

Q3 2020/2021

Quarterly Statement

for the period from 1 October 2020 to 30 June 2021



Earnings development in T€	01/10/2020 – 30/06/2021	01/10/2019 – 30/06/2020	+/- %
Revenue	84,932	71,734	18.4
Gross profit	54,800	47,811	14.6
Operating result/EBIT	7,162	6,287	13.9
Earnings before tax/EBT	6,395	6,069	5.4
Consolidated profit	4,849	4,739	2.3
Earnings per share in € ¹⁾	0.79	0.79	0.0
Number of shares of stock ¹⁾	6,062,930	6,062,930	0.0
Asset development in T€	30/06/2021	30/09/2020	+/- %
Non-current assets	123,790	107,226	15.5
Current assets	87,220	88,020	-0.9
Equity	117,756	116,685	0.9
Non-current liabilities	67,488	58,442	15.5
Current liabilities	26,715	21,069	26.8
Total assets	211,959	196,196	8.0
Equity ratio as a %	55.6	59.5	-6.6
Liquidity development in T€	01/10/2020 – 30/06/2021	01/10/2019 – 30/06/2020	+/- %
Operative cash flow ²⁾	6,278	9,071	-30.8
Cash flow from investing activities	-18,005	-23,400	23.1
Cash flow from financing activities	1,617	14,609	-88.9
Change in cash and cash equivalents	-14,486	-4,557	-217.9
Staff	01/10/2020 – 30/06/2021	01/10/2019 – 30/06/2020	+/- %
Average number of staff	653	580	12.6

1) Adjusted prior year values; 2) Cash generated from operations

Dr. Höhle AG - Financial Calendar

20 September 2021
Berenberg Conference

2 December 2021
prel. figures FY 2020/2021

7 December 2021
GBC Conference, Munich

Note

The quarterly statement is unaudited. It was prepared on the basis of the accounting regulations applied in the most recent consolidated financial statements. The statements and information provided by Dr. Höhle AG in the quarterly statement also relate to future periods. These forward-looking statements represent assessments which were made on the basis of all information available at the time the statement was prepared. Should the assumptions underlying the forecasts prove to be incorrect, the actual developments and results may deviate from the current expectations. The Company assumes no obligation to update the information contained in this quarterly statement outside the legally required publication provisions.

Highly efficient UVC air disinfection

- Meets the strict Bavarian funding requirements for schools
- Whisper-quiet even at full power (<40 dB (A) SteriWhite Air Q115, 300 and 600)
- No UVC leakage even according to the strictest test regulations
- No ozone formation
- No use of chemicals
- Lowest operating and maintenance costs (lamp change after 16,000 hours)
- No filter change: negligibly low maintenance costs compared to HEPA filter devices
- Highest effectiveness against all indoor air germs
- Various combination options for 5-6 times the room air throughput per hour
- Excellent design: Red Dot Design Award



Market Development

According to estimates provided by several economic research institutes, the global economy remained on an upward trend in 2021 despite repeated pandemic-related impairments. Both the industrial production and world trade continued to expand strongly while the negative effects of the pandemic made themselves felt in the service sectors, in particular. Most recently, however, the upswing was curbed by supply bottlenecks and logistic problems which in some cases led to a sharp rise in the prices for raw materials and transport services.

In global terms, the economic development varied greatly from region to region. While economic momentum was high in large parts of Asia and the United States, it slowed noticeably in China. In Germany and the European Union as a whole, economic output was even down from the previous year.

Course of Business

Revenues earned by the Höhle Group in the 9-month period climbed from T€ 71,734 in the previous year to T€ 84,932 in the current financial year, and the operating result (EBIT) grew from T€ 6,287 to T€ 7,162.

The following factors led to a slowdown in the Höhle Group's business development in the current financial year: The Corona crisis had a dampening effect in individual sectors such as the printing press market where revenues generated in the first nine months of financial year 2020/2021 were significantly below the previous year's level. Moreover, there were supply bottlenecks on the procurement side. Long delivery times for raw materials, electronic components and, in some cases, mechanical components resulted in delivery dates being postponed from the third quarter to the fourth quarter.

Business Development by Segments

Adhesives Segment

Sales revenues in the Adhesives segment declined in the first nine months from T€ 21,574 in the previous year to T€ 20,432 in the reporting year. Corona-related restrictions hampered sales activities and project developments, in some cases considerably. At T€ 4,053 the segment's operating result was down from the previous year's level of T€ 5,556. The staffing level in the sales and development departments was further increased to accommodate the planned revenue growth. As before, the management expects that the large number of high-potential adhesives projects will again lead to a perceptible sales and earnings improvement in the next financial year.

