

# Hoenle AG

Germany | Industrial Manufacturing | MCap EUR 52.7m

19 February 2026

INITIATION



Industrial UV specialist at an inflection point – Initiate with BUY.

**BUY** (na)

<b>Target price</b>	<b>EUR 20.00</b> (na)
Current price	EUR 8.70
Up/downside	129.9%



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## What's it all about?

Hoenle AG specializes in industrial UV technology with ~50 years of process expertise. After a period of strategic overextension that diluted focus and eroded earnings power, the group has undergone a multi-year restructuring, including portfolio simplification, balance-sheet repair and leadership change, effectively resetting the business. The company refocused on higher-value applications and repositioned itself as an integrated solution provider rather than a component supplier. We view management's 2030 targets of EUR 175m in revenues (15% CAGR from 2026E) and EBITDA margins of 20–25% as ambitious but directionally credible. While execution risk remains, we see an asymmetric risk-reward profile with limited downside and attractive upside even under conservative assumptions. We initiate coverage with **BUY** rating and PT of **EUR 20.00**, reflecting confidence in the strategic repositioning and clean-up.

IMPORTANT. Please refer to the last page of this report for "Important disclosures" and analyst(s) certifications.

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Germany | Industrial Manufacturing | MCap EUR 52.7m | EV EUR 96.9m

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## Industrial UV specialist at an inflection point - BUY.

**Background.** Hoenle AG specializes in industrial UV technology with ~50 years of process expertise, operating across Adhesive Systems, Curing and Disinfection. The group supplies UV lamps and systems with UV-curable adhesives to application-critical end markets including electronics, medical, automotive, food & water, printing and surface treatment. Here, UV light is used to instantly harden inks, coatings and adhesives or to disinfect water and packaging. The combination of consumables, capital equipment and aftermarket sales result in a blended revenue profile with c. ~60% recurring revenues and project-driven demand.

**Strategic missteps and the big bath.** In our view, Hoenle's erosion of earnings power over the past cycle was not driven by technological obsolescence, but by strategic overextension. By defending too many fronts, the group diluted strategic focus, increased complexity and failed to translate its customer relationships into durable and strategic positions. The crackdown triggered a multi-year restructuring, complemented by leadership change and balance-sheet repair, effectively resetting the business. The company has since refocused its portfolio on high-value applications and is repositioning itself as an integrated solution provider rather than a component supplier, insulating itself partly from price-driven competition and laying the ground for sustained growth and margin expansion.

**Path to growth.** Hoenle's next phase is defined less by cyclicity and more by execution. Adhesive Systems form the backbone of the growth strategy, combining a consumables-driven profile with structurally high switching costs, while Disinfection adds a regulation-driven demand pillar with attractive margin potential. In Curing, the strategic shift toward after-market sales aims to stabilize earnings and restore profitability. Together, these levers underpin management's very ambitious 2030 targets of EUR 175m in revenues (15% CAGR from 2026E) and structurally higher EBITDA margins of 20–25%, implying a meaningful uplift in earnings power from today's base. While execution risk remains, we view the risk-reward as asymmetric, with limited downside and attractive upside even under conservative assumptions. We initiate coverage with a BUY rating and a price target of EUR 20.00, reflecting confidence in the strategic repositioning and completed clean-up.

Hoenle AG	2023	2024	2025	2026E	2027E	2028E
Sales	106.3	98.7	93.7	102.1	114.4	125.8
<i>Growth yoy</i>	-16.0%	-7.2%	-5.1%	9.0%	12.0%	10.0%
EBITDA	0.3	3.1	5.8	8.0	11.7	15.3
EBIT	-9.4	-10.1	0.1	2.6	6.6	10.4
Net profit	-11.3	-13.2	-3.1	0.6	3.5	6.3
Net debt (net cash)	47.6	45.8	40.5	40.8	37.5	31.4
Net debt/EBITDA	137.9x	14.8x	7.0x	5.1x	3.2x	2.0x
EPS reported	-1.87	-2.17	-0.52	0.11	0.58	1.04
DPS	0.00	0.00	0.00	0.00	0.00	0.00
<i>Dividend yield</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Gross profit margin	50.1%	58.7%	62.3%	61.3%	62.2%	62.7%
EBITDA margin	0.3%	3.1%	6.1%	7.8%	10.2%	12.2%
EBIT margin	-8.8%	-10.3%	0.1%	2.5%	5.7%	8.3%
ROCE	-6.0%	-7.3%	0.1%	2.0%	5.1%	7.9%
EV/Sales	1.0x	1.0x	1.0x	1.0x	0.8x	0.7x
EV/EBITDA	300.1x	33.3x	16.8x	12.3x	8.1x	5.8x
EV/EBIT	-11.0x	-10.2x	1,031.4x	37.9x	14.5x	8.5x
PER	-4.7x	-4.0x	-16.9x	82.2x	15.0x	8.4x

Source: Company data, mwb research; fiscal year-end 30 September.



Source: Company data, mwb research

**High/low 52 weeks** 11.90 / 6.48  
**Price/Book Ratio** 0.7x

**Ticker / Symbols**

ISIN DE0005157101  
WKN 515710  
Bloomberg HNL:GR

**Changes in estimates**

		Sales	EBIT	EPS
2026E	old	102.1	2.6	0.11
	Δ	0.0%	0.0%	0.0%
2027E	old	114.4	6.6	0.58
	Δ	0.0%	0.0%	0.0%
2028E	old	125.8	10.4	1.04
	Δ	0.0%	0.0%	0.0%

**Key share data**

Number of shares: (in m pcs) 6.06  
Book value per share: (in EUR) 12.68  
Ø daily trading vol.: (12 m) 5,768

**Major shareholders**

Peter Mohrle GmbH & Co. 25.4%  
Hans-Joachim 4.2%  
Lazard 4.2%  
Free Float 63.5%

**Company description**

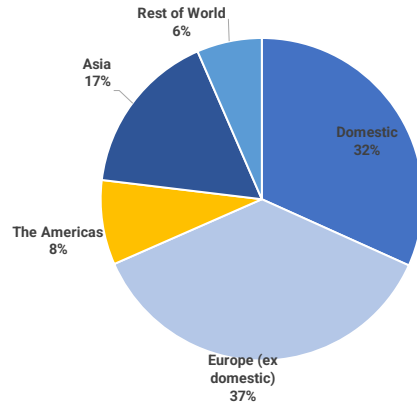
Hoenle AG is an industrial UV technology specialist with ~50 years of process expertise, operating across Adhesive Systems, Curing and Disinfection. The group serves structurally attractive end markets including electronics, medical, automotive, food & water, printing and surface treatment

# Investment case in charts

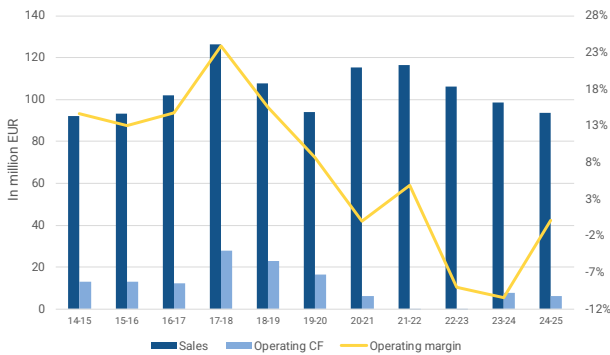
## Products & Services

Adhesive Systems (Solution Provider)	Curing (Focus on Industrial)	Disinfection (Unique Offering)
<p><b>Products (37%):</b> UV and light curing adhesives Curing equipment Epoxies, Acrylates, Electrically and thermally conductive adhesives CMR free adhesives Casting compounds</p> <p><b>Applications:</b> Consumer electronics Electronic packaging Opto electronics Medical Displays Automotive engineering</p>	<p><b>Products (35%):</b> UV curing equipment UV LED curing equipment IR units UV dose measurement</p> <p><b>Applications:</b> Packaging printing 3D printing 2D and 3D coating Films and labels Measurement</p>	<p><b>Products (28%):</b> Pulsed light Medium pressure UV lamp systems Low pressure UV lamp systems Microbiological quality analysis Quartz glass products</p> <p><b>Applications:</b> Ballast water Drinking water Process water Air Surface Photolysis</p>

