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## Re-Curing growth to stick; BUY

**Niche specialist Hoenle offers a unique exposure** comprising 50 years of technological leadership in UV curing and one of the largest specialized product portfolios divided into three business units (Adhesive Systems, Curing, Disinfection). Its solutions, featuring customer-centric product design, are key to operational and product excellence for its customers in diversified end markets.

**Focus on the right technology.** In many cases, UV-based methods (related to adhesives and curing) are superior to others such as heat-based or chemically reactive curing, as their use is faster, cheaper, more environmentally friendly, more flexible and safer for workers as well as end users. Advantages, highly desirable in end markets such as consumer electronics, automotive, medical, food & water purification, printing and surface treatment/converting. Within the respective niches, Hoenle offers the broadest set of products and solutions, making the company a “go-to” player in the rather fragmented market.

**Hoenle is market leader in UV curing devices**, which can be integrated into various manufacturing environments. For instance, within the printing market, Hoenle’s solutions are used by offset printers (e.g. from Heidelberger Druck or König & Bauer), where high paper throughput demands instant ink drying. Growing market share for its complementary Adhesive Systems, highly tailored for specific use case perks, is the company’s key growth focus. Hoenle also benefits from tailwinds in its powerful Disinfection business unit.

**A high degree of innovation across its end markets** coupled with the company’s “problem-solver” mentality creates new use cases. Particular attention has been on the ultra-pure water disinfection units (e.g. semi applications) of which first revenues were recognized in FY 2024/2025, deepening the involvement in the automotive sensor market and an improving geographical expansion.

Despite **challenging macro environment**, stemming from temporary demand contractions, geopolitical uncertainty and changing supply chains in Asia, **Hoenle has been taking action to improve its position**. It unified its brands into one cohesive brand identity, redesigned its website, discontinued unprofitable business lines, implemented strict cost control and and divested former portfolio companies. This should allow the company to return to growth (eNuW: 6.2% CAGR until 2030) while also notably improving EBITDA (eNuW: 13.9% margin by 2030e).

For FY 2025/2026 a guidance of € 95m to € 105m (1.4-12.1% yoy growth) in sales and € 6m to € 9m EBITDA (6.3-8.6% margin) was issued, implying moderate improvements. In our opinion, this seems feasible as the transformation should begin to bear fruit. The company’s versatile product portfolio is well positioned to adapt effectively to shifting end-market dynamics, partially coinciding with geopolitical uncertainty. Supported by its strong technical expertise, Hoenle looks set to return to growth during the coming years. **BUY with an unchanged PT of € 15** (eNuW).

| Y/E 31.09. (EUR m)       | 2022  | 2023  | 2024  | 2025p | 2026e | 2027e |
|--------------------------|-------|-------|-------|-------|-------|-------|
| Sales                    | 116.1 | 106.3 | 98.7  | 93.7  | 101.8 | 112.5 |
| Sales growth             | 0.8%  | -8.4% | -7.2% | -5.1% | 8.7%  | 10.5% |
| EBITDA                   | 12.1  | 0.4   | 3.1   | 5.8   | 7.4   | 12.4  |
| Net debt (if net cash=0) | 52.3  | 47.5  | 45.7  | 44.7  | 43.9  | 42.8  |
| FCF                      | -11.8 | 0.2   | 3.4   | -0.3  | 0.8   | 1.2   |
| Net Debt/EBITDA          | 4.3   | 119.3 | 14.8  | 7.6   | 5.9   | 3.4   |
| EPS reported             | -2.20 | -1.82 | -2.19 | -0.27 | 0.07  | 0.69  |
| EBITDA margin            | 10.4% | 0.4%  | 3.1%  | 6.2%  | 7.3%  | 11.0% |
| ROCE                     | 3.3%  | -5.7% | -6.9% | 0.3%  | 1.8%  | 5.4%  |
| EV/sales                 | 1.8   | 1.6   | 0.9   | 1.0   | 0.9   | 0.8   |
| EV/EBITDA                | 14.1  | 385.1 | 29.5  | 14.8  | 11.5  | 6.8   |
| PER                      | -8.8  | -9.6  | -3.4  | -25.8 | 90.9  | 9.9   |
| Adjusted FCF yield       | -6.9% | 0.1%  | 3.8%  | -0.3% | 0.9%  | 1.4%  |

Source: Company Data, NuWays AG | e = estimate, p = preliminary

Close Price as of 09.12.2025

**BUY**

old: Buy

Target

**EUR 15.00**

old: EUR 15.00

Upside

**117.4%**

### Share Performance



High/low 52 weeks (EUR) 13.0 / 6.5

3m rel. performance -16.87%

6m rel. performance -31.68%

12m rel. performance -12.66%

### Market Data

Share Price (in €) 6.90

Market Cap (in € m) 41.83

Number of Shares (in m pcs) 6.06

Enterprise Value (in € m) 86.52

Ø Volume (6 Months, in k) 5

### Ticker

Bloomberg HNL GR

WKN 515710

ISIN DE0005157101

### Key Shareholders

Free Float 74.40%

Peter Möhrle GmbH 25.60%

Teslin / Gerlin 4.50%

Hans-Joachim Vits 4.20%

Lazard 4.00%

### Guidance

2025/26 sales: € 95-105m

2025/26 EBITDA: € 6-9m

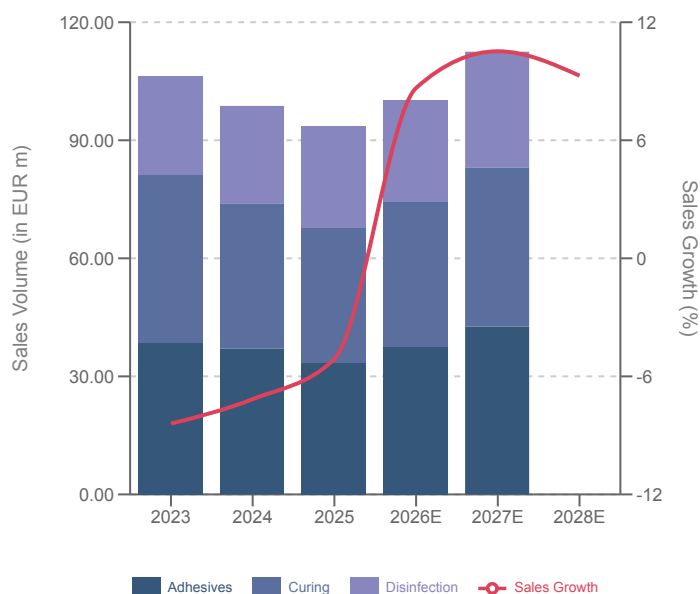
### Forecast Changes

|        | 2026e | 2027e | 2028e |
|--------|-------|-------|-------|
| Sales  | 1%    | 2%    | 2%    |
| EBITDA | -     | -     | 5%    |
| EPS    | -11%  | 4%    | 11%   |

## Company Profile

Hoenle is a German specialist in UV lamps and systems used in printing to dry and harden ink, and disinfect water and surfaces. It also offers adhesives for niche applications in consumer electronics, automotive, medical, and other sectors. The business is divided into Adhesives, Curing and Disinfection. The company serves a diverse customer base. Until 2030, the company plans to grow the business to € 139.8m sales with a 13.9% EBITDA margin carried by its ongoing transformation.

## Segment Breakdown



## Catalysts

- Hoenle has set a new strategy in early 2025, including expansion into new markets and strategic initiatives to boost growth.
- Gradually generating sales from the defined new use cases.
- A sustainable return to cash generation.

## Investment Case

- Technology leader for UV systems and adhesives with a focus on niche applications.
- A patchy track record but better times ahead: A new CEO is to accelerate goal execution on market expansion and is to accelerate strategic initiative development, resulting in revenue growth for the years to come.
- Sales are seen to rise by 6.2% CAGR (FY 24/25p - 29/30e) to € 139.8m in FY 29/30e as management as consequence to market expansion and strategic initiative efforts.
- EBITDA should rise to € 19.3m by FY'30e from € 5.8m in FY 24/25p, predominantly driven by increased sales and EoS.

## Upcoming Events

|                  |                              |
|------------------|------------------------------|
| <b>Jan</b><br>28 | Publication of Annual Report |
| <b>Feb</b><br>23 | Publication of Q1 Report     |

## SWOT Analysis

### Strengths

- Strong expertise in UV and LED curing technology: Dr. Hönle is a recognized leader with decades of experience in UV lamps, LED curing, and industrial drying systems.
- Innovative product portfolio: Broad range of products tailored to diverse industries including printing, electronics, automotive, and medical.
- High quality and reliability: Products known for precision, durability, and performance.
- Global presence: Operations and sales network in many countries providing access to international markets.

### Weaknesses

- Market sensitivity to industrial cycles: Demand can fluctuate with manufacturing and industrial investment trends.
- Limited brand awareness outside core sectors: Less recognized outside specialized industrial and technical circles.
- High capital costs: Advanced technology solutions can be expensive, potentially limiting smaller customers.
- Niche market dependency: Focused primarily on UV and LED curing technology which may limit diversification.

### Opportunities

- Growth in LED technology adoption: LED curing is energy-efficient and environmentally friendly, aligning with sustainability trends.
- Rising demand in electronics and medical device industries: Increasing miniaturization and precision manufacturing drive need for advanced curing solutions.
- Environmental regulations: Stricter environmental standards push industries towards cleaner UV and LED technologies.
- Collaborations and partnerships: Potential to expand through alliances with OEMs and system integrators.

### Threats

- Technological disruption: Rapid advances in alternative curing or drying technologies may challenge current offerings.
- Intense competition: Both from established UV/LED technology providers and emerging low-cost manufacturers.
- Economic downturns: Industrial slowdowns can reduce capital expenditure on new equipment.