Equipment & Systems Segment

The Equipment & Systems segment saw several corporate acquisitions. These were consolidated for the first time as of 1 October 2020. At T€ 44,033, sales revenues were up on the previous year's level of T€ 36,484.

With the acquisition of Sterilsystems GmbH, headquartered in Austria, Höhle acquired a company specialising in UV-C air and surfaces disinfection in the food industry. UMEX GmbH is also new to the corporate group. UMEX GmbH has many years of experience and offers a wide range of products in the field of water disinfection. With Technigraf GmbH, a specialist for conveyor belts with UV irradiation modules has joined the Höhle Group. The conveyor belt modules are used in production and, in addition, serve as test equipment for laboratories. Synergy potential arises, in particular, from the company's high vertical range of manufacture, enabling it to develop and manufacture special systems for the Höhle Group.

Photo Page 2

The SteriWhite Air air purifier receives the Red Dot Design Award.

The Jury's opinion: With its unique design and innovative sterilisation technology, which does without any chemicals and does not produce ozone or any other harmful substances, SteriWhite Air Q115 fulfils all requirements for a state-of-the-art air purifier.

Compared to the prior period, the reluctance to invest in the reporting year was noticeable in the printing press industry, in particular.

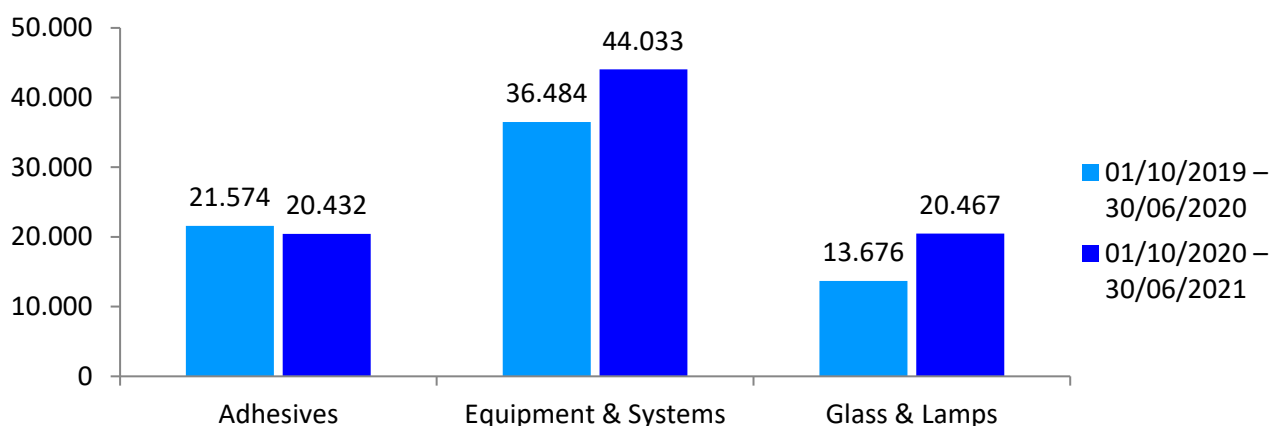
Developments in the field of air disinfection are encouraging: High-performance equipment for indoor air disinfection was developed and extensive marketing measures were initiated in order to increase the sale of new disinfection systems. Moreover, acquisitions were made with a view to accelerate the targeted market entry into promising fields of business such as air, water and surface disinfection. The air disinfection sector, in particular, is to be extended to become a major Hönle Group business segment in the future. Apart from the decline in sales that resulted from the economic situation and mainly affected the printing market, increased marketing expenses associated with the market launch of the SteriWhite Air air sterilisation system weighed on the operating result. The segment operating result of T€ 1,872 therefore was below the previous year's figure of T€ 1,980.

Glass & Lamps Segment

The Glass & Lamps segment saw favourable development with a 49.7% increase in revenue to T€ 20,467 in the current financial year. uv-technik Speziallampen GmbH sold significantly more lamps used for air disinfection and water treatment than in the previous year and managed to strongly expand sales and earnings. uv-technik meyer GmbH which was merged with uv-technik Speziallampen GmbH also contributed to this positive development. Raesch Quarz (Germany) GmbH also experienced a year-on-year sales increase with rising revenues in all application areas. The most important - and the strongest - sales market was the semiconductor industry.