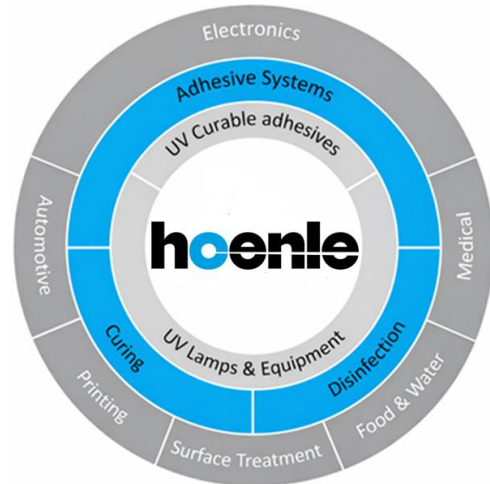
## Regional sales split in %



## Historical performance



## The ecosystem



## Competitive position and growth roadmap

Business Units	Global market size (2023 in bn€)	Growth outlook (in% p.a. 2024-2030)		Market positioning	Maturity/commoditization	Approach to win
		Market growth in current applications	Additional addressable market growth through strategic initiatives			
1 Adhesive Systems (UV curable adhesives, UV curing equipment)	2.6	6-8%	4-6%	10-14%	UV curable adhesives increasingly important in many applications. Long qualification cycles	Evolve into "solution provider" – from pharmacist to doctor
2 Curing (systems for curing of printing, packaging, 2D/3D and technical films)	1.0	3-4%	2-3%	5-7%	Mature market in EU and NA dominated by few incumbents	Use core technological competence for broader markets; generate after-sales business
3 Disinfection (systems for F&B disinfection, water treatment, UPW)	0.6	3-4%	3-4%	6-8%	UVC emerging technology with growing use cases	Expand market share in North America and India

Source: Company data; mwb research

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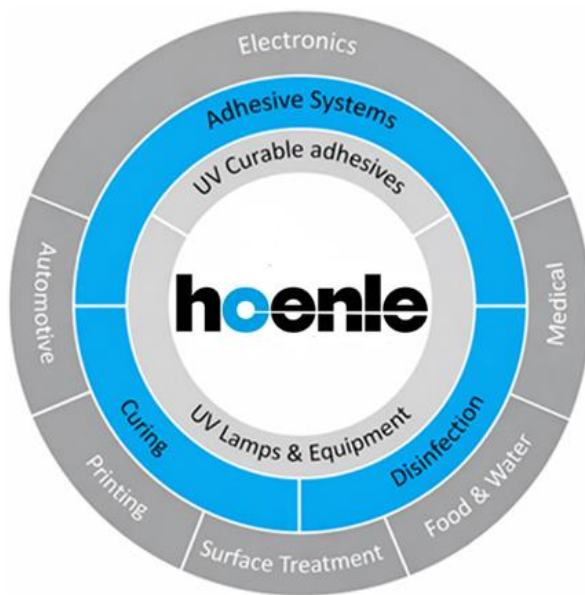
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# Company background

## Background

Founded in 1976 by Prof. Dr. Karl Hoenle, Hoenle is a market **leader in industrial UV technology** with ~50 years of process/technology know-how. Headquartered in Gilching (Germany), the company has recently reorganized its business activities and is now operating across three business units namely, Adhesive Systems (**38% of sales**), Curing (**37%**), and Disinfection (**25%**). It combines **two core technological competencies** [UV lamps and equipment and UV-curable adhesives], supplemented by application engineering and microbiological validation capabilities, to serve structurally attractive end markets including electronics, medical, automotive, food & water, printing and surface treatment.

### The ecosystem



Source: Company data; mwb research

The Group operates a global footprint of more than 20 locations with approximately 572 employees, while its 2025 rebranding to “Hoenle” underscores management’s ambition to sharpen the company’s global identity as a pure-play UV technology specialist.

### Global footprint



Source: Company data; mwb research

Following a cycle of underperformance, the company entered a multi-year portfolio streamlining and restructuring phase. Hoenle exited non-core and loss-making

activities, consolidated R&D and production into more centralized and modular structures, and refocused on applications with higher growth, regulatory tailwinds and sustainability relevance. In line with a more customer-centric operating model, Hoenle is moving from component sales toward integrated solutions (one-stop shop”). In addition, the company established a Lifecycle Solutions organization aimed at expanding after-sales in Curing.

## Business Model Overview

Hoenle makes money by supplying UV-based technologies into industrial production processes where UV light is used to cure (harden) inks, coatings and adhesives, or to disinfect water, air and surfaces. Across the portfolio, revenues are derived from a combination of UV-curable materials, UV lamps and components, and application-specific UV systems, delivered through:

- **Consumables / repeat purchases**, notably UV-curable adhesives, as well as lamp replacements and selected disinfection components.
- **Capital equipment and project systems**, including printing equipment, UV curing and UV disinfection systems that are typically integrated into customer production lines and configured for specific applications.
- **After-sales services**, such as maintenance, spare parts, upgrades and system support for the installed base in Curing.

**Consumables vs. capital goods.** The combination of consumables and capital goods exhibit materially different economic characteristics. **Consumables** are primarily process-integrated products that are consumed, degrade over time or require regular replacement. Once qualified within a customer’s production process, these products are typically reordered on a recurring basis and are often treated as operating expenditure rather than capital investment. This translates into high revenue visibility, structurally lower cyclicity and strong pricing power, supported by qualification requirements and switching costs.

In contrast, **capital goods** are characterized by higher upfront investment and multi-year useful lives. Purchasing decisions are therefore more project- and capex-driven, with longer sales cycles and greater sensitivity to macroeconomic conditions. While initial margins are typically lower and revenues more volatile, these systems generate a quasi-recurring aftermarket tail through spare parts, lamp replacements, maintenance, upgrades and retrofits over their operational lifetime.

## Products & Services

Adhesive Systems (Solution Provider)	Curing (Focus on Industrial)	Disinfection (Unique Offering)
<p><b>Products (37%):</b> UV and light curing adhesives Curing equipment Epoxies, Acrylates, Electrically and thermally conductive adhesives CMR free adhesives Casting compounds</p> <p><b>Applications:</b> Consumer electronics Electronic packaging Opto electronics Medical Displays Automotive engineering</p>	<p><b>Products (35%):</b> UV curing equipment UV LED curing equipment IR units UV dose measurement</p> <p><b>Applications:</b> Packaging printing 3D printing 2D and 3D coating Films and labels Measurement</p>	<p><b>Products (28%):</b> Pulsed light Medium pressure UV lamp systems Low pressure UV lamp systems Microbiological quality analysis Quartz glass products</p> <p><b>Applications:</b> Ballast water Drinking water Process water Air Surface Photolysis</p>

Source: Company data; mwb research

**Product structure and customization.** The degree of product standardization and customization varies materially by business unit and application. **Curing** primarily comprises engineered-to-order or configured systems based on standardized platforms, particularly in printing and industrial applications. **Disinfection** is

characterized by application-specific system configuration and validation, often supported by in-house microbiological testing and certification, especially in regulated end markets such as food, water and pharma. **Adhesive Systems** combine a standardized product portfolio with customer-specific formulations and qualification in selected applications, with the strategic focus shifting toward integrated solutions combining adhesives, curing equipment and process support.

**Pricing Approach.** We believe that the company applies a value-based pricing approach aligned with its positioning as an integrated UV solution provider. Pricing reflects the process-critical nature of UV systems, with premiums supported by application-specific configuration, long qualification or validation cycles, and bundled offerings combining materials, equipment and services. Rather than competing primarily on unit price, the emphasis is more on total cost of ownership, process reliability and lifecycle performance.