## Introducing Hoenle

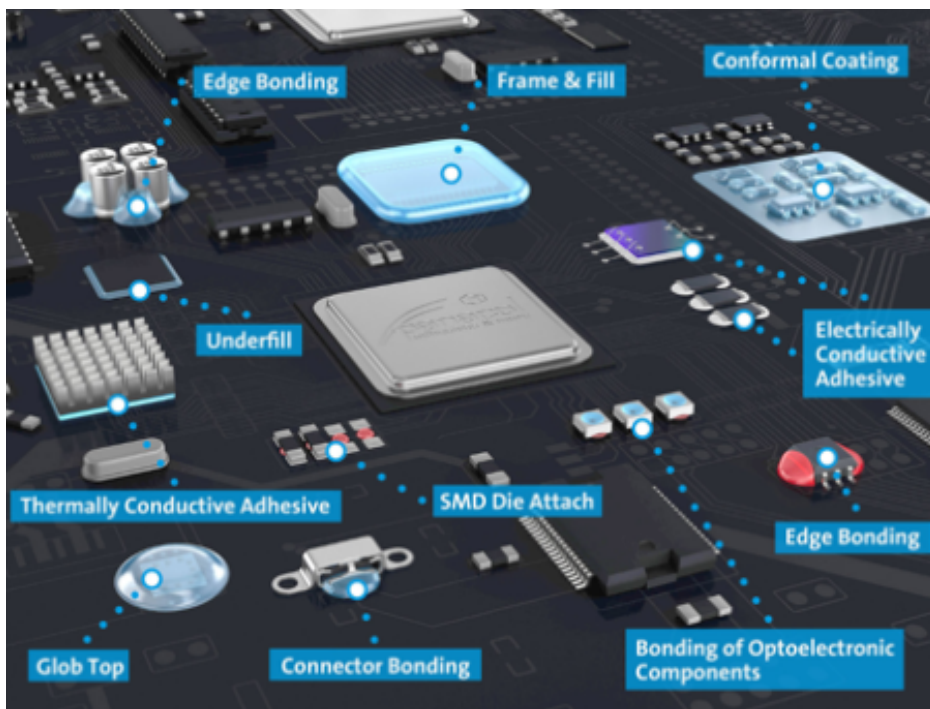
Founded in 1976 and headquartered in Gilching, Germany, Hoenle is a niche specialist in UV adhesive systems, lamps, curing and disinfection equipment. It supplies its products and solutions to a broad set of end markets incl. consumer electronics, automotive, medical, food & water, printing and surface treatment/converting. The broad and technologically advanced UV product portfolio is structured into three business units:

### Adhesive Systems (35.7 % of rev. 9m 2024/2025):

Using adhesives enables end products to be lighter and improves stress distribution. Hoenle offers a **diversified industrial and medical grade solutions portfolio for a broad spectrum of niche use cases** centered around UV adhesives, coatings and potting (filling a complete electronic assembly with a solid or gelatinous compound) materials. The solutions are designed to deliver fast, clean and precise bonding are mostly complementary to Hoenle's curing systems. Pre-tailored to offer particular application perks, the broad spectrum available can shorten product development time for customers substantially.

Hoenle's **special-purpose adhesives for electronics** include underfills, SMD & component protection, glob top encapsulation, thermally conductive adhesives for power electronics, connector bonding, bonding of optoelectronic components, conformal coatings and potting. Differentiating perks include fast curing at low temperatures, low thermal expansion, high ionic purity, vibration, temperature resistance or flexible application options.

#### Illustration of use cases in electronics:



Source: Company data

Hoenle's **medical grade adhesive systems**, include key features such as health standard compliance, resistance to various sterilization methods, suitability for high-precision manufacturing and permanent joining.

In **organic photovoltaics (OPV)**, new use cases for consumer electronics are being developed, including indoor light harvesting to extend battery life of wearables and outdoor energy generation performance superior to conventional photovoltaics. Hoenle developed a multi-functional adhesive solutions range that is increasing resistance to environmental stresses for the inherently instable new technology.

**Further use cases** include plastic adhesives, glass bonding solutions, liquid gaskets, cured-in-plastic gaskets, luxury packaging solutions, bonding solutions for automotive and UV masking

material.

**Management focus is set on expanding this business unit**, due to its comparably large addressable **market size of € 2.6bn** (2023), the company's established high reputation and position, high perceived market share growth potential and only moderate maturity of the market. In fact, Hoenle should have already won first new use cases across consumer electronics, medical and automotive applications (eNuW).

## Curing (36.9 % of rev. 9m 2024/2025):

Used for **curing or hardening UV adhesives, inks, varnishes and coatings**, UV curing devices have been at the heart of Hoenle's operations since the beginning. In printing presses for example, **essential high production speed and output volumes** can only be achieved with ink drying under UV light almost instantly.

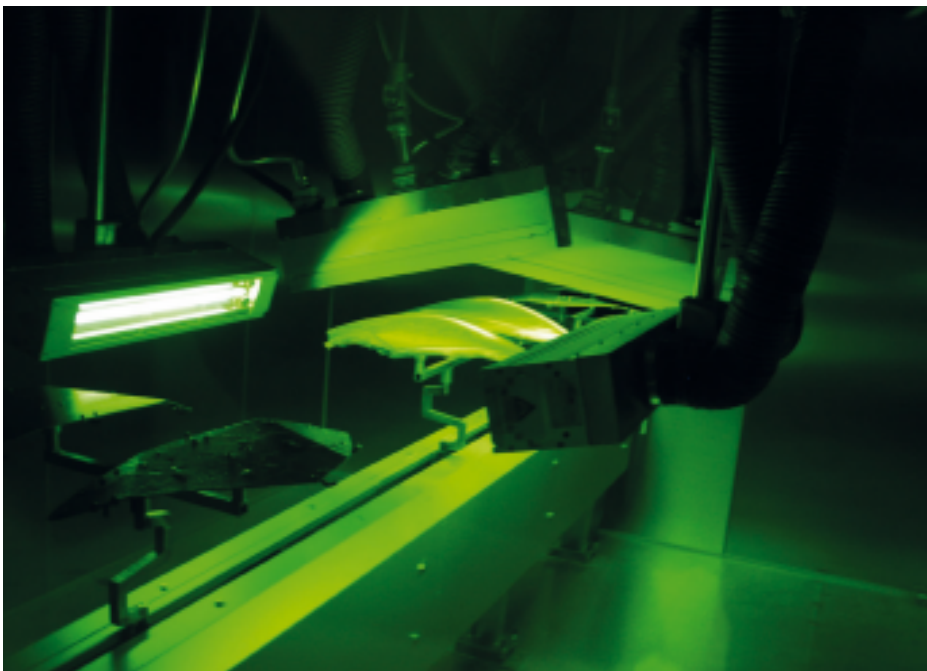
**Promoting flexibility**, the product range of chamber, conveyor and handheld formats as well as choices between flood light curing, bar curing or spot curing can be easily integrated into different production environments. **Switching from conventional UV- to LED-UV curing** in the current order and replacement cycle will allow for further efficiency gains on customers' ends and support ongoing demand for Hoenle's products.

The products' **technological edge** stems from the high robustness and durability of the lamps, variable or adjustable power controls, experience in lamp positioning and reflector geometrics to correctly direct radiation waves, experience in 3D printing machinery for odd shapes and irregular surfaces, partial clean room compatibility.

**Key application areas** include electronics, microelectronics, optics, medical devices as well as the automotive and aerospace industry. The **global market size** was estimated at **€ 1.0bn in 2023**.

Organic growth potential in this niche market is limited, due to Hoenle's high market share, the mature state of the market and subdued end market demand. However, transferring of existing technological competence to broader application purposes and generating after-sales activity revenues should enable a growing top-line.

### Illustration of UV curing applied in production



Source: Company data

## Disinfection (27.4 % of rev. 9m 2024/2025):

In Disinfection, a product portfolio comprising lamps, sensors, reactors, measurement systems and turnkey installations **neutralize germs, viruses, bacteria and mold spores through UVC irradiation.**

**Typical use cases** include food & beverage packaging and chemical & pharmaceutical products placed under UV lamps, in which case the light irradiates microorganisms, prevents microbial spoilage, degradation or odours and sterilizes surfaces upon which it was projected.






**Newer use cases** include UV lamps placed over water and neutralizing impurities with UV light, which finds application both in the semiconductor industry and in water treatment plants of municipalities. The light can also be applied to create hygienic conditions for airflows.

**Powerful features**, such as optimized reflector geometry, pulse energy features, options to hide the UV lamp during machine stops, instant operational functionality instead of warm-up periods, intensity control and glass breakage monitoring enhance the attractiveness of the systems and units to the customer. With a space-efficient design and robust set-up, Hoenle's products are ideally made for integration into a production line and long product life cycles desired by customers.

**Recent tailwinds** include rising awareness for the need to neutralize microbiological contaminations on surfaces and in the air following the pandemic and new water impurity removal requirements for sensitive production processes i. e. in the semi-conductor industry as well as in drinkable water treatments of municipalities.

The **global market size** was estimated at **€ 0.6bn in 2023** and the company is planning to expand its market share in North America and India within the next 2-3 years (eNuW). Hoenle is also transitioning the business unit towards full solution offering, including microbiological testing. Several full solution projects have been won and additional new projects for ultra-pure water in the pharmaceutical industry are ongoing, with first sales expected this year.

### Product overview Disinfection Chambers

|                                                                                                                               |                                                                                                                                      |                                                                                                                                          |                                                                                                                                  |
|-------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|
|  <p><b>MES10</b><br/>Tool Disinfection</p> |  <p><b>DS410</b><br/>UVC Disinfection Cabinet</p> |  <p><b>DS400-440</b><br/>UVC Disinfection Cabinet</p> |  <p><b>DC600</b><br/>Disinfection Chamber</p> |
|  <p><b>ME-Series</b><br/>UVC Cabinets</p>  |  <p><b>HD300</b><br/>Glove Disinfection</p>       |  <p><b>DC700</b><br/>UVC/Ozone Cabinet</p>            |  <p><b>DS1800</b><br/>Disinfection Lock</p>   |

Source: Company data

## Strategic Update

**Past years were marked by difficult operational developments.** In FY 21/22, the company faced COVID restrictions significantly hampering sales activities, lower sales revenue from major customers, bottlenecks in supplies and energy cost hikes, due to which the decision had to be reached to restructure and sell its Quartz business. Large write downs amounting to € 20.5m were incurred from the sale of the Quartz business, sales risks for air disinfection and a one-off in management related personnel costs.

In FY 22/23 continued write-downs to the air disinfection, management severance payments and restructuring expenses incurred one-off detractions of € 16.5m, followed by restructuring measures across business units in FY 2023/2024.