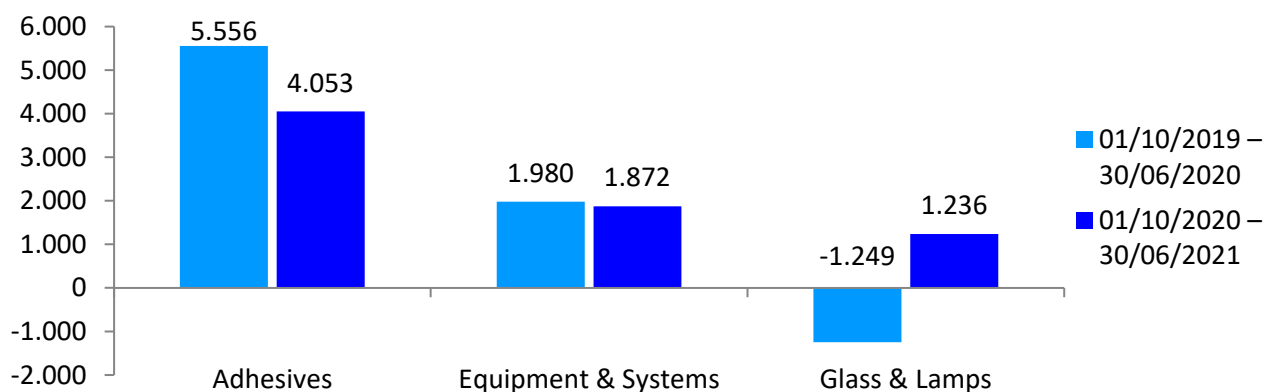
The operating result of the Glass & Lamps segment came to T€ -1,249 in the previous year. In the current financial, however, the segment's operating result returned to positive territory, amounting to T€ 1,236 in the 9-month period. For further information on the acquisitions, please refer to the 2019/2020 annual report.

Revenue by Segment in T€



Adjusted sales in the Equipment & Systems and Adhesives segments in the previous year

Operating Result (EBIT) by Segment in T€



Result of Operations

Sales revenues earned by the Höhle Group in the period from 01/10/2020 to 30/06/2021 amounted to T€ 84,932, an 18.4% increase versus the prior-year period. Gross profit rose by 14.6% to T€ 54,800. The cost of materials ratio rose by 3.1 percentage points to 38.3% due to a changed product mix. The personnel expense ratio fell from 36.7% to 33.4% due, among other things, to the cost of purchased services. The ratio of other operating expenses was unchanged at 13.9%.

The operating result (EBIT) climbed 13.9% to T€ 7,162, which translates into an EBIT margin of 8.2% (PY: 8.8%). At T€ 6,395, earnings before tax (EBT) are up 5.4% on the prior-year period. Consolidated profit after income taxes came to T€ 4,849, corresponding to a 2.3% increase year-on-year. Earnings per share amounted to € 0.79 (PY € 0.79). This corresponds to a net return on sales of 5.7% (prior year: 6.6%).

Earnings development in T€	01/10/2020 – 30/06/2021	01/10/2019 – 30/06/2020	+/- %
Revenue	84,932	71,734	18.4
Gross profit	54,800	47,811	14.6
Operating result/EBIT	7,162	6,287	13.9
Earnings before tax/EBT	6,395	6,069	5.4
Consolidated profit	4,849	4,739	2.3
Earnings per share in € ¹⁾	0.79	0.79	0.0
Number of shares of stock ¹⁾	6,062,930	6,062,930	0.0

1) adjusted prior year values

Financial Position

The operative cash flow amounted to T€ 6,278 in the 9-month period (PY: T€ 9,071). The decline is due, in particular, to the increase in inventories resulting, inter alia, from the expansion of the air disinfection business.

Capital expenditure mainly includes payments made for corporate acquisitions and new corporate buildings. At T€ 18,005, corporate expenditure was below the previous year's level of T€ 23,400.

The cash flow from financing activities, which came to T€ 1,617 was clearly below the previous year's figure of T€ 14,609 due to the lower borrowing level. In addition to bank loans taken out to finance the construction projects, the cash flow from financing activities is mainly attributable to the dividend distribution and payment of lease liabilities.

In all, cash and cash equivalents declined by T€ 14,486 (PY: T€ -4,557) in the first nine months of financial year 2020/2021.