**Revenue Quality.** We estimate that c.60% of revenues are recurring, driven consumables and after-sales (c. 20% of Curing). The remaining c.40% is attributable to project-driven sales.

**Position in the Value Chain.** Within the industrial manufacturing value chain, Hoenle operates in the mid-stream, positioned downstream of raw material and component suppliers and upstream of industrial OEMs. Its UV technologies enable discrete manufacturing and hygiene process steps and, although often not incorporated into the finished end product, directly affect production speed, process quality and adherence to customer specifications and, in regulated applications, compliance with hygiene and safety standards.

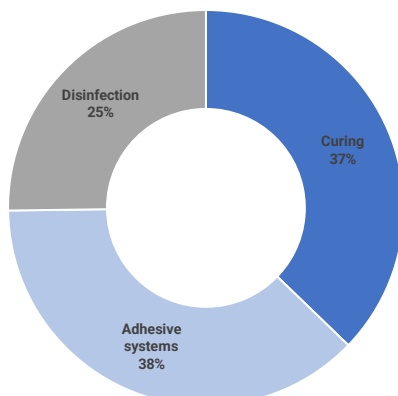
**Go-to-market.** The company sells through a mix of direct and indirect channels, depending on degree of application complexity. Curing and Disinfection are predominantly distributed via direct relationships (c.70–80% of segment sales), reflecting the engineered nature of these offerings, while Adhesive Systems rely more heavily on indirect channels through intermediaries. Across all segments, the group operates its own sales and service organisations in key markets, complemented by local distributors, enabling proximity to customers and on-site application support.

**Debt and Financing Structure.** The group's debt consists primarily of long-term, secured bank borrowings, linked to c.EUR 60m of investments in three production facilities over recent years, of which around EUR 45m was financed through these loans. The borrowings carry a low fixed interest rate of c.2.2%, hedged via interest rate swaps, and have long-dated maturities extending to 2038, resulting in limited refinancing risk. With the investment cycle largely completed, management is focused on gradual deleveraging year by year.

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#### Segmental breakdown in %

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## Management

**CEO.** Dr. Franz Richter (German, born 1955) is a physicist with a PhD from RWTH Aachen University and brings extensive leadership experience in technology-driven, capital-intensive industrial businesses. He joined Hoenle's Supervisory Board in 2023 and was seconded to the Executive Board as interim CEO from May 2023 to April 2024 during the initial phase of the group's portfolio and organizational reset. Following the removal of CEO Dr. Markus Arendt in Sep. 2025 due to differing views on strategic direction and execution priorities, Richter was reappointed to the Management Board Oct. 2025 running through Feb. 2029, with his Supervisory Board mandate suspended.

Richter's career is characterised by repeated senior leadership roles in complex, cyclical industrial environments. He spent more than a decade at SUSS MicroTec, including multiple years as CEO, and later led the Semiconductor Equipment segment at Unaxis Management AG (now OC Oerlikon). In parallel, he co-led Thin Materials AG, a technology start-up focused on 3D chip stacking processes, which was sold to Nissan Chemical Industries. In 2016 he returned to SUSS as a CEO until 2021, further strengthening his experience in managing technology platforms, restructuring phases and capital-equipment businesses. He served previously as President of the Board of Meyer Burger Technology AG, assuming executive responsibilities during a restructuring phase. His broader governance background includes board or supervisory mandates at Siltronic AG and Comet Holding AG.

With an equity stake of 2.7%, Dr. Franz Richter is aligned with shareholders. His re-appointment following management changes suggests a high level of board confidence in his execution capabilities. His background combines repeated exposure to operating environments closely aligned with Hoenle's business model with hands-on restructuring experience. While the breadth of his concurrent mandates warrants monitoring, his background supports the view that he is technically and operationally well suited to lead Hoenle through its transition from portfolio clean-up toward execution-driven growth.

Robert Stark (German, born 1991) has served as CFO since October 2024, with a management board contract running through September 2027. He joined the company in 2022 and is responsible for group-wide finance, controlling and commercial operations. Stark holds a master's degree in finance and is trained as an industrial engineer, combining financial expertise with a technical understanding of industrial processes. Prior to joining Hoenle, Stark began his career at KPMG, gaining experience in auditing mid-sized and listed companies, followed by international exposure at Robert Bosch LLC in the United States. He subsequently held senior finance roles at PARI Medical Holding, progressing through group accounting and commercial leadership positions before moving to Hoenle. Since his appointment, Stark has played a central role in strengthening financial transparency, cost control and performance management during a period marked by portfolio simplification and restructuring. His profile supports the group's increasing emphasis on cash discipline, governance and operating leverage as Hoenle seeks to translate its strategic reset into sustainable earnings improvement.

	
Dr. Franz Richter CEO since 2025 Formerly company Suss Microtec	Robert Stark CFO since 2020 Formerly company KPMG

Source: Company data; mwb research

## Shareholders

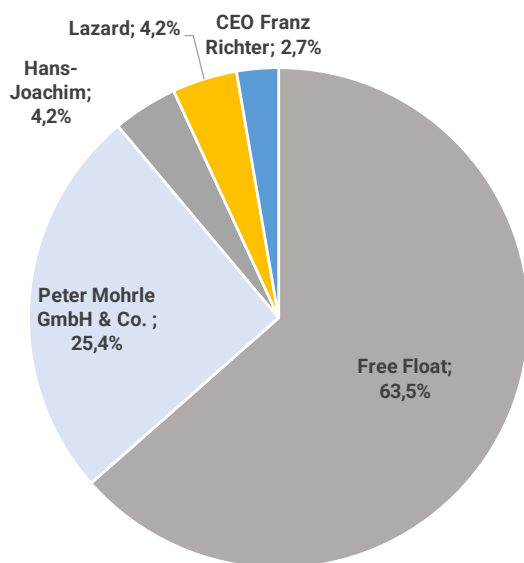
Hoerle AG has a concentrated yet balanced shareholder structure, combining a clear anchor investor with a meaningful free float. According to the company's latest disclosures, Peter Möhrle Holding is the largest shareholder with a 25.4% stake, providing long-term ownership stability. Additional notable shareholders include Dr. Hans-Joachim Vits (4.2%), Lazard (4.2%) and CEO Dr. Franz Richter, who holds 2.7% of the share capital, supporting alignment between management and shareholders. The remaining 63.5% is free float, supporting trading liquidity and institutional participation. The company has 6,062,930 ordinary shares outstanding, with one share carrying one vote.

Overall, the shareholder structure combines ownership stability with sufficient free float, preserving strategic flexibility and access to capital markets.

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### Major Shareholders

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Source: Company data; mwb research

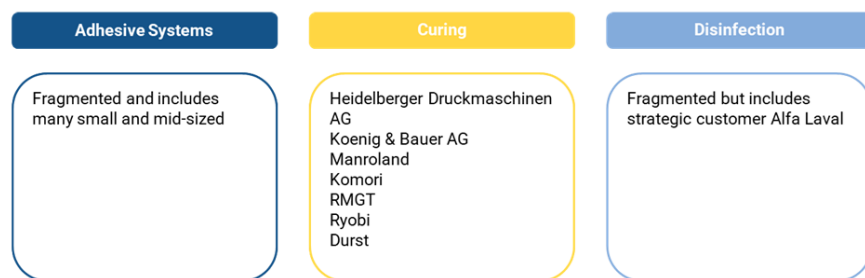
# Quality

## Customers

**Customer base.** The company serves a diversified industrial customer base across printing, electronics, automotive, medical, food & water and general industrial applications. In Curing, customer base is concentrated around printing and coating and includes large OEMs such as Heidelberger Druckmaschinen AG, Koenig & Bauer AG, and manroland sheetfed GmbH. On the other hand, the customer base in Adhesive Systems is fragmented and includes many small and mid-sized industrial users primarily in electronics but also automotive and medical applications companies. Similarly, the customer base in Disinfection is fragmented, with sales primarily to industrial customers and system integrators across food, water and process industries, serving Customers like Alfa Laval.