The printing business is undergoing significant structural shifts including changing business models that increasingly focus on B2B products, such as labelling. In FY 2024/2025, high uncertainty due to geopolitical developments, a notable reduction in orders from end market weaknesses in mechanical plant and equipment engineering and shifting consumer electronic supply chains in Asia lead to a sales decline of 10.5% yoy.

**Hoenle has reached a critical inflection point.** During its CMD in January 2025, the company outlined its new strategy. The company plans to continue to focus on its core technologies (UV lamps, UV equipment, UV curable adhesives) while addressing a broad range of primary end markets as an integrated service provider, globally present and with close customer dialogue to create customer-centric products.

Through utilizing tailwinds, creating organic growth and materializing on strategic initiatives, the **management targets a 10 % CAGR p. a. from 2024 to 2030** (eNuW: 6.2%) for its group revenue development with the Adhesive Systems business unit being the strongest growth driver. From September onwards, the **newly appointed CEO** Dr. Richter, previously on the supervisory board, looks set to accelerate goal setting and execution of this new strategy.

**Visible short-term bottom line improvements** (FY 24/25 EBITDA at € 5.8m, +93% yoy) were driven by stabilization efforts including a revamp of its website, the unification of eight brands under one, general personnel cuts of 37 FTEs in Curing, extending R&D related staff in Adhesives by 10 FTEs to enhance product innovation and client dialogue, stricter cost discipline concerning other expenses and generating first revenues from ultra-pure water treatment solutions for customers in the semiconductor industry, but also by favorable product mix developments. Short-term efforts made are estimated to have had a **mitigating impact of net additional revenues of € 1.5-2.5m and € 2-3m net additional EBITDA in FY 2024/2025 (eNuW)**. It is expected that the restructuring of Curing should be largely finished at the end of FY 24/25.

**Growth-boosting mid-term measures** include expanding Curing into North America and Disinfection into North America and India. Customers switching from conventional to LED solutions may shorten replacement cycles and driving stronger after-sales activities may additionally contribute to higher OEM profitability. Increasing revenues from qualifying further products for ultra-pure water use cases and new product developments from a new cooperation with a paints and coating material manufacturer formed in FY 24/25 may further contribute. **Mid-term revenue growth is expected to accelerate in FY25/26 to 8.7% (eNuW) and FY 26/27 to 10.5% (eNuW)**.



## Competitive Quality

### Technology, experience, niche focus and customer-centricity

In the space of Adhesives and Curing there are several technological approaches: UV curing, heat curing, moisture curing, anaerobic curing and chemically reactive curing. The **choice of technological focus is essential** to end product excellence, as the end product durability and rejection rate can significantly depend on it.

**UV curing solves significant challenges inherent in other methods**, including longer curation processes due to cooling, drying or chemical reaction time, premature curing risk with liquid curing when exposed to air or water or additional costs from expensive chemical inputs or high energy costs (especially in heat-based methods). Certain methods can be restricted to specific bonding materials and shapes, limiting the manufacturers product design options and certain toxic chemicals pose significant health risks to workers. Certain adhesive mixtures for other methods have limited temperature resistance or bind particles post-curing, impacting end product functionality. Most approaches are also less environmentally friendly or ESG-compliant.

**Experienced “problem-solver”**. With 50 years of experience and focus on complex niche use cases, Hoenle built enhanced advisory capabilities, faster adoption abilities of new ideas, faster recognition and understanding of suitability and potential marketability. This forms a notable entry barrier for potentially new competitors, in our view.

**Focusing on complex niche use cases** so far protected the company direct competition from larger companies. Most larger competitors involved in adhesive and curing products offer a limited UV product portfolio as part of a larger mixed-method portfolio. High customization needs of customers can be difficult to accommodate on the basis of fewer available standardized product choices. **Positioned on the stronger side of a narrow moat**

**Customer-centric product characteristics** create the potential for long-lasting customer relationships, after-sales activities, a high retention rate and reduces unnecessary R&D costs. Hoenle has recognized this and provides options for **integration** of its curing and disinfection products into the manufacturing process. This not only created lock-in effects but also lays grounds for rather recurring after-market business, in our view.

### Future competitive landscape

While historically at the heart of Hoenle's operations, the importance of Curing is decreasing due to lower growth potential, driven by already high market share and limited market growth. **Adhesive Systems are gaining strategic importance** due to the critical revenue share size (35.7% compared to 36.9% in Curing), higher growth pace and its already larger impact on the company's bottom line. With this, the company is also facing different competitors, mainly from the specialty chemical industry. Nevertheless, Hoenle looks set to be well positioned, here is why:

- **Niche focus.** Most player within the market (e.g. 3M) focus on large scale applications. Hoenle's focus on smaller application areas with only a few million EUR of annual sales volumes keeps the industry's “big shots” at distance.
- **Highly specialized use cases.** Hoenle's solutions are engineered to meet very specific performance requirements, material-bonding requirements and subject to different curing methods, these are still extremely diversified. Many player are not able to meet those and act as “problem solver” along the way.
- **One-stop-shop.** Unlike most peers, Hoenle is able to offer the adhesive as well as the necessary curing solution that best works with the respective adhesive. This lowers customers' supply chain complexity and increases the reliability of the final bond.

### Closest peers...

While there are few companies that exhibit comparability to Hoenle, those that come close are include PhiChem Group, IST Metz (private) and DELO Industrial Adhesives (private). Basic differentiation stems from product types offered, end markets supplied and ownership status. None of the peers are active in Disinfection, again underpinning the “one-stop-shop” positioning of the company.

## Overview key characteristics of closest peers

| Company                                   | Product Types               | End Markets                  | Regional Revenue | Private/Public                    | Headquarter        |
|-------------------------------------------|-----------------------------|------------------------------|------------------|-----------------------------------|--------------------|
| Hoenle AG                                 | UV Adhesive Solutions       | Automotive                   | Europe           | Public                            | Gilching, Germany  |
|                                           | UV Curing                   | Consumer Electronics         | Americas         |                                   |                    |
|                                           | UV Lamps                    | Food & Water                 | Asia             |                                   |                    |
|                                           | Disinfection                | Medical                      |                  |                                   |                    |
|                                           |                             | Printing                     |                  |                                   |                    |
| DELO Industrie Klebstoffe GmbH & Co. KGaA |                             | Surface Treatment/Converting |                  | Public company, private ownership | Windach, Germany   |
|                                           | UV Adhesive Solutions       | Automotive                   | Europe           |                                   |                    |
|                                           | UV Curing                   | Consumer Electronics         | Asia             |                                   |                    |
|                                           | UV Lamps                    | Industry                     | Americas         |                                   |                    |
|                                           |                             | Medical                      |                  |                                   |                    |
|                                           |                             | Optics & Photonics           |                  |                                   |                    |
|                                           |                             | Semiconductor Packaging      |                  |                                   |                    |
|                                           |                             | Smart Cards & Labels         |                  |                                   |                    |
|                                           |                             |                              |                  |                                   |                    |
|                                           |                             |                              |                  |                                   |                    |
| PhiChem Corp.                             | UV Adhesives                | Consumer Electronics         | Asia             | Public                            | Shanghai, China    |
|                                           | Semiconductor Materials,    | Semiconductors               | Americas         |                                   |                    |
|                                           | Display Materials           | Fiber-Optics                 |                  |                                   |                    |
|                                           | Synthetic Organic Materials |                              |                  |                                   |                    |
| IST METZ GmbH & Co. KG                    | UV Curing                   | Automotive                   | Germany          | Private                           | Nürtingen, Germany |
|                                           | UV Lamps                    | Cosmetics                    | UK               |                                   |                    |
|                                           | Labratory Equipment         | Electronics                  | China            |                                   |                    |
|                                           |                             | Furniture                    |                  |                                   |                    |
|                                           |                             | Healthcare                   |                  |                                   |                    |
|                                           |                             | Print                        |                  |                                   |                    |
|                                           |                             | Shipbuilding                 |                  |                                   |                    |
|                                           |                             | Steel                        |                  |                                   |                    |
|                                           |                             | Telecommunication            |                  |                                   |                    |
|                                           |                             |                              |                  |                                   |                    |
|                                           |                             |                              |                  |                                   |                    |
|                                           |                             |                              |                  |                                   |                    |

Source: NuWays AG, Company data

## ...and how they differ.

- Closest peer DELO** is very similar to Hoenle in UV curing and adhesives, lamp supply and similar European background. However, it is evident that **Hoenle is significantly more focused on UV adhesives**. For DELO, only 25% of adhesive series are UV curable, still the largest single technology but with the rest diversified across other methods. With Hoenle offering a higher number of adhesive solutions, they offer clients a higher “problem solver” capability. In Curing both DELO and Hoenle offer curing devices for point, small surface and large surface application (up to 2 meters). Hoenle offers a broader spectrum of additional formats including inert UV systems and chambers, hand-held devices and measuring units, whereas DELO has additional devices for precision dispensing of adhesives and adhesive conveying.
- Compared to PhiChem**, Hoenle’s customer-centric approach saves on expensive R&D capacities while competing in Adhesive Solutions. PhiChem has built formidable research and formula development capabilities from working with input materials, conducting research and developing adhesive formulae based on the findings made. Hoenle always focused on strong customer relationships, identifying customer needs and use cases first, while avoiding lengthy, expensive and potentially fruitless research and only engaging in formula evolution based on existing products in their portfolio. Hence, **Hoenle’s pragmatic adaptations to market needs can be faster and less resource intensive**, making it the player of choice when dealing with small batch sizes.
- Competing with IST Metz** is viewed as comparatively easier as both are competing on existing mature UV curing markets with limited growth opportunities. Yet, Hoenle’s additional business units allow it to outpace IST Metz’s growth and compete for more complex projects.