Liquidity development in T€	01/10/2020 – 30/06/2021	01/10/2019 – 30/06/2020	+/- %
Operative cash flow ²⁾	6,278	9,071	-30.8
Cash flow from investing activities	-18,005	-23,400	23.1
Cash flow from financing activities	1,617	14,609	-88.9
Change in cash and cash equivalents	-14,486	-4,557	-217.9

Net Assets

The initial consolidation of several companies played a major role in the increase in current- and non-current assets on the asset side of the statement of financial position. Sterilsystems GmbH, UMEX GmbH, Technigraf GmbH and uv-technik meyer GmbH (the latter was merged with uv-technik Speziallampen GmbH) have been part of the Höhle Group since the beginning of the reporting year. Consequently, the goodwill increased by T€ 5,886 to T€ 24,735 as at 30/06/2021, intangible assets rose by T€ 976 to T€ 3,151 and the value of inventories also grew by T€ 11,202 to T€ 46,448.

Property, plant and equipment increased by T€ 8,255 to T€ 85,067 mainly due to the Höhle Group's construction projects.

On the liabilities side of the statement of financial position, non-current loans increased by T€ 8,763 to T€ 46,357 mainly in the context of real estate financing. Pension provisions rose by T€ 713 to T€ 9,533 due, in particular, to the effects from the initial consolidation of several companies and rising pension obligations on the part of Dr. Höhle AG.

With an equity ratio of 55.6% and cash and cash equivalents of T€ 19,688, the Höhle Group continues to be solidly financed.

Assets development in T€	30/06/2021	30/09/2020	+/- %
Non-current assets	123,790	107,226	15.5
Current assets	87,220	88,020	-0.9
Equity	117,756	116,685	0.9
Non-current liabilities	67,488	58,442	15.5
Current liabilities	26,715	21,069	26.8
Total assets	211,959	196,196	8.0
Equity ratio as a %	55.6	59.5	-6.6

Outlook

Overall market

Extensive fiscal policy measures in many industrialized countries as well as the ongoing expansionary monetary policy provide for a continuation of the global upswing in the year 2021 and beyond. Growth drivers are the USA and China. Both countries are showing above-average economic growth this year, and this impacts positively on the rest of the world. Economic conditions are also improving in the euro zone given the decrease in new Corona infections and associated economic easing measures. However, the rapidly increasing proportion of the highly contagious delta variant worldwide shows that the pandemic is not yet overcome.

Outlook for the Hönle Group

Adhesives Segment

Due to Corona-related travel restrictions it was not possible to carry out sales activities as planned. The acquisition of new customers, in particular, suffered from this impediment. The Management Board expects sales revenues in the Adhesives segment in the current financial year to be below the previous year's values. Assuming a significant reduction of Corona-related restrictions, business is expected to pick up again strongly from the next financial year onwards. Ongoing customer projects as well as our enlarged customer base will contribute to this. In order to accommodate the planned growth, both development and sales capacities in the Adhesives segment were further increased and the spatial capacities were expanded. A new corporate building with 6,000 sqm of floor space was set up and occupied early this year in Steinbach near Frankfurt. In addition, further expansion areas exist to ensure that future long-term growth plans can be realised in the future also.

Equipment and Systems Segment

The Bavarian state government has decided to promote mobile air purification systems for use in public and private schools and other educational institutions. The government explicitly mentions systems that use UVC technology for the disinfection of indoor air. In Bavaria alone, this would result in a demand for around 120,000 of such devices. If other German states were to follow the Bavarian approach and, as a result, promote mobile UV air disinfection systems, this would result in a demand of around 800,000 units for the whole of Germany in the short term.

The Management sees favourable growth opportunities for the Hönle Group to arise from the supply of UVC air purifiers for public and private schools and in many other areas of application such as restaurants, gyms, pharmacies, medical practices and opticians. As a consequence, the sale of equipment for disinfecting indoor air is predicted to see excellent development at the end of the fourth quarter and in the next financial year, in particular. The Management Board expects an additional sales volume of between € 15 million to € 40 million from UV air disinfection systems in the next financial year.

Moreover, the Management also expects good sales development with drying systems for the printing press market in the fourth quarter and in the coming financial year. This forecast is underpinned by a high order backlog at the end of the third quarter and a positive outlook for the printing press market as a whole.

Glass & Lamps Segment

The rising demand for UV lamps used to disinfect air and water will contribute to very good business development at uv-technik Speziallampen GmbH in the current year as well as in the next years.