**Customer concentration.** Overall customer concentration is moderate. The largest customer, manroland, accounts for less than 10% of Group revenues, while the top five customers represent c.20% of revenues, comprising Koenig & Bauer AG, Heidelberger Druckmaschinen AG, Alfa Laval, and Komori alongside manroland. While this concentration profile appears manageable and does not suggest dependency on any single customer, the loss of key strategic customer, would likely have a material adverse impact on revenues and profitability.

### Customers



Source: Company data; mwb research

**Share of wallet and purchasing behaviour.** In Adhesives, purchasing behavior is predominantly consumable-driven, with revenues generated from recurring adhesive usage embedded in customer production processes. The customer share of total revenue is currently relatively low, with individual customers generating more than EUR 1m and many customers generating less than EUR 100k revenue per year. This highlights the importance of renewed penetration within key applications and the shift of focus towards solutions and strategic partnerships. In Curing, purchasing is primarily project-driven, characterized by larger ticket sizes but longer replacement cycles. As a result, share of wallet is determined primarily by system positioning within OEM platforms and customer production lines, which in turn governs long-term aftermarket revenues. In Disinfection, purchasing behavior is more mixed. System sales are often project-driven, but recurring revenues are generated through consumables and replacement components. Thus, wallet share is shaped both by initial system specification and by ongoing operating requirements.

**Price Sensitivity and switching costs.** Unlike standard components, qualified or validated solutions in adhesives and regulated disinfection applications exhibit low price elasticity, as supplier changes typically require requalification, line adjustments and, in some cases, regulatory approval, including microbiological validation in food and water applications. In contrast, standard curing equipment in printing and general industrial applications is more price- and capex-sensitive, particularly during periods of weak investment activity. While switching suppliers is technically feasible across most segments, it is often economically unattractive in

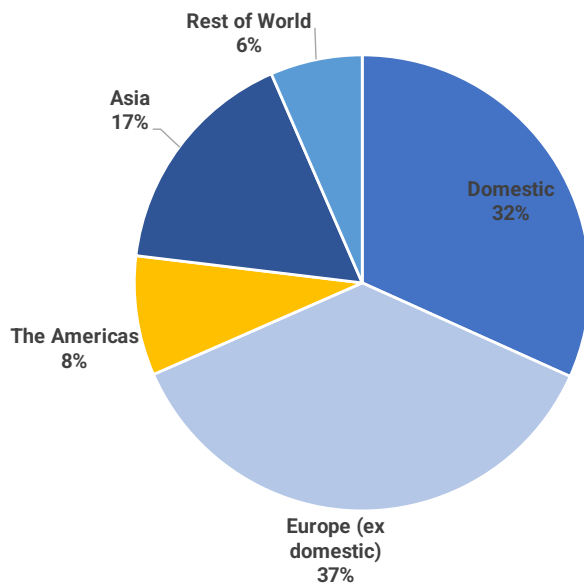
qualified or integrated applications due to downtime risk, requalification effort and process complexity. As a result, switching costs is likely moderate to high.

**Bargaining power.** Customer bargaining power is mixed. Large OEM customers in Curing have some negotiating leverage due to scale and procurement sophistication, partially offset by Hoenle’s deep application know-how, long-standing relationships, and large installed base. In Adhesives, individual customers generally have low to moderate bargaining power given low wallet share and qualification barriers, despite overall market fragmentation and the presence of standardized components. In Disinfection, bargaining power is constrained by regulatory requirements and system validation, favouring experienced suppliers with a broad and proven solution offering. Overall, while customer bargaining power is higher in more standardized components, it is balanced by qualification and validation requirements, application know-how, and long-term customer relationships, despite cyclical and competitive end markets.

Regional sales split (EURm)	2023	2024	2025	2026E	2027E	2028E
Domestic	39.4	34.8	29.7	32.4	36.3	39.9
Europe (ex domestic)	33.7	31.7	34.4	37.5	42.0	46.2
The Americas	8.6	9.2	7.9	8.7	9.7	10.7
Asia	18.3	15.7	15.5	16.9	18.9	20.8
Rest of World	6.3	6.8	6.1	6.7	7.5	8.2
<b>Sales</b>	<b>106.3</b>	<b>98.7</b>	<b>93.7</b>	<b>102.1</b>	<b>114.4</b>	<b>125.8</b>

Source: Company data; mwb research

### Regional sales split in %



Source: Company data; mwb research

## Suppliers

Hoelen follows a hybrid manufacturing model, retaining in-house control over core UV technologies and adhesive formulations, as well as final assembly, while sourcing most components from external suppliers. As a result, supplier risk is primarily linked to cost volatility, availability, and delivery reliability, while core technological differentiation and intellectual property predominantly remain under internal control.

### In-house manufacturing (IP, differentiation, margins)

- UV lamps and specialty emitters (custom, application-specific; supplied internally at group level)
- UV systems and equipment (assembly, integration, testing)
- Application laboratories for developing and testing new products
- Adhesive formulation and compounding (core chemistry know-how)
- System-level integration (adhesive + curing + validation)
- R&D and product design

### Externally sourced inputs (COGS, inflation exposure, supplier power)

- **Mechanical components** (e.g. housings, frames, brackets, machined metal parts, mounting systems, cooling elements)
- **Electrical components** (e.g. cables, wiring harnesses, connectors, switches, transformers, power supply units)
- **Electronic components** (e.g. LEDs, LED drivers, control boards, sensors, power electronics)
- **Chemical raw materials** (e.g. monomers, oligomers, resins, photoinitiators, additives)
- **Technical gases** (e.g. nitrogen, argon, and specialty process gases used in lamp production, adhesive formulation and testing)

Purchased materials are mainly driven by mechanical, electrical and electronic components, while chemical raw materials play a secondary role and technical gases remain minor. The supplier base is broad and diversified, consisting primarily of small and mid-sized industrial suppliers with a regional footprint for system-related inputs, alongside large global suppliers for chemical raw materials (Adhesives). At Group level, supplier concentration is limited, and there are no indications of material single-source dependencies across the majority of the bill of materials.

Sourcing of **mechanical components** is predominantly regional, reflecting high-mix, low-volume demand driven by customer-specific machine configurations. Across all business units, **power supply units** are sourced from European suppliers. Supplier substitution would be feasible within a few months if required, with qualified alternative suppliers available in other European countries. Procurement strategy aims to minimize the number of suppliers while maintaining switching optionality. **Electronic boards** designed by Hoelen are manufactured by a small number of qualified regional suppliers, reflecting low production volumes that make offshore sourcing uneconomic.

**UV arc lamps** for the Curing and Disinfection business units are supplied internally at Group level. The key upstream input, **quartz glass tubes**, is sourced from an in-house quartz operation, with qualified external alternatives available if required, primarily in Asia. In LED-based systems, **UV-LED chips** are currently sourced from Asian suppliers. While alternative suppliers exist, switching would require a redesign of circuit boards.

**Switching suppliers** is generally feasible but not frictionless. For standardized mechanical, electrical and electronic components, alternative suppliers are typically available, supporting operational flexibility. For specialty chemicals, quartz

components and UV-LEDs, switching involves requalification, testing or redesign efforts, implying time and engineering resources but no loss of intellectual property or process control. These risks are mitigated through formal supplier qualification processes, long-standing supplier relationships, and increasing standardization and modularization of platforms across business units.

**Cost inflation** is actively managed through the use of frame contracts for stable-demand components and systematic re-tendering upon contract expiry, typically involving at least three suppliers. In the Adhesive Systems business unit, formulation changes as a mitigation lever may be constrained in the short term by customer qualification requirements, implying that cost pass-through or sourcing adjustments can be delayed rather than avoided.