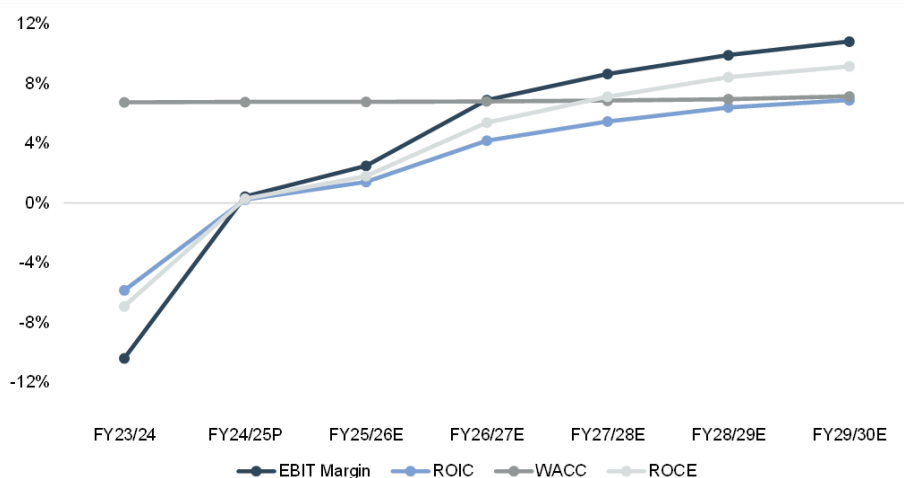
## Business Quality

While in the previous years, business quality was negatively impacted by the difficult circumstances (i. e. declining sales and challenging supply chains), the current inflection indicates strong improvements ahead.

**ROIC to slightly positive in FY 24/25**, driven by recent short-term measures to strengthen the bottom line (particularly cost-cutting efforts and favorable product mix shifts). It looks set to further improve in the following years, predominantly driven by higher sales from mid- and long-term efforts and is projected to reach 6.9% in FY 29/30e.

Importantly, during the same period, **ROCE should surpass WACC, reaching 9.1%** by FY 29/30 as Hoenle should generate higher operating returns from essentially the same capital base.

### Improving value creation

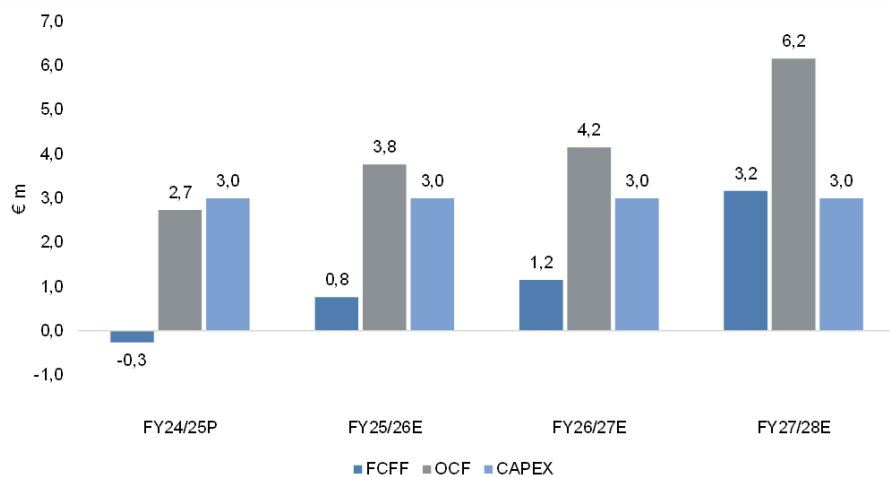


Source: NuWays AG, Company data

**Free Cash Flow to turn positive in FY25/26**, driven predominantly by a higher operating cash flow resulting from strongly improving net income as growth returns and margins benefit from a positive operating leverage and cost cutting measures.

Net income looks set to rise from € -13m in FY 23/24 to € 0.5m next year and is seen to reach some € 9.5m by FY 29/30e. Mind you, we model a high single-digit top line CAGR during that period. With limited CAPEX needs going forward, FCF should remain positive and reach high single-digits, eNuW € 7.8m FY 29/30e.

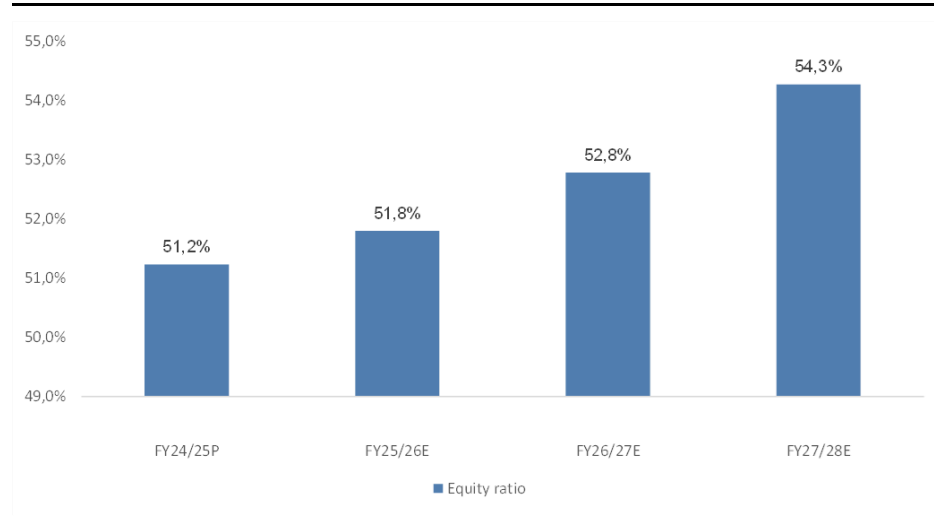
### Illustration of Free Cash Flow development



Source: NuWays AG, Company data

**Strong balance sheet expected to be maintained.** Despite difficulties encountered over the last five financial years, Hoenle's equity ratio remained between 50 % and 60%. With growing revenues, profitability and cash generating, this is seen to sustainably increase going forward. During the long-term, the equity ratio is likely to increase towards 60%. This would allow the company to also engage in selective M&A during the mid- to long-term.

### Illustration of the Equity Ratio development



Source: NuWays AG, Company data

## Growth

### Catalyst Markets for Future Growth

Hoenle recognized growth markets with important upside potential as the automotive sensor market, consumer electronics market and perovskite solar cell market. Currently strong tailwinds from use case innovation additionally push the disinfection equipment market into higher than previously expected growth rates, creating additional upside potential for Hoenle.

#### Automotive Sensor Market

According to a recent industry analysis from Grand View Research, the automotive sensor market is expected to grow at **11.9 % CAGR** (2024-30e). Here are the main growth drivers behind this:

- Adaptation of hybrid and electric vehicles with a notably higher sensor count
- Higher demand for advanced technological features, i. e. driver-assisted systems
- Higher number of mandatory sensors for vehicle safety features in Europe
- Car manufacturers increasing interest in data concerning fleet management, vehicle condition, monitoring and movement tracking

For Hoenle, this is a **financially attractive opportunity**, promising higher growth rates (3 % CAGR for general automotive industry, about 2x higher than Hoenle's estimated group CAGR of 6.2 % (eNuW)). From a technological standpoint, **adhesives are increasingly preferred** over other bonding techniques (i. e. welding or soldering) to facilitate the miniaturization of sensors, driven by increasing number of technological applications into the vehicles and corresponding space constraints. Among curing methods, **UV curing is a superior technological approach** as it bonds dissimilar material bases well, avoids heat or moisture impacts and decreases risks of contamination by foreign particles on the material components. Impacts of heat, moisture and contamination can lead to sensors degrading in their accuracy, reliability and operational lifespan. Hoenle's **experience with sensitive technological components** through the semi-conductor bonding should enable it to reduce formulae adaptation time.

#### Global Consumer Electronics Market

A recent research report from Grand View Research, points towards **annual market growth of 6.6%** (2025-2033). Main growth drivers include:

- Advanced products with technological innovations such as AI, IoT and 5G connectivity
- Growing digitalization across sectors meeting higher competition in online retailing
- Growing consumer demand for connectivity and convenience (i. e. smart home technology and performance tracking)
- Rising disposable income in highly populated emerging economies.

Similarly to automotive sensors, miniaturization (smaller, flatter, lighter and sleeker hardware design choices) increasingly drives demand for adhesive techniques, especially over other techniques. With mixed, but generally **higher replacement cycles than conventional equipment manufacturing**, engagement in this area can contribute to moderating demand cyclicity contributed by other end markets to the usual order intake. Here, Hoenle offers significant experience, grounded in several large projects historically.

#### Perovskite Solar Cell Market

According to another recent study of Grand View Research, the currently rather small global market (\$ 265m) for this type of solar cell will grow at a **CAGR of 72% from 2025 to 2030**. Key drivers behind this high growth rate are:

- Superior power conversion efficiency in these PV cells, exceeding most thin-film technologies in small-area lab devices
- Higher scalability in fabrication than silicon PVs
- Superior variations options in sizes and shapes, including flexible and transparent designs

**Perovskite solar cells are about to enter the market** after developmental testing in laboratories. Its unique technological properties make it ideal for many small application use cases in consumer electronics, personal clothing and accessories. For example, a photovoltaic screen layer could support charging personal devices from its exposure to daylight. However, there is a **significant technological challenge remaining** to large scale adaptation. The technology can be instable and lack durability as it lacks resistance to moisture and heat, which is key to many use cases including outdoor exposure, abnormally warm environments or water-based activities.

**Two significant use cases** for Hoenle are covering the cells in durability enhancing coatings and providing the adhesive and curing solutions essential to fabricating these cells. Due to the early stage of marketability and the significant challenges to the end products applicability to withstand tough environments, this was **not included in current projections** but note the possibility of it turning into a strong growth catalyst.

## UV Disinfection Equipment Market

The global market size estimate was \$ 4.1bn in 2024 with annual growth of some **7.1% (2025-2033)**. Key post-pandemic growth drivers include:

- Risen awareness of the need for disinfection equipment
- Increasing demand for safe and chemical-free water purification treatment for industrial manufacturing and public services
- Use case innovation for HVAC systems, food processing and electronics

Choosing specific regional exposure can lead to higher growth; e.g. the Chinese market is seen to grow at a 9.4% CAGR. There are particularly attractive components (i.e. UV lamp segment growth at CAGR of 8.2%) and if viewed by end use, the commercial segment is expected to grow at CAGR of 8.7%.

In our opinion, Hoenle is **ideally positioned to take advantage of the opportunities** presented with their vertically integrated lamp development and production, focus on B2B customers and existing presence in Asia. The planned expansion into India and the Americas hence may allow positive growth contributions above disclosed expectations, creating **additional revenue momentum**.

