m, on the back of wage inflation and personnel recruitment in Adhesives for sales & marketing and R&D to kick-start growth.

Despite the weak start to the year, **management confirmed its FY'23/24E guidance of € 105-115m sales and € 6-9m EBIT**, expecting a stronger H2 due to pipeline projects and the expectation that the Drupa printing exhibition will revive demand. **We agree in general but are more cautious and positioned slightly below guidance with our new estimates**. While modelling a stronger H2 operating performance, the expected soft H1 numbers should be too much of a hurdle to reach the guidance.

Even so, **Hönle remains a Buy**, in light of differentiated technology targeting growing niche markets. Reorganisation measures should help the company transform its solid competitive quality into better business quality (i.e. market share, profitability, ROCE), once end-markets revive. **Action:** est. are cut to account for demand weakness and slow progress regarding project wins in Adhesives. **The new € 23.40 PT is 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	104.8	118.4	129.1
Sales growth	-13 %	23 %	1 %	-8 %	-1 %	13 %	9 %
EBITDA	14.9	13.8	12.1	0.4	12.7	18.6	23.1
EBIT	8.1	0.3	5.8	-9.4	4.6	10.3	14.8
Net income	5.7	-4.8	-13.4	-11.0	2.0	6.1	9.3
Net debt	12.1	41.5	52.3	47.5	42.7	40.4	34.9
Net gearing	10.4 %	37.5 %	48.9 %	49.6 %	43.6 %	38.9 %	31.1 %
Net Debt/EBITDA	0.8	3.0	4.3	119.3	3.4	2.2	1.5
EPS pro forma	0.94	-0.80	0.44	-1.87	0.33	1.00	1.53
DPS	0.80	0.20	0.00	0.00	0.00	0.15	0.20
Dividend yield	4.3 %	1.1 %	0.0 %	0.0 %	0.0 %	0.8 %	1.1 %
Gross profit margin	64.9 %	58.6 %	53.6 %	51.1 %	60.5 %	60.0 %	60.1 %
EBITDA margin	15.8 %	12.0 %	10.4 %	0.4 %	12.1 %	15.7 %	17.9 %
EBIT margin	8.6 %	0.3 %	5.0 %	-8.9 %	4.4 %	8.7 %	11.5 %
ROCE	5.7 %	0.2 %	3.4 %	-5.6 %	2.8 %	6.4 %	8.5 %
EV/EBITDA	8.9	11.7	13.8	407.7	12.4	8.3	6.5
EV/EBIT	16.4	463.1	28.8	-17.2	34.4	15.1	10.1
PER	19.6	-23.1	41.8	-9.8	55.4	18.4	12.0
Adjusted FCF yield	6.3 %	6.9 %	4.5 %	-1.8 %	5.7 %	8.5 %	11.1 %

Source: Company data, Hauck Aufhäuser Investment Banking Close price as of: 20.03.2024

Please refer to important disclosures at the end of the report



Source: Company data, Hauck Aufhäuser Investment Banking

High/low 52 weeks: 24.40 / 15.35

Price/Book Ratio: 1.2

Relative performance (SDAX):

3 months 1.6 %

6 months -8.8 %

12 months -3.2 %

Changes in estimates

		Sales	EBIT	EPS
2024	old:	113.0	8.3	0.80
	Δ	-7.3%	-44.7%	-58.5%
2025	old:	128.8	14.5	1.53
	Δ	-8.1%	-29.0%	-34.5%

Key share data:

Number of shares: (in m pcs) 6.1

Authorised capital: (in € m) -

Book value per share: (in €) 15.8

Ø trading volume: (12 months) 7,000

Major shareholders:

Free Float 68.0 %

Peter Möhrle GmbH 25.6 %

Teslin Capital 6.4 %

Hans-Joachim Vits 4.1 %

Lazard 3.9 %

Company description:

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

EUR	Q1'23/24	Q1'22/23	yoy	Q4'22/23	yoy
Sales	23.8	27.6	-14%	26.6	-11%
Adhesives	7.2	7.3	-2%	7.3	-2%
Equipment & Systems	12.8	16.0	-20%	15.1	-16%
Glass & Lamps	3.8	4.3	-10%	4.2	-8%
EBIT	-0.8	2.3	n.a.	-2.6	n.a.
EBIT margin	-3%	8.5%	- 11.8 pp	-9.7%	+ 6.5 pp
Adhesives	-0.1	0.7	n.a.	1.5	n.a.
EBIT margin	-1%	9%	- 10.0 pp	21.2%	- 22.2 pp
Equipment & Systems	-0.9	1.2	n.a.	-4.6	n.a.
EBIT margin	-7%	7%	- 14.2 pp	-30.3%	+ 23.5 pp
Glass & Lamps	0.2	0.5	-67%	0.5	-63%
EBIT margin	4%	12%	- 7.6 pp	10.8%	- 6.4 pp
Net profit	-0.9	1.9	n.a.	-4.6	n.a.
Net margin	-4%	7%	- 10.6 pp	-17.4%	+ 13.8 pp

Source: Company data, HAIB

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	104.8	118.4	129.1
<i>Sales growth</i>	-12.9 %	22.7 %	0.8 %	-8.4 %	-1.5 %	13.0 %	23.2 %
Increase/decrease in finished goods and work-in-process	-0.6	3.1	2.1	-1.9	1.6	1.8	1.9
Total sales	93.3	118.3	118.2	104.5	106.4	120.2	131.0
Other operating income	1.2	1.6	3.6	3.3	3.2	3.3	3.6
Material expenses	32.7	48.9	54.8	51.1	42.0	48.1	52.3
Personnel expenses	33.2	39.7	39.7	39.5	39.4	40.6	42.3
Other operating expenses	13.7	17.4	15.2	16.7	15.5	16.2	16.9
Total operating expenses	78.4	104.5	106.1	104.1	93.7	101.6	107.9
EBITDA	14.9	13.8	12.1	0.4	12.7	18.6	23.1
Depreciation	6.6	9.8	4.6	9.8	7.5	7.5	7.5
EBITA	8.3	4.0	7.6	-9.4	5.2	11.1	15.6
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	4.6	10.3	14.8
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	-1.7	-1.7	-1.7
Recurring pretax income from continuing operations	7.8	-0.6	4.4	-11.0	2.8	8.6	13.1
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	2.8	8.6	13.1
Taxes	2.2	4.3	1.6	0.3	0.8	2.5	3.8
Net income from continuing operations	5.6	-4.9	2.8	-11.3	2.0	6.1	9.3
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	2.0	6.1	9.3
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	2.0	6.1	9.3
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	0.33	1.00	1.53

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 %	1.5 %	1.5 %
Total sales	99.4 %	102.7 %	101.8 %	98.2 %	101.5 %	101.5 %	101.5 %
Other operating income	1.3 %	1.4 %	3.1 %	3.1 %	3.1 %	2.8 %	2.8 %
Material expenses	34.9 %	42.5 %	47.2 %	48.1 %	40.1 %	40.6 %	40.5 %
Personnel expenses	35.4 %	34.4 %	34.2 %	37.2 %	37.6 %	34.3 %	32.8 %
Other operating expenses	14.6 %	15.1 %	13.1 %	15.7 %	14.8 %	13.7 %	13.1 %
Total operating expenses	83.5 %	90.7 %	91.4 %	97.9 %	89.4 %	85.8 %	83.6 %
EBITDA	15.8 %	12.0 %	10.4 %	0.4 %	12.1 %	15.7 %	17.9 %
Depreciation	7.0 %	8.5 %	3.9 %	9.2 %	7.2 %	6.3 %	5.8 %
EBITA	8.8 %	3.5 %	6.5 %	neg.	4.9 %	9.4 %	12.1 %
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 %	0.6 %
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.	4.4 %	8.7 %	11.5 %
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 %	1.7 %	1.5 %	1.4 %
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.	2.7 %	7.2 %	10.1 %
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.	2.7 %	7.2 %	10.1 %
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.	1.9 %	5.1 %	7.2 %
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.	1.9 %	5.1 %	7.2 %
Minority interest	neg.	neg.	0.1 %	0.1 %	0.0 %	0.0 %	0.0 %
Net profit (reported)	6.0 %	neg.	neg.	neg.	1.9 %	5.1 %	7.2 %