**Supplier bargaining power is moderate.** Hoenle's relatively small purchasing volumes limit its ability to exert pricing pressure on large global suppliers during tight market conditions; however, this is mitigated by the non-strategic nature of most inputs, long-standing relationships, disciplined procurement processes, and the Group's ability to adjust sourcing and product design over time. For most mechanical and electronic components, supplier power remains limited due to fragmentation and competitive sourcing. Overall, supplier influence is expressed mainly through short-term cost volatility and availability risks rather than structural margin pressure or strategic dependency.

## Competition

Hoenle operates in the global industrial UV technology market, addressing three distinct but technologically related segments. The competitive landscape is characterized by a limited number of specialized suppliers at the system and application-solution level, alongside a broader set of competitors in more standardized products and consumables. Therefore, competition is driven by application performance and process know-how in customized solutions, while standardized products are more exposed to price competition.

### How competition works in practice

Across Hoenle's markets, competitive dynamics vary by the degree of commoditisation. In application-critical systems, purchasing decisions are typically made by engineering, quality, and regulatory teams rather than procurement alone. In these cases, competition is shaped by technology incumbency and validated performance, and once a solution is qualified and embedded into a customer's production process, switching suppliers is costly, time-consuming, and operationally risky. In regulated applications, it even often requires renewed documentation and validation testing. By contrast, more standardised products, are more price-sensitive and exposed to procurement-driven competition, although purchasing decisions remain influenced by reliability, compatibility with existing equipment, and service support. These dynamics favours established players with deep application know-how in application-specific solutions, while allowing higher competitive pressure in commoditised parts of the portfolio.

An important structural trend influencing competitive dynamics is the ongoing transition from conventional mercury-based UV lamps toward UV-LED solutions. While UV-LED technology reduces mechanical complexity and improves energy efficiency, it does not eliminate the importance of process integration. Differentiation increasingly shifts toward optical design, thermal management, dose control, system integration, and application-specific validation. As a result, while UV-LED lowers barriers to entry at the component level and increases competition from lower-cost suppliers, particularly in Asia, defensibility at the system and application level remains largely intact for established solution providers with deep process expertise.

### Where Hoenle is positioned

With 50 years of UV process expertise, Hoenle positions itself as a **technology-driven, integrated solution provider** rather than a pure component supplier. The group combines UV lamps, systems, and UV-curable adhesives with application engineering and process validation to address complex customer requirements end-to-end, while also participating in more standardized product categories.

Geographically, Hoenle's competitive positioning is strongest in Europe, where long-standing customer relationships, installed base density, and regulatory familiarity reinforce incumbency advantages. In Asia, particularly in standardized applications, competition is structurally more intense, driven by local suppliers offering "good-enough" solutions at lower price points. That said, the opportunity here for Hoenle is to sell customized solutions. North America represents a mixed picture: while competitive intensity is high, particularly in adhesives and curing, Hoenle's penetration remains comparatively limited, leaving both growth potential and execution risk.

In addition, OEM project cyclicalty influences competitive dynamics. In electronics, automotive, and industrial manufacturing, demand is closely tied to customer investment cycles and platform decisions. While long qualification cycles support retention once awarded, delayed or cancelled OEM programs can temporarily intensify competition for new projects, particularly in adhesives and curing equipment.

### Competitive intensity differs by business unit:

**Curing.** This is the most mature and commoditized segment, with the highest competitive intensity, particularly in printing and industrial coating, as reflected in structurally lower margins. It is dominated by a small number of established incumbents. Competitive dynamics are increasingly shaped by the transition toward UV-LED solutions, which shifts differentiation toward energy efficiency, system integration, and advanced process control. Capabilities such as in-situ UV dose monitoring further strengthen integrated curing solutions and reinforce switching costs. Hoenle is regarded as a well-established player with a strong brand and long-standing relationships. It competes here through its broad technology coverage across the full UV curing spectrum, strong in-house manufacturing capabilities, deep application know-how and a large installed base of more than 100,000 units worldwide. While technological barriers are moderate, replicating this installed base is difficult due to deep OEM partnerships, lengthy qualification cycles, and the tight integration of curing systems into customer production lines.

- **Main competitors:** IST Metz, GEW UV (UK), Fusion UV Systems, Noblelight

**Adhesive Systems.** The adhesives segment benefits from long qualification cycles, particularly in electronics, medical, and automotive applications, resulting in high switching costs once an adhesive is specified in a production process. Consistent performance and high reliability are critical to end-product quality. At the same time, the segment operates in a competitive environment, particularly for standardized products, where pricing pressure is higher and differentiation is more limited than in application-critical solutions. Competition is especially intense versus larger, such as DELO and Henkel (Loctite), which benefit from broader OEM coverage and greater scale in formulation and sales. Historically, the company has lost market share in this segment, driven primarily by a lack of strategic focus rather than technological shortcomings. An overly broad and fragmented product portfolio resulted in exposure to a large number of small, non-strategic customers with limited wallet share. This diluted sales effectiveness, reduced prioritization of high-value applications, and constrained revenue scaling despite long customer lifetimes. Hoenle has addressed these weaknesses in the last two years by targeting defined focus fields. On top of that, it created a new BU Adhesive Systems which offer integrated solutions by combining UV-curable adhesives with matching curing equipment to reduce interface risk, optimize curing performance, and accelerate customer time-to-market. Another key differentiator is the company's formulation flexibility, including both UV and visible-light ("black light") curing technologies, allowing tailored solutions for demanding use cases.

- **Main competitors:** DELO Industrial Adhesives, Dymax Corporation, Loctite (Henkel subsidiary)

**Disinfection.** The disinfection market is less mature and continues to expand rapidly as UVC adoption increases, driven by regulatory requirements and sustainability considerations, including the chemical-free and environmentally friendly operating principle of ultraviolet radiation. High technical demands and strong emphasis on proof of efficacy, validation, significantly raise barriers to entry, particularly true in food & beverage, water treatment, ballast water, and medical applications. Hoenle's competitive positioning in disinfection is underpinned by its broad UV technology coverage across air, water and surface applications, complemented by expanded microbiological testing capabilities following the STERIXENE acquisition. This supports credibility in regulated end markets and enables the delivery of fully integrated disinfection systems rather than standalone components. As a result, solutions can be tailored to application-specific regulatory and process requirements, including differing validated log-reduction targets across end markets (up to Log 7 versus typical industry standards of Log 3–5). While Hoenle's offering is differentiated by its breadth and technical depth, geographic penetration, particularly in North America, remains more limited than in Europe. Moreover, competition remains more intense at the component level, where products are largely standardized.

- **Main competitors:** ETA Plus, Ultralight AG, Noblelight

### Who captures value in the UV value chain

Value creation within the UV technology value chain varies significantly by positioning. At the lower end, standardized components are exposed to price competition and typically generate lower margins. Mid-level value accrues to equipment manufacturers supplying configurable systems. While margins benefit from engineering content, they are structurally low in increasingly commoditized segments such as printing, reflecting cyclical demand patterns and dependence on customer capex spending.

The highest and most resilient value capture occurs at the level of validated, application-specific solutions and recurring aftermarket services. Here, suppliers benefit from long qualification cycles, embedded process know-how, regulatory documentation, and high switching costs. Aftermarket revenues further enhance profitability due to limited price sensitivity and strong customer dependency.

Hoenle's strategic positioning increasingly targets these higher-value layers of the chain. The group seeks to shift revenue mix away from transactional product sales toward integrated solutions and recurring aftermarket streams, supporting structurally higher margins and improved earnings stability over time.

### Why competition is manageable

**Barriers to entry** are driven less by capital intensity and more by accumulated process know-how, customer qualification, and long-standing customer relationships, limiting the practical threat from new entrants. While these barriers limit the threat from new entrants at the system level, they do not preclude ongoing competitive pressure at the component level or from niche specialists.