## Top line development of Hoenle

Management has consistently indicated a **strategic focus on achieving growth rates above historical levels** (2.5 % CAGR between FY 19/20 and FY 23/24), and the current initiatives suggest that those are beginning to bear fruit. Mind you, **Hoenle targets a CAGR of 10% p. a.** (2024-2030), while we conservatively estimate a 6.2% CAGR.

**Current growth focus on Adhesives**, due to comparably large addressable market, the company's established high reputation and position, high perceived market share growth potential, moderate market maturity and high use case innovation is sensible. As part of a strategic initiative, the company is currently actively proposing solutions with adhesive and corresponding UV curing systems to customers in the consumer electronics, medical and automotive industry. First orders have been won, and promising projects are in pipeline.

**Disinfection with tailwinds.** Hoenle is transitioning the business unit towards full solution offering, including microbiological testing. Several full solution projects have been won and additional new projects for ultra-pure water in the pharmaceutical industry are ongoing, with first sales expected this year. Expanding its market share in North America and India will likely further support growth.

**Growing in Curing is more challenging** for Hoenle, due to its high market share, the mature state of the market as well as ongoing structural shifts and subdued end market demand. Opportunities remaining are the switch from conventional UV to LED-UV, transferring existing technological competence to broader application purposes and generating after-sales activity revenues.

**Positioned on the stronger side of a narrow moat.** Hoenle operates in highly specialized niches with few competitors. The company is not positioned as a low-cost provider, but has no apparent extraordinary pricing power, though specific high-end adhesives and equipment customization Hoenle sets itself apart.

Revenue from Adhesive Systems appears reoccurring due to the nature of the product but may vary with customers' capacity utilization. Revenue from Curing and Disinfection may be recurring,

but long product life cycles make this difficult to confirm with certainty. Overall order intake visibility for Adhesive Systems is likely around 4-8 weeks and 3-5 months on equipment orders.

The tide is turning. Following several years of contracting sales, Hoenle looks set to return to growth. Until the end of FY 29/30, the group's top line is seen to grow at a 6.2% CAGR.

### Illustration of top-line development

| in € m                   |     | FY23/24     | FY24/25P    | FY25/26E     | FY26/27E     | FY27/28E     | CAGR (until FY29/30E) |
|--------------------------|-----|-------------|-------------|--------------|--------------|--------------|-----------------------|
| <b>Net Sales</b>         |     | <b>98,7</b> | <b>93,7</b> | <b>101,8</b> | <b>112,5</b> | <b>123,0</b> |                       |
|                          | yoy | -7,2%       | -5,1%       | 8,7%         | 10,5%        | 9,3%         |                       |
| thereof Adhesive Systems |     | 37,5        | 33,6        | 37,4         | 42,7         | 48,0         | 7,4%                  |
|                          | yoy |             | -10,5%      | 11,5%        | 14,0%        | 12,5%        |                       |
| thereof Curing           |     | 36,5        | 34,2        | 36,8         | 40,4         | 44,1         | 4,8%                  |
|                          | yoy |             | -6,4%       | 7,5%         | 10,0%        | 9,0%         |                       |
| thereof Disinfection     |     | 24,7        | 25,9        | 27,6         | 29,4         | 30,9         | 5,4%                  |
|                          |     |             | 5,0%        | 6,5%         | 6,5%         | 5,0%         |                       |
| <b>Total Sales</b>       |     | <b>97,3</b> | <b>93,7</b> | <b>101,8</b> | <b>112,5</b> | <b>123,0</b> | <b>6,2%</b>           |
|                          | yoy | -6,9%       | -3,7%       | 8,7%         | 10,5%        | 9,3%         |                       |

Source: NuWays AG, Company data

## Bottom-line development - improving earnings quality

Going forward, Hoenle is in a strong position to deliver a higher profitability, primarily driven by revenue growth, increasing capacity utilization and economies of scale. By FY 26/27e the group's EBITDA margin should exceed 10% (eNuW), with a long-term EBIT margin potential of 12%.

### Illustration of P&L-forecast

| in € m                          |                                       | FY23/24      | FY24/25P    | FY25/26E     | FY26/27E     | FY27/28E     |
|---------------------------------|---------------------------------------|--------------|-------------|--------------|--------------|--------------|
| <b>Total Sales</b>              |                                       | <b>97,3</b>  | <b>93,7</b> | <b>101,8</b> | <b>112,5</b> | <b>123,0</b> |
|                                 | yoy                                   | -6,9%        | -3,7%       | 8,7%         | 10,5%        | 9,3%         |
| <b>COGS</b>                     |                                       | <b>39,3</b>  | <b>36,8</b> | <b>40,0</b>  | <b>43,4</b>  | <b>47,4</b>  |
|                                 | in % of sales                         | 40,4%        | 39,3%       | 39,3%        | 38,6%        | 38,6%        |
| <b>Gross profit</b>             |                                       | <b>58,0</b>  | <b>56,9</b> | <b>61,8</b>  | <b>69,1</b>  | <b>75,5</b>  |
|                                 | Gross margin                          | 59,6%        | 60,7%       | 60,7%        | 61,4%        | 61,4%        |
| <b>Personel expenses</b>        |                                       | <b>41,3</b>  | <b>38,2</b> | <b>39,7</b>  | <b>41,5</b>  | <b>44,5</b>  |
|                                 | in % of sales                         | 42,5%        | 40,8%       | 39,0%        | 36,9%        | 36,2%        |
| <b>Other operating income</b>   |                                       | <b>2,2</b>   | <b>1,9</b>  | <b>1,8</b>   | <b>2,0</b>   | <b>2,2</b>   |
|                                 | in % of sales                         | 2,2%         | 2,0%        | 1,8%         | 1,8%         | 1,8%         |
| <b>Other operating expenses</b> |                                       | <b>15,8</b>  | <b>14,7</b> | <b>16,5</b>  | <b>17,2</b>  | <b>18,1</b>  |
|                                 | in % of sales                         | 16,2%        | 15,7%       | 16,2%        | 15,3%        | 14,7%        |
| <b>EBITDA</b>                   |                                       | <b>3,1</b>   | <b>5,8</b>  | <b>7,4</b>   | <b>12,4</b>  | <b>15,1</b>  |
|                                 | EBITDA margin                         | 3,2%         | 6,2%        | 7,3%         | 11,0%        | 12,3%        |
| <b>D&amp;A</b>                  |                                       | <b>13,4</b>  | <b>5,4</b>  | <b>4,9</b>   | <b>4,7</b>   | <b>4,5</b>   |
|                                 | in % of PP&E & applicable intangibles | 12,0%        | 5,1%        | 4,7%         | 4,6%         | 4,5%         |
| <b>EBIT</b>                     |                                       | <b>-10,3</b> | <b>0,4</b>  | <b>2,5</b>   | <b>7,8</b>   | <b>10,6</b>  |
|                                 | EBIT margin                           | -10,5%       | 0,4%        | 2,5%         | 6,9%         | 8,6%         |
| <b>Financial result</b>         |                                       | <b>-2,0</b>  | <b>-2,0</b> | <b>-1,9</b>  | <b>-1,9</b>  | <b>-1,8</b>  |
|                                 | in % of sales                         | -2,0%        | -2,2%       | -1,9%        | -1,7%        | -1,5%        |
| <b>EBT</b>                      |                                       | <b>-12,2</b> | <b>-1,6</b> | <b>0,6</b>   | <b>5,9</b>   | <b>8,8</b>   |
|                                 | EBT margin                            | -12,6%       | -1,7%       | 0,6%         | 5,2%         | 7,1%         |
| <b>Income tax</b>               |                                       | <b>0,8</b>   | <b>0,0</b>  | <b>0,2</b>   | <b>1,7</b>   | <b>2,5</b>   |
|                                 | Tax rate                              | 0,29         | 0,29        | 0,29         | 0,29         | 0,29         |
| <b>Net profit</b>               |                                       | <b>-13,0</b> | <b>-1,6</b> | <b>0,5</b>   | <b>4,2</b>   | <b>6,2</b>   |
|                                 | Net profit margin                     | -13,4%       | -1,7%       | 0,4%         | 3,7%         | 5,1%         |

Source: NuWays AG, Company data

Here is how we derived our P&L forecast:

- **COGS:** Going forward, we expect COGS to broadly develop in line with sales, except for a slight improvement until FY 26/27. We expect this improvement on the basis of current ongoing company efforts in improving margins for higher profitability. But in the mid- to long-term we

anticipate continued cost control and new sourcing from cheaper global production areas to approximately compensate for raw material inflation.

- **Personnel expenses:** Due to current cost cutting efforts, we anticipate a decrease in personnel expenses of € 3.1m in FY 24/25. For FY 25/26 we expect only a slight increase of € 1.5m, driven by selective sales staff increases for regional growth, available staffing capacity of lower top-line growth in previous years and hires in FY 2024/2025. Between FY 26/27 and FY 27/29 we expect higher cost additions of € 2.6m to € 3.0m to facilitate growth-related staff increases with new FTEs added. With stabilizing sales growth for Curing and Disinfection from FY 29/30 to FY 31/32 we expect additional cost increases in the range of € 1.2m to € 1.5m per year, driven by wage inflation. Overall, we expect that efficiency gains will lead to a smaller proportionate ratio of personnel expenses to sales.
- **Other operating expenses:** For general cost inflation that cannot be clearly assigned to a particular line item, we added € 0.7m per year. Additionally, we included small contingency buffers of € 1.1m in FY 25/26, € 0.2m in FY 27/28, € 0.7m in FY 28/29 and € 0.3m in FY 29/30 as well as FY 30/31, in case of miscellaneous small one-off cost positions arising from future minor organizational and restructuring changes, growth-related IT, software and subscription costs and other minor one-off costs.

Overall, these developments highlight the operating leverage the company may employ from its strong focus on accelerating top-line growth, as well as the high potential for improving margins and bottom-line results.



## Valuation

Our DCF valuation derives a **price target of € 15 per share** for Hoenle. The key assumptions of the model are:

- **Terminal EBIT margin of 12.0%:** This represents a modest uplift from the last discretionary EBIT margin of 11.9%, reflecting the company's strong competitive positioning and niche market focus. These factors are expected to support sustained revenue growth and margin expansion over time as the business benefits from economies of scale.
- **Terminal growth of 2.5%:** Including 0.5% for real growth of the company, additionally to a 2% inflation assumption.