The production capacity in the newly established lamp competence centre in Ilmenau was significantly increased to accommodate the planned growth in the areas of UV air disinfection and ballast water disinfection.

The quartz glass market is also expected to pick up, as underlined by the good order intake in recent months. Increased demand is expected, in particular, from the semiconductor industry. In addition, the planned expansion of sales capacities in the context of high-quality quartz glass products will probably lead to an increase in sales at Raesch Quarz (Germany) GmbH. Furthermore, improved purchasing conditions at Raesch Quarz (Germany) GmbH will contribute to the growth in earnings

Overall statement on future business development

The Höhle Group's business development is still difficult to forecast given the Corona pandemic and its impact on the individual segments, and due to the supply bottlenecks that have led to shifts in revenues. The dampening effects of the Corona crisis were still being felt in individual areas, such as the printing press market, where sales in the first nine months of the 2020/2021 financial year were well below the previous year's level.

However, given the high order backlog at the end of the third quarter, the Management Board expects favourable business with drying systems for the printing press market. Moreover, the business with systems and UV lamps for the disinfection of air and surfaces is expected to develop very well over the short and medium term. For the next financial year, the Management Board expects an additional sales volume of 15 to 40 million euros in the UVC air disinfection business. Strong business development is also expected in the adhesives segment in the next financial year. Existing high-potential customer projects will contribute to this.

For the current financial year, the management continues to expect a significant year-on-year improvement in sales and earnings.

Consolidated Income Statement

for the period from 1 October 2020 to 30 June 2021 (IFRS)

in T€	01/04/2021 - 30/06/2021	01/10/2020 - 30/06/2021	01/04/2020 - 30/06/2020	01/10/2019 - 30/06/2020
Revenue	27,327	84,932	20,882	71,734
Changes in inventories of finished goods and work in progress	1,531	2,416	-602	446
Other work performed by entity and capitalised	9	43	0	5
Other operating income	122	919	462	1,056
Cost of purchased materials and services	11,859	33,510	6,962	25,429
Personnel expenses	10,136	29,171	8,523	26,470
Depreciation and amortisation of property, plant and equipment and intangible assets	1,260	3,538	873	2,543
Amortisation of rights of use (under IFRS 16)	795	2,816	776	2,329
Other operating expenses	4,455	12,153	3,059	10,058
Impairment pursuant to IFRS 9	55	-39	48	124
Operating result/EBIT	429	7,162	500	6,287
Profit/loss from investments accounted for at equity	18	18	-18	-1
Financial income	8	49	36	45
Financial expenses	346	834	128	263
Financial result	-321	-767	-109	-218
Earnings before tax and non-controlling interest /EBT	108	6,395	391	6,069
Income taxes	-188	1,546	45	1,330
Consolidated profit	296	4,849	346	4,739
Share of profit/loss attributable to non-controlling interests	167	72	-14	-60
Share of profit/loss of attributable to Dr. Höhle AG shareholders	129	4,777	360	4,799
Earnings per share (basic) in € ¹⁾		0,79		0,79
Earnings per share (diluted) in € ¹⁾		0,79		0,79
Average number of shares in circulation (basic) ¹⁾		6,061,854		6,061,854
Average number of shares in circulation (diluted) ¹⁾		6,061,854		6,061,854

1) adjusted prior year values

Consolidated Statement of Comprehensive Income

for the period from 1 October 2020 to 30 June 2021 (IFRS)

in T€	01/10/2020 - 30/06/2021	01/10/2019 - 30/06/2020
Consolidated profit	4,849	4,739
Other comprehensive income for the period:		
Items that may subsequently be reclassified to profit or loss		
- Difference from currency translation	-27	-100
- Reserve for hedging transactions	1,266	-362
- Income tax effects	-334	95
Items that are not reclassified to profit or loss		
- Change in actuarial gains/losses from pensions	0	0
- Deferred taxes from changes in actuarial gains/losses from pensions	0	0
Total other comprehensive income	906	-367
Total comprehensive income	5,755	4,372
thereof:		
- Proportion attributable to non-controlling interests	72	-60
- Proportion attributable to Dr. Höhle AG shareholders	5,683	4,432