The **threat of substitution** remains low. UV-based processes compete with alternatives such as thermal curing, solvent-based adhesives, or chemical disinfection. However, these substitutes are structurally disadvantaged due to longer processing times, higher energy consumption, and increasing environmental and regulatory constraints. On top of that, UV-based solutions align well with ESG objectives by avoiding solvents and toxic chemicals, reducing energy consumption, and supporting long product lifetimes with minimal waste. This is increasingly relevant in customer investment decisions and regulatory frameworks. That said, UV-based processes involve higher costs for UV-reactive inks or adhesives. In addition, adopting a different technology requires users to develop in-house expertise. However, as process quality improves, which is generally the case, customers are typically willing to pay a premium and invest in employee training. Overall, the adoption of UV technology is likely to continue.

While individual components or basic UV solutions can be replicated, reproducing Hoenle's integrated systems, customer trust and application-specific track record is materially more difficult. **Customer bargaining power** is therefore mixed: large industrial customers have some negotiating leverage in mature curing and standardized product segments, while pricing pressure is more limited in qualified adhesive and validated disinfection applications. **Supplier power** is similarly contained, as no single input or upstream supplier materially determines overall system performance or customer value.

### What could change the competitive picture

The competitive outlook would weaken if curing markets became further commoditized without sufficient aftermarket offset, if UV-LED standardization materially shortened qualification cycles, or if large OEM customers increasingly mandated multi-supplier standard platforms. Alternative technologies could also change the picture if comparable performance is achieved with lower regulatory complexity and meaningfully lower cost. Additionally, sustained price-led competition from Asian suppliers could pressure margins in non-critical

applications. Conversely, successful execution of the group's strategy to deepen solution integration, expand lifecycle services, and grow regulated disinfection applications would strengthen competitive positioning and improve earnings resilience.

#### **Bottom line**

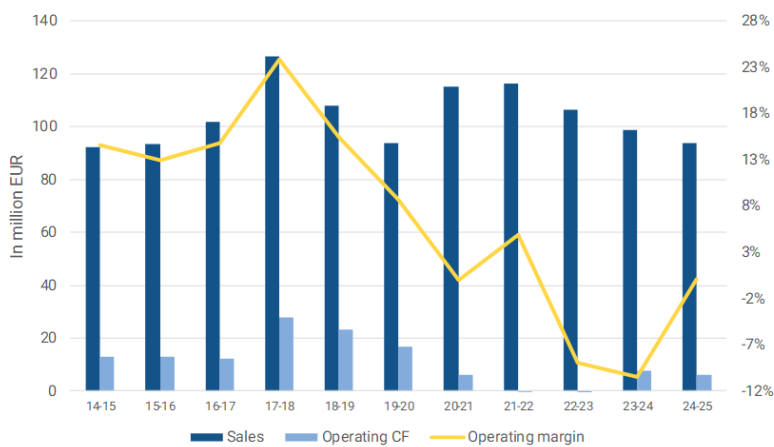
Hoerle primarily competes in markets where defensibility is built on process expertise, validation, and system integration rather than scale or cost leadership. While competitive pressure is tangible, particularly in mature and standardized products, the company's increasing emphasis on integrated solutions provides some insulation against purely price-driven competition. As a result, competitive dynamics present manageable downside risk, while execution in higher-value solution segments remains the key determinant of long-term earnings power.

# Growth

## How Hoenle AG lost its way.

Understanding Hoenle’s growth opportunity requires first understanding why the company’s earnings power deteriorated so materially over the past cycle. For much of the 2010s, Hoenle appeared to have cracked the classic industrial UV technology puzzle. The group paired deep, proprietary UV know-how with exposure to structurally growing end-markets. Its adhesives business (Panacol) steadily gained share, margins expanded, and by FY2017/18 Hoenle reported record revenues and operating profits, positioning itself as a “unique global systems supplier” for UV bonding technology.

### Historical performance



Source: Company data; mwb research

Beneath this success, however, a structural imbalance was forming as capital and management attention remained spread across adhesives, curing systems, lamps, quartz glass, and application-specific equipment. This left the group structurally exposed to the competitive intensity and cyclicality of capital goods, while gradually diluting strategic focus away from high-value consumables in favor of breadth.

The first clear fracture lines emerged as industry dynamics shifted and momentum began to slow in FY2018/19. After peaking in the prior year, group revenues fell sharply and operating profit declined disproportionately, embedding at the time customer concentration and cycle risk that was masked during the upswing. The downturn was triggered in part by order shifts and a change in supplier strategy at a key customer in Adhesives, which resulted in an abrupt loss of volume. This was further compounded by weakening investment activity in printing-related curing systems, intensifying the overall decline.

By FY2019/20, COVID amplified volatility across the portfolio. Lower sales to a major customer in sensor technology again weighed on Adhesives, while printing-related applications continued to face investment restraint. At the same time, Hoenle entered the air and surface disinfection market most visibly through the development and commercialization of mobile air-disinfection solutions such as SteriWhite Air, alongside bolt-on acquisitions intended to accelerate its presence in UVC disinfection. Pandemic-driven demand for air-disinfection systems surged toward the end of the year, prompting the group to ramp internal and external capacity in anticipation of deliveries beginning in early FY2020/21. In parallel, management pressed ahead with a mid-cycle investment program, expanding the operating footprint through the new headquarters in Gilching, a major expansion of the Adhesives site in Steinbach and the lamp production site in Ilmenau. As a result,

fixed costs, operational complexity, and capital intensity increased materially just as end-market visibility deteriorated.

Revenues rebounded in FY2020/21, supported by M&A and the ramp-up of the COVID disinfection business. The complexity was masked by volume growth. Yet it was clear that earnings quality is deteriorating. Operating profit fell close to breakeven, reflecting launch costs for new disinfection products, supply-chain bottlenecks, relocation-related inefficiencies, and significant impairment in the quartz glass business. At the same time, working capital expanded sharply, with inventories rising materially as capacity was built to meet disinfection demand, weighing on operating cash flow.

The post-pandemic normalization exposed the cost of this strategy. Demand for air-disinfection equipment declined sharply, forcing Hoenle to write down a substantial portion of related inventories. Procurement bottlenecks and sharply higher energy prices further eroded profitability, hitting the group's energy-intensive quartz glass activities particularly hard. These pressures culminated in restructuring measures and the divestment of Raesch Quarz (Germany), crystallising significant extraordinary charges related to inventory and fixed-asset write-downs. By FY2021/22, group operating profit had turned deeply negative. While the magnitude of the loss was dominated by restructuring expenses, impairments, and cost shocks, these items reflected the unwinding of accumulated strategic and capital-allocation missteps rather than a single, exogenous cyclical event. What had begun as an opportunity thus translated into a hit to value creation.

In our view, **Hoenle did not lose because its technology fell behind, it lost because competitors chose clearer battles.** By defending too many fronts at once, the group diluted its strategic focus, increased portfolio complexity, expanded its cost base at the wrong point in the cycle, and failed to translate its customer relationships into durable and strategic positions.

#### **The big bath: Finding its way back.**

By 2023, the pattern had become clearer, and management shifted its focus towards cleaning up the balance sheet and portfolio, shifting the focus away from near-term recovery. While revenues stabilised at broadly similar levels, operating profit remained structurally depressed, reflecting the cost of this clean-up through cumulative non-recurring charges of roughly EUR 25–30m, including goodwill impairments, inventory write-downs (e.g. on discontinued mobile air-disinfection line), restructuring expenses, and exits from non-core activities. Management changes, portfolio restructuring, and the discontinuation of selected product lines marked a belated acknowledgment that the prior breadth-first structure had failed to deliver resilient returns.