### Overview DCF

| DCF (EUR m)<br>(except per share data and beta)        | FY 24/25P  | FY 25/26E  | FY 26/27E  | FY 27/28E  | FY 28/29E  | FY 29/30E  | FY 30/31E   | FY 31/32E   | Terminal value |
|--------------------------------------------------------|------------|------------|------------|------------|------------|------------|-------------|-------------|----------------|
| NOPAT                                                  | 0,3        | 1,8        | 5,5        | 7,5        | 9,4        | 10,7       | 12,3        | 12,8        | 13,2           |
| Depreciation                                           | 5,4        | 4,9        | 4,7        | 4,5        | 4,4        | 4,3        | 4,2         | 4,1         | 3,0            |
| Increase/decrease in working capital                   | -1,1       | -1,6       | -4,7       | -4,6       | -4,5       | -2,9       | -3,1        | -1,7        | -1,3           |
| Increase/decrease in long-term provisions and accruals | 0,0        | 0,0        | 0,0        | 0,0        | 0,0        | 0,0        | 0,0         | 0,0         | 0,0            |
| Capex                                                  | -3,0       | -3,0       | -3,0       | -3,0       | -3,0       | -3,0       | -3,0        | -3,0        | -3,0           |
| Acquisitions                                           | 0,0        | 0,0        | 0,0        | 0,0        | 0,0        | 0,0        | 0,0         | 0,0         | 0,0            |
| Capital increase                                       | 0,0        | 0,0        | 0,0        | 0,0        | 0,0        | 0,0        | 0,0         | 0,0         | 0,0            |
| <b>Cash flow</b>                                       | <b>1,6</b> | <b>2,1</b> | <b>2,5</b> | <b>4,5</b> | <b>6,3</b> | <b>9,1</b> | <b>10,4</b> | <b>12,2</b> | <b>11,9</b>    |
| Present value                                          | 1,7        | 2,0        | 2,2        | 3,7        | 4,8        | 6,5        | 6,9         | 7,3         | 106,7          |
| WACC                                                   | 6,8%       | 6,8%       | 6,8%       | 6,9%       | 6,9%       | 7,1%       | 7,4%        | 7,9%        | 8,4%           |

| DCF per share derived from            |             | DCF avg. growth and earnings assumptions |       |
|---------------------------------------|-------------|------------------------------------------|-------|
| Total present value                   | 142         | Short term growth (2025 - 2028)          | 9,5%  |
| thereof terminal value                | 75%         | Medium term growth (2028 - 2033)         | 8,0%  |
| Net debt (net cash) at start of year  | 46          | Long term growth (2033 - infinity)       | 2,5%  |
| Financial assets                      | 0           | Terminal year EBIT margin                | 12,0% |
| Provisions and off balance sheet debt | 6           |                                          |       |
| Equity value                          | 91          |                                          |       |
| No. of shares outstanding             | 6,1         |                                          |       |
| <b>Discounted cash flow per share</b> | <b>15,0</b> |                                          |       |
| <b>upside/(downside)</b>              | <b>116%</b> |                                          |       |

| Share price |      | WACC derived from                   |       |
|-------------|------|-------------------------------------|-------|
|             | 6,93 | Cost of borrowings before taxes     | 7,5%  |
|             |      | Tax rate                            | 29,0% |
|             |      | Cost of borrowings after taxes      | 5,3%  |
|             |      | Required return on invested capital | 8,3%  |
|             |      | Risk premium                        | 4,3%  |
|             |      | Risk-free rate                      | 2,7%  |
|             |      | Beta                                | 1,3   |

| Sensitivity analysis DCF |                  |      |      |      |      |      | Sensitivity analysis DCF |                           |       |       |       |       |      |
|--------------------------|------------------|------|------|------|------|------|--------------------------|---------------------------|-------|-------|-------|-------|------|
| WACC                     | Long term growth |      |      |      |      |      | WACC                     | EBIT margin terminal year |       |       |       |       |      |
|                          | 1,5%             | 2,0% | 2,5% | 3,0% | 3,5% |      |                          | 10,0%                     | 11,0% | 12,0% | 13,0% | 14,0% |      |
|                          | 10,4%            | 8,0  | 8,3  | 8,8  | 9,3  | 9,8  |                          | 10,4%                     | 6,7   | 7,7   | 8,8   | 9,8   | 10,9 |
|                          | 9,4%             | 10,2 | 10,7 | 11,4 | 12,1 | 13,0 |                          | 9,4%                      | 8,8   | 10,1  | 11,4  | 12,7  | 14,0 |
|                          | 8,4%             | 13,1 | 14,0 | 15,0 | 16,1 | 17,6 |                          | 8,4%                      | 11,7  | 13,3  | 15,0  | 16,6  | 18,2 |
|                          | 7,4%             | 17,1 | 18,5 | 20,1 | 22,1 | 24,6 |                          | 7,4%                      | 15,9  | 18,0  | 20,1  | 22,2  | 24,3 |
|                          | 6,4%             | 22,9 | 25,2 | 28,0 | 31,7 | 36,6 |                          | 6,4%                      | 22,4  | 25,2  | 28,0  | 30,8  | 33,7 |

Source: NuWays AG, Company data

## Financials

| Profit and loss (EUR m)                                   | 2022         | 2023         | 2024         | 2025p        | 2026e        | 2027e        |
|-----------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Net sales</b>                                          | <b>116.1</b> | <b>106.3</b> | <b>98.7</b>  | <b>93.7</b>  | <b>101.8</b> | <b>112.5</b> |
| Sales growth                                              | 0.8%         | -8.4%        | -7.2%        | -5.1%        | 8.7%         | 10.5%        |
| Increase/decrease in finished goods and work-in-process   | 2.1          | -1.9         | -1.4         | 0.0          | 0.0          | 0.0          |
| Total sales                                               | 118.2        | 104.5        | 97.3         | 93.7         | 101.8        | 112.5        |
| Other operating income                                    | 3.6          | 3.3          | 2.2          | 1.9          | 1.8          | 2.0          |
| Material expenses                                         | 54.8         | 51.1         | 39.3         | 36.8         | 40.0         | 43.4         |
| Personnel expenses                                        | 39.7         | 39.5         | 41.3         | 38.2         | 39.7         | 41.5         |
| Other operating expenses                                  | 15.2         | 16.7         | 15.8         | 14.7         | 16.5         | 17.2         |
| <b>Total operating expenses</b>                           | <b>106.1</b> | <b>104.1</b> | <b>94.2</b>  | <b>87.8</b>  | <b>94.4</b>  | <b>100.1</b> |
| <b>EBITDA</b>                                             | <b>12.1</b>  | <b>0.4</b>   | <b>3.1</b>   | <b>5.8</b>   | <b>7.4</b>   | <b>12.4</b>  |
| Depreciation                                              | 4.6          | 8.2          | 12.0         | 4.9          | 4.5          | 4.4          |
| <b>EBITA</b>                                              | <b>7.6</b>   | <b>-7.8</b>  | <b>-8.9</b>  | <b>0.9</b>   | <b>2.9</b>   | <b>8.0</b>   |
| Amortisation of goodwill                                  | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| Amortisation of intangible assets                         | 1.7          | 1.6          | 1.4          | 0.5          | 0.3          | 0.2          |
| Impairment charges                                        | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| <b>EBIT (inc revaluation net)</b>                         | <b>5.8</b>   | <b>-9.4</b>  | <b>-10.3</b> | <b>0.4</b>   | <b>2.5</b>   | <b>7.8</b>   |
| Interest income                                           | 0.1          | 0.3          | 0.1          | 0.1          | 0.1          | 0.1          |
| Interest expenses                                         | 1.5          | 1.8          | 2.1          | 2.1          | 2.0          | 1.9          |
| Investment income                                         | 0.0          | 0.0          | 0.1          | 0.0          | 0.0          | 0.0          |
| Financial result                                          | -1.4         | -1.6         | -2.0         | -2.0         | -1.9         | -1.9         |
| <b>Recurring pretax income from continuing operations</b> | <b>4.4</b>   | <b>-11.0</b> | <b>-12.2</b> | <b>-1.6</b>  | <b>0.6</b>   | <b>5.9</b>   |
| Extraordinary income/loss                                 | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| <b>Earnings before taxes</b>                              | <b>4.4</b>   | <b>-11.0</b> | <b>-12.2</b> | <b>-1.6</b>  | <b>0.6</b>   | <b>5.9</b>   |
| Income tax expense                                        | 1.6          | 0.3          | 0.8          | 0.0          | 0.2          | 1.7          |
| Net income from continuing operations                     | 2.8          | -11.3        | -13.0        | -1.6         | 0.5          | 4.2          |
| Income from discontinued operations (net of tax)          | 16.0         | -0.3         | 0.0          | 0.0          | 0.0          | 0.0          |
| <b>Net income</b>                                         | <b>-13.2</b> | <b>-10.9</b> | <b>-13.0</b> | <b>-1.6</b>  | <b>0.5</b>   | <b>4.2</b>   |
| Minority interest                                         | 0.2          | 0.1          | 0.3          | 0.0          | 0.0          | 0.0          |
| <b>Net profit (reported)</b>                              | <b>2.7</b>   | <b>-11.3</b> | <b>-13.3</b> | <b>-1.6</b>  | <b>0.5</b>   | <b>4.2</b>   |
| Average number of shares                                  | 6.1          | 6.1          | 6.1          | 6.1          | 6.1          | 6.1          |
| <b>EPS reported</b>                                       | <b>-2.20</b> | <b>-1.82</b> | <b>-2.19</b> | <b>-0.27</b> | <b>0.07</b>  | <b>0.69</b>  |