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	34.5	39.0	42.5
Accounts receivable	14.3	17.1	19.7	15.6	15.4	17.4	19.0
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	14.1	16.4	21.9
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	84.0	92.7	103.3
TOTAL ASSETS	196.2	202.9	195.5	176.2	178.1	185.1	194.3
SHAREHOLDERS EQUITY	116.3	110.7	106.9	95.8	97.9	103.9	112.3
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	7.4	8.4	9.2
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	30.6	31.5	32.3
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	196.2	202.9	195.5	176.2	178.1	185.1	194.3

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 %	11.0 %	10.5 %	10.0 %
Property, plant and equipment	39.2 %	43.3 %	40.7 %	42.6 %	41.0 %	38.6 %	36.1 %
Financial assets	1.2 %	0.7 %	0.7 %	0.8 %	0.8 %	0.8 %	0.7 %
FIXED ASSETS	51.1 %	55.8 %	53.3 %	54.6 %	52.9 %	49.9 %	46.8 %
Inventories	18.0 %	23.0 %	23.7 %	19.9 %	19.4 %	21.1 %	21.9 %
Accounts receivable	7.3 %	8.4 %	10.1 %	8.9 %	8.6 %	9.4 %	9.8 %
Other current assets	3.3 %	4.4 %	7.7 %	8.4 %	8.3 %	8.0 %	7.6 %
Liquid assets	17.4 %	6.0 %	3.6 %	5.3 %	7.9 %	8.9 %	11.3 %
Deferred taxes	3.0 %	2.4 %	1.6 %	2.9 %	2.9 %	2.8 %	2.7 %
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 %	47.1 %	50.1 %	53.2 %
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 %	55.0 %	56.1 %	57.8 %
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 %	24.9 %	24.0 %	22.8 %
Provisions for pensions and similar obligations	4.5 %	4.2 %	2.1 %	1.8 %	1.8 %	1.7 %	1.7 %
Other provisions	1.0 %	1.5 %	1.1 %	1.0 %	1.0 %	0.9 %	0.9 %
Non-current liabilities	27.3 %	30.2 %	20.1 %	28.0 %	27.7 %	26.7 %	25.4 %
short-term liabilities to banks	1.8 %	1.9 %	13.5 %	7.0 %	7.0 %	6.7 %	6.4 %
Accounts payable	3.3 %	4.6 %	5.3 %	4.3 %	4.2 %	4.5 %	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 %	5.3 %	5.1 %	4.9 %
Deferred taxes	0.2 %	0.3 %	0.5 %	0.7 %	0.7 %	0.6 %	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 %	17.2 %	17.0 %	16.6 %
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)	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	2.0	6.1	9.3
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	5.2	12.5	9.0	3.6	10.1	14.4	17.6
Increase/decrease in inventory	0.6	-11.5	-11.6	-1.8	0.5	-4.5	-3.5
Increase/decrease in accounts receivable	2.7	-2.8	-2.6	4.0	0.2	-2.0	-1.6
Increase/decrease in accounts payable	-1.4	2.9	0.9	-2.7	-0.1	1.0	0.8
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	0.6	-5.5	-4.3
Cash flow from operating activities	7.2	1.1	-7.4	3.1	10.7	8.9	13.3
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	-23.5	-23.4	-9.1	5.8	4.7	2.3	6.4
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	0.9
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	-0.9
Increase/decrease in liquid assets	19.6	-22.1	-4.9	2.2	4.7	2.3	5.5
Liquid assets at end of period	34.2	12.1	7.1	9.3	14.1	16.4	21.9