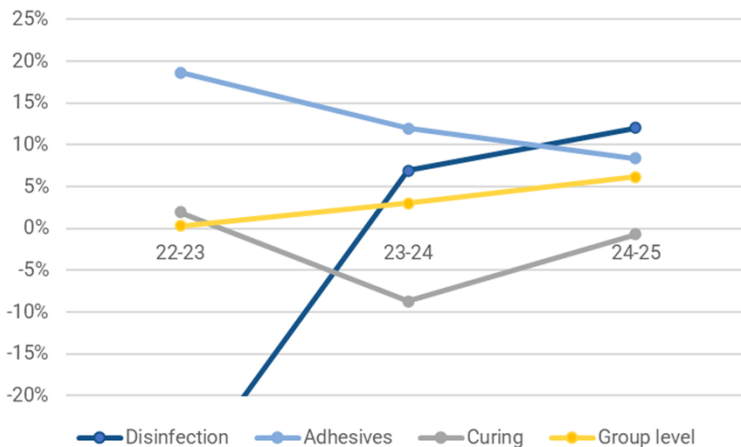
The group has reorganized into three operating units to reduce portfolio complexity and become more customer-oriented. Structurally weak activities were exited or divested, product lines resized, and painful but necessary impairments taken on goodwill, inventories, and non-core assets to align balance sheet values with a more focused and realistic earnings profile. In parallel, management has emphasized platform strategy and modularization, alongside more centralized R&D and stricter capital-allocation discipline across the portfolio, with resources increasingly directed toward defensible solutions. Rather than defending breadth across the UV value chain, Hoenle is now explicitly choosing where not to compete.

The focus shifted toward high-value applications and integrated solutions with more resilient economics, particularly in Adhesives and Disinfection. This is supported by a more selective curing portfolio and a growing after-sales emphasis through the Life Cycle solutions. Execution risk remains material, as credibility must be rebuilt after years of earnings volatility and end markets remain competitive at the component level.

Over FY 24-25, this reset has started to bear fruit. Despite a further decline in revenues to EUR +93m (-5% yoy), operating profitability improved materially with

EBITDA nearly doubling yoy to EUR 5.8m, suggesting that the strategic direction is translating into operational progress through resized cost structures and narrowing losses, even in a subdued demand environment. This has been accompanied by material leadership change, underscoring both the intensity of the turnaround and the pressure to deliver.

## EBITDA margins



Source: Company data; mwb research

### The next leg of growth

**In a nutshell.** Following the portfolio clean-up and organizational reset, Hoenle's growth strategy is centered on predominantly organic, execution-driven value creation rather than reliance on a cyclical rebound. Management's 2030 ambition is underpinned by higher-quality growth levers, including deeper penetration of solution-based offerings, increased value capture across the customer lifecycle, and improved monetization of the installed base. The execution framework is deployed with a clear geographic emphasis on increasing sales activities in Asia and North America.

**Adhesive Systems (Core engine).** This is expected to be the primary growth and margin engine over the medium term. The specialty adhesives market, estimated at approximately EUR 2.3bn in 2023, is expected to grow at a CAGR of 4–6% through 2030. Beyond the industry growth, Hoenle targets an additional 6–8% incremental growth through targeted strategic initiatives, resulting in an overall growth potential of approximately 10–14% p.a. over the period.

Growth is concentrated on structurally attractive end markets, primarily in consumer & automotive electronics, medical and optics. Within these segments, Hoenle focuses on high-growth applications, which benefit from rising performance requirements, miniaturization trends and increasing regulatory and quality demands.

To capture this opportunity, Hoenle is transforming this business unit from a pure materials supplier into a solution provider. By combining UV-curable adhesives with matching curing, Hoenle is building a differentiated one-stop-shop offering. This integrated approach increases customer value, enhances process ownership and drives long-term stickiness, with first combined system orders already secured, providing early validation of the integrated solution strategy

Above-market growth is further supported by targeted innovation initiatives aimed at establishing technological leadership in selected bonding applications. These initiatives build on proprietary technology platforms such as Black & Light dual-curing systems, reworkable adhesive chemistries and application-specific flow optimization. Combined with close integration of curing technologies and application engineering, this approach enables wider process windows, reduces

interface risk and accelerates customer qualification. The result is measurable process advantages for customers and enhanced share-of-wallet potential within selected key accounts.

Geographically, the growth strategy is centred on Asia, particularly China, and the United States, where strengthened sales activities and local application support are critical to participate in qualification-driven project pipelines. Select emerging markets provide additional medium-term upside, especially in medical and electronics applications.

Execution is supported by focused organizational measures, including global application engineering, consolidated R&D activities, strengthened business development and enhanced cross-BU collaboration. These changes are designed to shorten development-to-qualification cycles, improve conversion of design wins into serial production, and increase the economic leverage of customer projects across business unit boundaries.

**Curing (Stable base with aftermarket-led growth).** The global UV curing market reached approximately EUR 1.0bn in 2023 and is expected to grow at a moderate 2–3% CAGR through 2030, reflecting maturity in several core end markets. Despite this, UV curing remains a critical technology supported by long-term drivers such as sustainability requirements, productivity gains and the ongoing shift away from solvent-based processes.

Management targets an additional 3–4% p.a. growth through strategic initiatives, implying a total growth potential of 5–7% p.a. over 2024–2030. Above-market growth is driven by a clear focus on high-potential applications including 2D/3D coating & converting, packaging printing, labels and technical films. In packaging and coating applications, the launch of a new digital printing UV-LED product line is expected to support customer wins and reinforce product leadership, while intensified sales execution and targeted business development underpin expansion in labels and technical films.

A key growth lever is the rising importance of customer-driven application engineering. As UV-LED processes become more complex, customers increasingly require validated curing solutions rather than standalone equipment. Hoenle's dedicated application teams and laboratories strengthen early customer involvement, improve win rates, and support higher-value system solutions. This drives both incremental system sales and structurally higher after-sales revenues, with management targeting an increase in after-sales from c.20% of Curing revenues today toward c.30% over time. These efforts are supported by a more centralized and coordinated R&D organization, enabling faster development cycles and more efficient deployment of engineering resources.

Finally, growth is supported by the regaining of technology leadership in UV-LED, complemented by expanded lifecycle solutions for Hoenle's large installed base of more than 100,000 units worldwide and increased sales focus in China and North America. Following the exit of structurally unprofitable activities and targeted cost measures, the Curing business now operates with a more focused portfolio and improved operating leverage. Although the segment is currently unprofitable, these levers provide a clear path toward becoming a stable and scalable earnings contributor, combining resilient recurring revenues with targeted upside from innovation and market share gains.

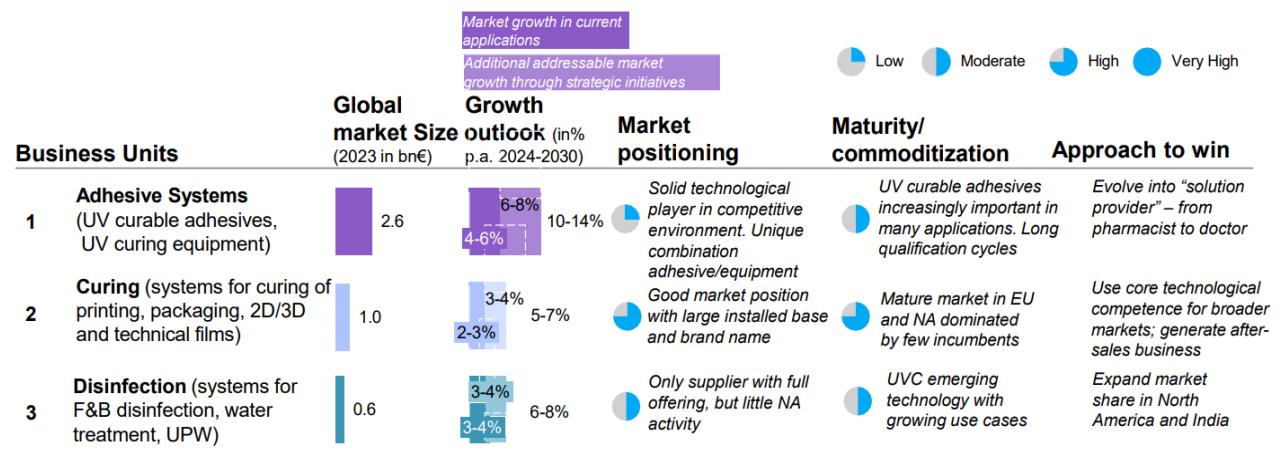
**Disinfection (Defensible growth market).** The Disinfection business is structurally younger and less mature than Hoenle's other segments but represents one of the most attractive long-term growth opportunities. Growth is driven by rising regulatory requirements, increasing hygiene standards and the global shift toward sustainable, chemical-free disinfection technologies. UV-based disinfection continues to gain relevance across water, surface and air applications due to its effectiveness, low operating costs and strong ESG profile, providing a solid structural growth foundation.