Consolidated Statement of Financial Position

as at 30 June 2021 (IFRS)

in T€	30/06/2021	30/09/2020
ASSETS		
NON-CURRENT ASSETS		
Goodwill	24,735	18,849
Intangible assets	3,151	2,175
Property, plant and equipment	85,067	76,812
Investment property	1,102	1,132
Investments accounted for using the equity method	280	263
Financial assets	26	26
Other non-current assets	2,173	2,103
Deferred tax assets	7,255	5,867
Total non-current assets	123,790	107,226
CURRENT ASSETS		
Inventories	46,448	35,246
Trade account receivables	15,742	14,253
Receivables from companies in which an equity investment is held	100	117
Finance lease receivables	118	0
Other current assets	2,904	3,040
Current tax assets	2,219	1,190
Cash and cash equivalents	19,688	34,175
Total current assets	87,220	88,020
Non-current assets held for sale	950	950
TOTAL ASSETS	211,959	196,196
EQUITY AND LIABILITIES		
EQUITY		
Subscribed capital	6,063	6,063
Own shares	-8	-8
Capital reserves	41,979	41,979
Retained earnings	69,190	68,307
Equity attributable to Dr. Höhle AG shareholders	117,223	116,340
Non-controlling interests	533	345
Total equity	117,756	116,685
NON-CURRENT LIABILITIES		
Non-current loans (less current portion)	46,357	37,594
Non-current finance lease obligations	2,008	2,015
Other non-current liabilities	8,289	9,392
Pension provisions	9,533	8,820
Accrued public investment grants	153	200
Deferred tax liabilities	1,147	421
Total non-current liabilities	67,488	58,442
CURRENT LIABILITIES		
Trade accounts payable	7,402	6,487
Liabilities to companies in which an equity investment is held	67	34
Contract liabilities	1,863	1,621
Current portion of finance lease obligations	1,998	3,216
Current liabilities to banks and current portion of non-current loans	4,170	3,474
Other current liabilities	8,309	4,363
Other provisions	715	637
Current tax liabilities	2,192	1,236
Current liabilities, total	26,715	21,069
TOTAL EQUITY AND LIABILITIES	211,959	196,196

Statement of Consolidated Cash Flows

for the period from 1 October 2020 to 30 June 2021 (IFRS)

in T€	01.10.2020 – 30/06/2021	01/10/2019 – 30/06/2020
Cash flow from operating activities		
Consolidated profit before non-controlling interests and taxes	6,395	6,069
Adjustments for:		
Amortisation/depreciation of intangible assets and property, plant and equipment	6,354	4,872
Gains/losses from the disposal of intangible assets and property, plant and equipment	186	99
Financial income	-67	-44
Financial expenses	834	263
Other non-cash expenses/income	118	537
Operating result before changes to net current assets	13,820	11,796
Increase/decrease in provisions	261	216
Increase/decrease in trade accounts receivable	-42	2,015
Increase/decrease in receivables from companies in which an equity investment is held	17	21
Increase/decrease in other assets	271	348
Change in reinsurance	-136	-129
Increase/decrease in inventories	-9,556	-1,130
Increase/decrease in trade accounts payable	185	-2,974
Increase/decrease in liabilities to companies in which an equity investment is held	33	-3
Increase/decrease in contract liabilities	159	-246
Increase/decrease in other liabilities	1,264	-819
Increase/decrease in accrued public investment grants	0	-24
Cash generated from operations	6,278	9,071
Interest paid	-758	-252
Income taxes paid	-3,603	-4,525
Cash flow from operating activities	1,917	4,294
Cash flow from investing activities		
Payments received from the disposal of intangible assets, property, plant and equipment	136	5
Acquisition of subsidiaries net of acquired net cash and cash equivalents	-6,222	0
Payments for the acquisition of investments accounted for using the equity method	0	-200
Payments for the purchase of property, plant and equipment and intangible assets	-12,033	-23,053
Change in financial assets	1	1
Payments received from non-current receivables	166	4
Payments made for non-current receivables	-100	-200
Interest received	47	42
Cash flow from investing activities	-18,005	-23,400
Cash flow from financing activities		
Payments received from loans and liabilities to banks	11,594	22,649
Payments for loans and bank liabilities	-2,436	-1,819
Payments for redemption portion of leasing liabilities	-2,857	-1,857
Payments received from liabilities to shareholders	0	45
Equity contributions vis à vis non-controlling shareholders	116	0
Dividends paid	-4,800	-4,409
Cash flow from financing activities	1,617	14,609
Exchange rate differences	-28	-18
Exchange rate-based changes in cash and cash equivalents	13	-42
Net increase/decrease in cash and cash equivalents	-14,486	-4,557
Cash and cash equivalents at the beginning of the reporting period	34,175	14,577
Cash and cash equivalents at the end of the reporting period	19,688	10,020