Source: Company data, Hauck Aufhäuser Investment Banking

Regional split (EUR m)	2019/20	2020/21	2021/22	2022/23	2023/24E	2024/25E	2025/26E
Domestic	33.8	31.9	46.3	39.4	38.9	43.9	47.9
yoy change	-6.7 %	-5.6 %	45.2 %	-14.9 %	-1.5 %	13.0 %	9.0 %
Rest of Europe	23.5	22.5	36.7	33.7	33.2	37.5	40.9
yoy change	-11.9 %	-4.0 %	62.9 %	-8.2 %	-1.5 %	13.0 %	9.0 %
NAFTA	28.2	26.3	8.4	8.6	8.5	9.6	10.5
yoy change	-12.8 %	-6.7 %	-68.1 %	2.9 %	-1.5 %	13.0 %	9.0 %
Asia Pacific	5.6	9.4	19.2	18.3	18.0	20.4	22.2
yoy change	-35.8 %	66.7 %	104.9 %	-5.0 %	-1.5 %	13.0 %	9.0 %
Rest of world	4.7	3.8	5.4	6.3	6.3	7.1	7.7
yoy change	22.9 %	-20.0 %	44.9 %	16.7 %	-1.5 %	13.0 %	9.0 %
TTL	93.9	115.2	116.1	106.3	104.8	118.4	129.1
yoy change	-12.9 %	22.7 %	0.8 %	-8.4 %	-1.5 %	13.0 %	9.0 %

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 %	-1.5 %	13.0 %	23.2 %
EBITDA growth	-56.1 %	-32.0 %	-18.5 %	-97.1 %	4.6 %	4571.5 %	90.6 %
EBIT growth	-73.6 %	-97.9 %	-27.9 %	-	-21.5 %	-209.3 %	153.7 %
EPS growth	-73.9 %	-135.1 %	-314.0 %	128.3 %	-115.1 %	-155.2 %	-169.6 %
Efficiency							
Total operating costs / sales	83.5 %	90.7 %	91.4 %	97.9 %	89.4 %	85.8 %	83.6 %
Sales per employee	152.9	183.2	188.8	168.7	168.0	198.4	202.0
EBITDA per employee	24.2	22.0	19.7	0.6	20.3	31.1	36.2
Balance sheet analysis							
Avg. working capital / sales	49.3 %	43.2 %	42.5 %	45.9 %	46.9 %	38.6 %	41.9 %
Inventory turnover (sales/inventory)	2.7	2.5	2.5	3.0	3.0	3.0	3.0
Trade debtors in days of sales	55.4	54.1	61.8	53.6	53.6	53.6	53.6
A/P turnover [(A/P*365)/sales]	25.2	29.9	32.4	25.9	25.9	25.9	25.9
Cash conversion cycle (days)	376.0	332.2	302.0	249.9	288.9	286.0	286.6
Cash flow analysis							
Free cash flow	-23.0	-16.0	-11.8	0.2	4.7	2.3	6.4
Free cash flow/sales	-24.5 %	-13.9 %	-10.2 %	0.2 %	4.5 %	2.0 %	5.0 %
FCF / net profit	neg.	neg.	neg.	neg.	235.6 %	38.1 %	69.0 %
Capex / depre	443.6 %	125.6 %	71.9 %	23.8 %	74.0 %	78.8 %	82.7 %
Capex / maintenance capex	n/a	343.3 %	172.8 %	184.3 %	181.7 %	197.4 %	206.5 %
Capex / sales	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Security							
Net debt	12.1	41.5	52.3	47.5	42.7	40.4	34.9
Net Debt/EBITDA	0.8	3.0	4.3	119.3	3.4	2.2	1.5
Net debt / equity	0.1	0.4	0.5	0.5	0.4	0.4	0.3
Interest cover	17.7	0.3	3.8	0.0	2.5	5.7	8.2
Dividend payout ratio	85.4 %	100.0 %	0.0 %	0.0 %	0.0 %	15.0 %	13.0 %
Asset utilisation							
Capital employed turnover	0.5	0.7	0.7	0.7	0.7	0.7	0.7
Operating assets turnover	0.8	0.8	0.9	0.9	0.9	1.0	1.1
Plant turnover	1.2	1.3	1.5	1.4	1.4	1.7	1.8
Inventory turnover (sales/inventory)	2.7	2.5	2.5	3.0	3.0	3.0	3.0
Returns							
ROCE	5.7 %	0.2 %	3.4 %	-5.6 %	2.8 %	6.4 %	8.5 %
ROE	4.9 %	-4.4 %	-12.5 %	-11.5 %	2.1 %	5.8 %	8.3 %
Other							
Interest paid / avg. debt	1.7 %	3.2 %	2.9 %	3.3 %	3.1 %	3.2 %	3.1 %
No. employees (average)	614	629	615	631	624	597	639
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	0.2	0.2
EPS reported	1.03	-0.80	-2.20	-1.82	0.33	1.00	1.53
Valuation ratios							
P/BV	1.0	1.0	1.0	1.2	1.1	1.1	1.0
EV/sales	1.4	1.4	1.4	1.5	1.5	1.3	1.2
EV/EBITDA	8.9	11.7	13.8	407.7	12.4	8.3	6.5
EV/EBITA	16.0	40.3	22.2	-17.2	30.4	14.0	9.6
EV/EBIT	16.4	463.1	28.8	-17.2	34.4	15.1	10.1
EV/FCF	-5.8	-10.1	-14.2	776.4	33.2	67.0	23.3
Adjusted FCF yield	6.3 %	6.9 %	4.5 %	-1.8 %	5.7 %	8.5 %	11.1 %
Dividend yield	4.3 %	1.1 %	0.0 %	0.0 %	0.0 %	0.8 %	1.1 %