Source: Company Data, NuWays AG

| Profit and loss (common size)                             | 2022          | 2023          | 2024          | 2025p         | 2026e         | 2027e         |
|-----------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <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> |
| Sales growth                                              | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          |
| Increase/decrease in finished goods and work-in-process   | 1.8%          | -1.8%         | -1.5%         | 1.0%          | 1.4%          | 1.4%          |
| Total sales                                               | 101.8%        | 98.2%         | 98.5%         | 100.0%        | 100.0%        | 100.0%        |
| Other operating income                                    | 3.1%          | 3.1%          | 2.2%          | 2.0%          | 1.8%          | 1.8%          |
| Material expenses                                         | 47.2%         | 48.1%         | 39.8%         | 40.3%         | 39.7%         | 39.2%         |
| Personnel expenses                                        | 34.2%         | 37.2%         | 41.9%         | 40.8%         | 38.0%         | 36.9%         |
| Other operating expenses                                  | 13.1%         | 15.7%         | 16.0%         | 15.7%         | 15.2%         | 15.0%         |
| <b>Total operating expenses</b>                           | <b>91.4%</b>  | <b>97.9%</b>  | <b>95.4%</b>  | <b>93.8%</b>  | <b>92.7%</b>  | <b>89.0%</b>  |
| <b>EBITDA</b>                                             | <b>10.4%</b>  | <b>0.4%</b>   | <b>3.1%</b>   | <b>6.2%</b>   | <b>7.3%</b>   | <b>11.0%</b>  |
| Depreciation                                              | 3.9%          | 7.7%          | 12.1%         | 5.3%          | 4.4%          | 3.9%          |
| <b>EBITA</b>                                              | <b>6.5%</b>   | <b>-7.3%</b>  | <b>-9.0%</b>  | <b>1.0%</b>   | <b>2.8%</b>   | <b>7.1%</b>   |
| Amortisation of goodwill                                  | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          |
| Amortisation of intangible assets                         | 1.5%          | 1.5%          | 1.4%          | 0.5%          | 0.3%          | 0.2%          |
| Impairment charges                                        | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          |
| <b>EBIT (inc revaluation net)</b>                         | <b>5.0%</b>   | <b>-8.9%</b>  | <b>-10.4%</b> | <b>0.4%</b>   | <b>2.5%</b>   | <b>6.9%</b>   |
| Interest income                                           | 0.1%          | 0.2%          | 0.1%          | 0.1%          | 0.1%          | 0.1%          |
| Interest expenses                                         | 1.3%          | 1.7%          | 2.1%          | 2.2%          | 1.9%          | 1.7%          |
| Investment income                                         | 0.0%          | 0.0%          | 0.1%          | 0.0%          | 0.0%          | 0.0%          |
| Financial result                                          | -1.2%         | -1.5%         | -2.0%         | -2.2%         | -1.9%         | -1.7%         |
| <b>Recurring pretax income from continuing operations</b> | <b>3.8%</b>   | <b>-10.3%</b> | <b>-12.4%</b> | <b>-1.7%</b>  | <b>0.6%</b>   | <b>5.2%</b>   |
| Extraordinary income/loss                                 | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          |
| <b>Earnings before taxes</b>                              | <b>3.8%</b>   | <b>-10.3%</b> | <b>-12.4%</b> | <b>-1.7%</b>  | <b>0.6%</b>   | <b>5.2%</b>   |
| Tax rate                                                  | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          |
| <b>Net income from continuing operations</b>              | <b>2.4%</b>   | <b>-10.6%</b> | <b>-13.2%</b> | <b>-1.7%</b>  | <b>0.4%</b>   | <b>3.7%</b>   |
| Income from discontinued operations (net of tax)          | 13.8%         | -0.3%         | 0.0%          | 0.0%          | 0.0%          | 0.0%          |
| <b>Net income</b>                                         | <b>-11.4%</b> | <b>-10.3%</b> | <b>-13.2%</b> | <b>-1.7%</b>  | <b>0.4%</b>   | <b>3.7%</b>   |
| Minority interest                                         | 0.1%          | 0.1%          | 0.3%          | 0.0%          | 0.0%          | 0.0%          |
| <b>Net profit (reported)</b>                              | <b>-11.5%</b> | <b>-10.3%</b> | <b>-13.5%</b> | <b>-1.7%</b>  | <b>0.4%</b>   | <b>3.7%</b>   |

Source: Company Data, NuWays AG

| Balance sheet (EUR m)                                     | 2022         | 2023         | 2024         | 2025p        | 2026e        | 2027e        |
|-----------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Intangible assets                                         | 23.3         | 19.7         | 12.6         | 12.2         | 11.8         | 11.6         |
| Property, plant and equipment                             | 79.6         | 75.1         | 71.6         | 69.7         | 68.2         | 66.7         |
| Financial assets                                          | 1.4          | 1.4          | 0.5          | 0.5          | 0.5          | 0.5          |
| <b>Fixed Assets</b>                                       | <b>104.2</b> | <b>96.3</b>  | <b>84.8</b>  | <b>82.3</b>  | <b>80.5</b>  | <b>78.8</b>  |
| Inventories                                               | 46.4         | 35.0         | 30.5         | 33.3         | 36.2         | 40.0         |
| Accounts receivable                                       | 19.7         | 15.6         | 14.9         | 14.4         | 15.7         | 17.3         |
| Other assets and short-term financial assets              | 15.0         | 14.7         | 11.9         | 11.9         | 11.9         | 11.9         |
| Liquid assets                                             | 7.1          | 9.3          | 7.5          | 8.5          | 9.3          | 10.5         |
| Deferred taxes                                            | 3.0          | 5.2          | 5.8          | 5.8          | 5.8          | 5.8          |
| Deferred charges and prepaid expenses                     | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| <b>Current Assets</b>                                     | <b>91.2</b>  | <b>79.9</b>  | <b>70.6</b>  | <b>74.0</b>  | <b>78.9</b>  | <b>85.5</b>  |
| <b>Total Assets</b>                                       | <b>195.5</b> | <b>176.2</b> | <b>155.4</b> | <b>156.3</b> | <b>159.4</b> | <b>164.3</b> |
| <b>Shareholders Equity</b>                                | <b>106.9</b> | <b>95.8</b>  | <b>79.4</b>  | <b>80.1</b>  | <b>82.6</b>  | <b>86.7</b>  |
| Minority interest                                         | 0.4          | 0.3          | 0.3          | 0.3          | 0.3          | 0.3          |
| Long-term liabilities to banks                            | 29.9         | 41.8         | 37.8         | 37.8         | 37.8         | 37.8         |
| Bonds (long-term)                                         | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| other interest-bearing liabilities                        | 3.2          | 2.6          | 2.5          | 2.5          | 2.5          | 2.5          |
| Provisions for pensions and similar obligations           | 4.0          | 3.2          | 4.4          | 4.4          | 4.4          | 4.4          |
| Other provisions and accrued liabilities                  | 0.7          | 0.4          | 0.3          | 0.3          | 0.3          | 0.3          |
| <b>NON-CURRENT LIABILITIES</b>                            | <b>37.8</b>  | <b>48.0</b>  | <b>45.0</b>  | <b>45.0</b>  | <b>45.0</b>  | <b>45.0</b>  |
| Short-term liabilities to banks                           | 26.4         | 12.4         | 13.0         | 13.0         | 13.0         | 13.0         |
| Accounts payable                                          | 10.3         | 7.6          | 6.4          | 6.6          | 7.2          | 8.0          |
| Advance payments received on orders                       | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| Accrued taxes                                             | 1.5          | 1.4          | 1.2          | 1.2          | 1.2          | 1.2          |
| Other liabilities (incl. from lease and rental contracts) | 11.3         | 9.5          | 9.4          | 9.4          | 9.4          | 9.4          |
| Deferred taxes                                            | 1.0          | 1.2          | 0.8          | 0.8          | 0.8          | 0.8          |
| Deferred income                                           | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| <b>Current Liabilities</b>                                | <b>50.4</b>  | <b>32.0</b>  | <b>30.7</b>  | <b>31.0</b>  | <b>31.6</b>  | <b>32.3</b>  |
| <b>Total Liabilities and Shareholders Equity</b>          | <b>195.5</b> | <b>176.2</b> | <b>155.4</b> | <b>156.3</b> | <b>159.4</b> | <b>164.3</b> |

Source: Company Data, NuWays AG

| Balance sheet (common size)                               | 2022          | 2023          | 2024          | 2025p         | 2026e         | 2027e         |
|-----------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Intangible assets                                         | 11.9%         | 11.2%         | 8.1%          | 7.8%          | 7.4%          | 7.0%          |
| Property, plant and equipment                             | 40.7%         | 42.6%         | 46.1%         | 44.6%         | 42.8%         | 40.6%         |
| Financial assets                                          | 0.7%          | 0.8%          | 0.3%          | 0.3%          | 0.3%          | 0.3%          |
| <b>Fixed Assets</b>                                       | <b>53.3%</b>  | <b>54.6%</b>  | <b>54.6%</b>  | <b>52.7%</b>  | <b>50.5%</b>  | <b>48.0%</b>  |
| Inventories                                               | 23.7%         | 19.9%         | 19.6%         | 21.3%         | 22.7%         | 24.4%         |
| Accounts receivable                                       | 10.1%         | 8.9%          | 9.6%          | 9.2%          | 9.8%          | 10.5%         |
| Other assets and short-term financial assets              | 7.7%          | 8.3%          | 7.7%          | 7.6%          | 7.5%          | 7.2%          |
| Liquid assets                                             | 3.6%          | 5.3%          | 4.8%          | 5.5%          | 5.8%          | 6.4%          |
| Deferred taxes                                            | 1.6%          | 2.9%          | 3.7%          | 3.7%          | 3.6%          | 3.5%          |
| Deferred charges and prepaid expenses                     | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          |
| <b>Current Assets</b>                                     | <b>46.7%</b>  | <b>45.4%</b>  | <b>45.4%</b>  | <b>47.3%</b>  | <b>49.5%</b>  | <b>52.0%</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>Shareholders Equity</b>                                | <b>54.7%</b>  | <b>54.4%</b>  | <b>51.1%</b>  | <b>51.2%</b>  | <b>51.8%</b>  | <b>52.8%</b>  |
| Minority interest                                         | 0.2%          | 0.2%          | 0.2%          | 0.2%          | 0.2%          | 0.2%          |
| Long-term liabilities to banks                            | 15.3%         | 23.7%         | 24.3%         | 24.2%         | 23.7%         | 23.0%         |
| Bonds (long-term)                                         | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          |
| other interest-bearing liabilities                        | 1.6%          | 1.5%          | 1.6%          | 1.6%          | 1.6%          | 1.5%          |
| Provisions for pensions and similar obligations           | 2.1%          | 1.8%          | 2.8%          | 2.8%          | 2.8%          | 2.7%          |
| Other provisions and accrued liabilities                  | 0.4%          | 0.2%          | 0.2%          | 0.2%          | 0.2%          | 0.2%          |
| <b>NON-CURRENT LIABILITIES</b>                            | <b>19.3%</b>  | <b>27.2%</b>  | <b>29.0%</b>  | <b>28.8%</b>  | <b>28.2%</b>  | <b>27.4%</b>  |
| Short-term liabilities to banks                           | 13.5%         | 7.0%          | 8.4%          | 8.3%          | 8.1%          | 7.9%          |
| Accounts payable                                          | 5.3%          | 4.3%          | 4.1%          | 4.3%          | 4.5%          | 4.9%          |
| Advance payments received on orders                       | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          |
| Accrued taxes                                             | 0.8%          | 0.8%          | 0.7%          | 0.7%          | 0.7%          | 0.7%          |
| Other liabilities (incl. from lease and rental contracts) | 5.8%          | 5.4%          | 6.1%          | 6.0%          | 5.9%          | 5.7%          |
| Deferred taxes                                            | 0.5%          | 0.7%          | 0.5%          | 0.5%          | 0.5%          | 0.5%          |
| Deferred income                                           | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          | 0.0%          |
| <b>Current Liabilities</b>                                | <b>11.0%</b>  | <b>9.7%</b>   | <b>19.8%</b>  | <b>19.8%</b>  | <b>19.8%</b>  | <b>19.7%</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> |

Source: Company Data, NuWays AG

| Cash flow (EUR m)                                    | 2022        | 2023        | 2024        | 2025p       | 2026e       | 2027e       |
|------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Net profit/loss                                      | -13.2       | -10.9       | -13.0       | -1.6        | 0.5         | 4.2         |
| Depreciation of fixed assets (incl. leases)          | 4.6         | 9.8         | 12.0        | 4.9         | 4.5         | 4.4         |
| Amortisation of goodwill & intangible assets         | 1.7         | 0.0         | 1.4         | 0.5         | 0.3         | 0.2         |
| Other costs affecting income / expenses              | 4.5         | 4.8         | 1.8         | 0.0         | 0.0         | 0.0         |
| Cash flow from operating activities                  | -10.4       | 0.1         | 2.5         | -0.3        | 0.8         | 1.2         |
| Increase/decrease in inventory                       | -11.6       | -1.8        | 4.6         | -2.9        | -2.9        | -3.8        |
| Increase/decrease in accounts receivable             | -2.6        | 4.0         | 0.7         | 0.5         | -1.2        | -1.6        |
| Increase/decrease in accounts payable                | 0.9         | -2.7        | -1.2        | 0.3         | 0.6         | 0.8         |
| Increase/decrease in other working capital positions | -3.1        | 0.0         | -1.8        | 1.0         | 2.0         | 0.0         |
| Increase/decrease in working capital                 | -16.4       | -0.5        | 2.3         | -1.1        | -1.6        | -4.7        |
| <b>Cash flow from operating activities</b>           | <b>-7.4</b> | <b>3.1</b>  | <b>5.5</b>  | <b>2.7</b>  | <b>3.8</b>  | <b>4.2</b>  |
| CAPEX                                                | 4.4         | 2.9         | 2.1         | 3.0         | 3.0         | 3.0         |
| Payments for acquisitions                            | 0.0         | 0.0         | 0.7         | 0.0         | 0.0         | 0.0         |
| Financial investments                                | 0.1         | -0.6        | 0.2         | 0.0         | 0.0         | 0.0         |
| Income from asset disposals                          | 2.8         | 5.0         | 0.6         | 1.3         | 0.0         | 0.0         |
| <b>Cash flow from investing activities</b>           | <b>-1.7</b> | <b>2.7</b>  | <b>-2.4</b> | <b>-1.7</b> | <b>-3.0</b> | <b>-3.0</b> |
| Cash flow before financing                           | -10.3       | 5.7         | 3.0         | 1.0         | 0.8         | 1.2         |
| Increase/decrease in debt position                   | 4.9         | -3.3        | -4.8        | 0.0         | 0.0         | 0.0         |
| Purchase of own shares                               | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         |
| Capital measures                                     | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         |
| Dividends paid                                       | 1.2         | 0.1         | 0.1         | 0.0         | 0.0         | 0.0         |
| Others                                               | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         |
| Effects of exchange rate changes on cash             | 0.4         | -0.2        | 0.0         | 0.0         | 0.0         | 0.0         |
| <b>Cash flow from financing activities</b>           | <b>3.7</b>  | <b>-3.4</b> | <b>-4.9</b> | <b>0.0</b>  | <b>0.0</b>  | <b>0.0</b>  |
| Increase/decrease in liquid assets                   | -4.9        | 2.2         | -1.7        | 1.0         | 0.8         | 1.2         |
| <b>Liquid assets at end of period</b>                | <b>7.1</b>  | <b>9.3</b>  | <b>7.5</b>  | <b>8.5</b>  | <b>9.3</b>  | <b>10.5</b> |

Source: Company Data, NuWays AG



| Key ratios                           | 2022     | 2023    | 2024   | 2025p   | 2026e   | 2027e  |
|--------------------------------------|----------|---------|--------|---------|---------|--------|
| <b>P&amp;L growth analysis</b>       |          |         |        |         |         |        |
| Sales growth                         | 0.8%     | -8.4%   | -7.2%  | -5.1%   | 8.7%    | 10.5%  |
| EBITDA growth                        | -12.3%   | -96.7%  | 676.1% | 89.3%   | 26.6%   | 67.8%  |
| EBIT growth                          | 1,572.5% | -261.4% | 9.0%   | -103.9% | 527.2%  | 206.0% |
| EPS growth                           | 177.1%   | -17.6%  | 20.7%  | -87.8%  | -128.0% | 821.9% |
| <b>Efficiency</b>                    |          |         |        |         |         |        |
| Sales per employee                   | 176.6    | 171.2   | 166.8  | 160.1   | 173.4   | 185.8  |
| EBITDA per employee                  | 18.4     | 0.6     | 5.2    | 10.0    | 12.6    | 20.5   |
| No. employees (average)              | 658      | 621     | 592    | 585     | 587     | 606    |
| <b>Balance sheet analysis</b>        |          |         |        |         |         |        |
| Avg. working capital / sales         | 47.5%    | 46.5%   | 41.7%  | 42.8%   | 42.2%   | 41.8%  |
| Inventory turnover (sales/inventory) | 2.5      | 3.0     | 3.2    | 2.8     | 2.8     | 2.8    |
| Accounts receivable turnover         | 61.8     | 53.6    | 55.2   | 56.2    | 56.2    | 56.2   |
| Accounts payable turnover            | 32.4     | 25.9    | 23.5   | 25.9    | 25.9    | 25.9   |
| <b>Cash flow analysis</b>            |          |         |        |         |         |        |
| Free cash flow                       | -11.8    | 0.2     | 3.4    | -0.3    | 0.8     | 1.2    |
| Free cash flow/sales                 | -10.2%   | 0.2%    | 3.5%   | -0.3%   | 0.8%    | 1.0%   |
| FCF / net profit                     | 0.0%     | 0.0%    | 0.0%   | 0.0%    | 0.0%    | 0.0%   |
| Capex / sales                        | 3.9%     | 2.2%    | 2.3%   | 3.2%    | 2.9%    | 2.7%   |
| <b>Solvency</b>                      |          |         |        |         |         |        |
| Net debt                             | 52.3     | 47.5    | 45.7   | 44.7    | 43.9    | 42.8   |
| Net Debt/EBITDA                      | 4.3      | 119.3   | 14.8   | 7.6     | 5.9     | 3.4    |
| Dividend payout ratio                | 0.0%     | 0.0%    | 0.0%   | 0.0%    | 0.0%    | 0.0%   |
| Interest paid / avg. debt            | 2.7%     | 3.1%    | 3.8%   | 3.9%    | 3.7%    | 3.6%   |
| <b>Returns</b>                       |          |         |        |         |         |        |
| ROCE                                 | 3.3%     | -5.7%   | -6.9%  | 0.3%    | 1.8%    | 5.4%   |
| ROE                                  | -12.5%   | -11.5%  | -16.7% | -2.0%   | 0.5%    | 4.8%   |
| Adjusted FCF yield                   | -6.9%    | 0.1%    | 3.8%   | -0.3%   | 0.9%    | 1.4%   |
| Dividend yield                       | 0.0%     | 0.0%    | 0.0%   | 0.0%    | 0.0%    | 0.0%   |
| DPS                                  | 0.0      | 0.0     | 0.0    | 0.0     | 0.0     | 0.0    |
| EPS reported                         | -2.20    | -1.82   | -2.19  | -0.27   | 0.07    | 0.69   |
| Average number of shares             | 6.1      | 6.1     | 6.1    | 6.1     | 6.1     | 6.1    |
| <b>Valuation ratios</b>              |          |         |        |         |         |        |
| P/BV                                 | 1.1      | 1.1     | 0.6    | 0.5     | 0.5     | 0.5    |
| EV/sales                             | 1.8      | 1.6     | 0.9    | 1.0     | 0.9     | 0.8    |
| EV/EBITDA                            | 14.1     | 385.1   | 29.5   | 14.8    | 11.5    | 6.8    |
| EV/EBIT                              | 29.2     | -16.3   | -8.9   | 214.2   | 33.6    | 10.8   |

Source: Company Data, NuWays AG

## Disclosures

### Disclosures regarding research publications of NuWays AG pursuant to section 85 of the German Securities Trading Act (WpHG)

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It is essential that any research recommendation is fairly presented and discloses interests of indicates relevant conflicts of interest. Pursuant to section 85 of the German Securities Trading Act (WpHG) a research report has to point out possible conflicts of interest in connection with the analysed company. A conflict of interest is presumed to exist in particular if NuWays AG

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| Company   | Disclosures |
|-----------|-------------|
| Hoenle AG | 2           |

#### Historical target price and rating changes for Hoenle AG

| Company   | Date       | Analyst            | Rating | Target Price | Close    |
|-----------|------------|--------------------|--------|--------------|----------|
| Hoenle AG | 03.12.2025 | Christian Sandherr | Buy    | EUR 15.00    | EUR 6.88 |
|           | 12.08.2025 | Christian Sandherr | Buy    | EUR 16.00    | EUR 8.40 |

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