Source: Company data, Hauck Aufhäuser Investment Banking

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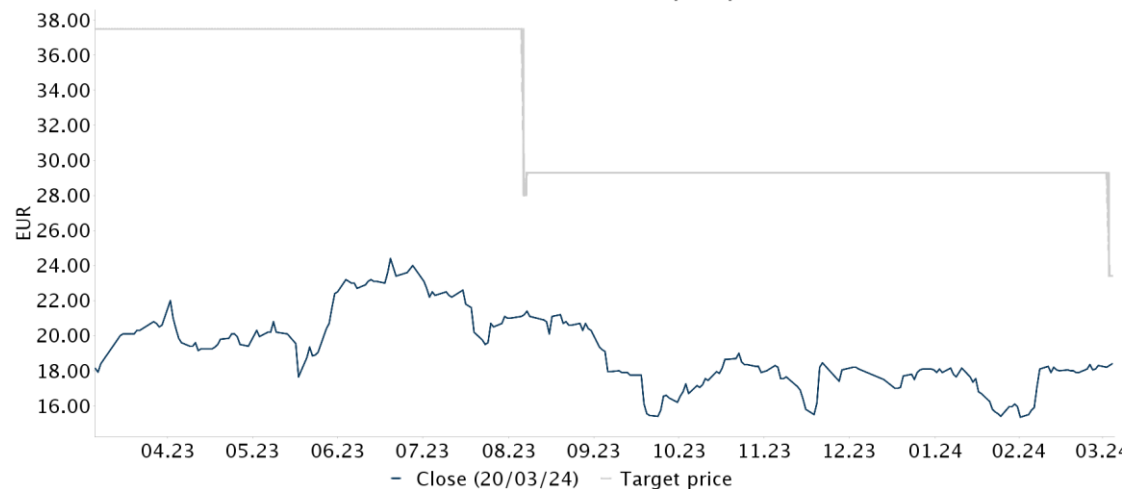
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Company	Disclosure
Dr. Hönle AG	2, 6, 8

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

Price and Rating History
Dr. Hönle AG as of 20/03/24
Initiation coverage
 14-May-20



Company	Date	Analyst	Rating	Target price	Close
Dr. Hönle AG	11.12.2023	Wunderlich, CFA, Tim	Buy	EUR 29,30	EUR 18,45
	18.09.2023	Wunderlich, CFA, Tim	Buy	EUR 29,30	EUR 19,35
	24.08.2023	Wunderlich, CFA, Tim	Buy	EUR 29,30	EUR 21,10

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Date of publication creation: 21/03/2024 08:11 AM

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