The global UV disinfection market addressed by Hoenle was estimated at approximately EUR 0.6bn in 2023 and is expected to grow at 3–4% p.a. through 2030. Beyond this underlying market expansion, Hoenle expects to generate an additional 3–4% p.a. through strategic initiatives, resulting in a total growth potential of 6–8% p.a. over 2024–2030. Central to this strategy is Hoenle’s position as a full-solution provider for every disinfection requirement, covering the complete technology spectrum from low- and medium-pressure UV systems to UV-LED and pulsed UV, complemented by measurement devices, components and microbiological validation services.

Strategic growth initiatives focus on high-value application areas with increasing regulatory and technical complexity, led by ultra-pure water (UPW), surface disinfection and the food & beverage industry. UPW represents a key structural growth driver, supported by the rapid expansion of the global semiconductor industry and rising requirements for TOC reduction and process reliability, where UV systems represent a mission-critical process step. Surface disinfection and food & beverage applications benefit from tightening hygiene standards and traceability requirements, favoring validated system solutions and long-term customer relationships.

Additional upside is expected from adjacent applications, including pharmaceutical processes, general water disinfection, air disinfection, analysis & laboratory equipment and aquaculture, which provide incremental upside and enhance portfolio resilience. Geographically, growth is supported by targeted expansion in North America, India and China, where industrialization, infrastructure investment and stricter regulation accelerate adoption of advanced UV disinfection technologies.

**Competitive position and growth roadmap**



Source: Company data; mwb research

**Path to 2030: Execution over Cyclicalty**

Overall, Hoenle targets **EUR 175m in revenues by 2030**, implying a CAGR of around **15% around 2026E–2030**. ~55% (EUR 38–47m) of incremental revenues will stem from strategic initiatives across the business units, compared with ~45% (EUR 27–37m) from underlying market growth. As such, delivery of the 2030 targets depends less on market expansion and more on execution across clearly defined strategic initiatives.

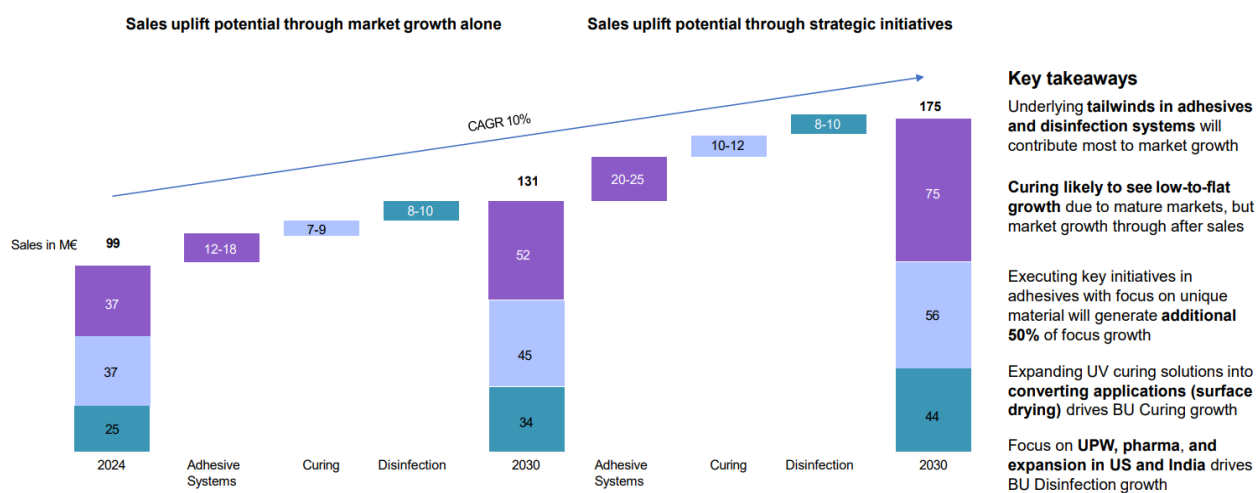
At the same time, growth must be economically attractive. Beyond top-line expansion, the company is targeting **20–25% EBITDA margin for the group**, driven primarily by operating leverage and a more disciplined, modular operating model. Margin expectations reflect differentiated business unit economics, with Adhesive Systems targeting EBITDA margins above 25%, Disinfection above 20%, and Curing

above 12%, supporting a structurally improved earnings profile and materially stronger cash generation by the end of the decade.

We view Hoenle’s 2030 targets as very ambitious but directionally credible. While structural growth drivers are well founded and supported by clear strategic logic, achieving the implied CAGR and margin expansion will hinge primarily on the successful scaling of solution-based offerings, with lifecycle services providing incremental support. In our view, the targets should be interpreted less as a linear forecast and more as an execution benchmark: attainable in a favorable operating environment, but sensitive to slippage in portfolio discipline, market adoption, or cyclicality.

That said, **Hoenle does not need to fully achieve its 2030 targets to represent an attractive investment.** Under more conservative assumptions, we see a compelling risk-reward profile with substantial upside potential.

## 2030 growth roadmap



Source: Company data; mwb research

The following table displays the quarterly performance of Hoenle AG:

Growth table (EURm)	2023	2024	2025	2026E	2027E	2028E
Sales	106.3	98.7	93.7	102.1	114.4	125.8
Sales growth	-16.0%	-7.2%	-5.1%	9.0%	12.0%	10.0%
EBIT	-9.4	-10.1	0.1	2.6	6.6	10.4
EBIT margin	-8.8%	-10.3%	0.1%	2.5%	5.7%	8.3%
Net profit	-11.3	-13.2	-3.1	0.6	3.5	6.3

Source: Company data; mwb research

## Comments on FY24/25

**Current conditions remain challenging, but the earnings profile is improving.** FY24/25 was marked by continued demand softness across several end-markets, particularly in automotive, mechanical engineering, and printing-related applications, resulting in a further ~5% yoy decline in group revenues. However, this cyclical pressure increasingly contrasts with improving internal fundamentals: gross profit expanded despite lower sales, EBITDA nearly doubled, and operating cash flow remained positive. The divergence reflects a materially leaner cost base, the exit of structurally unprofitable activities, and a more favorable product and

regional mix, indicating that operational leverage is beginning to re-emerge even in a low volume environment.

**Strategically, growth and resilience are becoming more differentiated across the portfolio.** Adhesives remain exposed to near-term end-market volatility, but longer-cycle, application-specific projects in electronics, medical, and optics continue to underpin the medium-term pipeline. Currently, Disinfection stands out as the most structurally supportive business, benefiting from regulation-driven demand in food, water, and surface hygiene, with clear evidence of earnings momentum and operating leverage. In contrast, Curing is being deliberately repositioned toward a smaller, more selective role focused on industrial niches and after-sales, rather than volume-driven growth, including the exit from non-core applications such as solar simulation this year. Across the group, management's emphasis on life-cycle services, consumables, and customer-specific solutions is gradually increasing revenue quality, suggesting that future growth, when it returns, is likely to be more repeat-driven and margin-accretive than in prior cycles.

### Guidance 25-26

For FY 2025/26, management guides for a moderate recovery, assuming a broadly stable macro environment. Hoenle expects revenue of EUR 95–105m (+7% yoy at midpoint) and EBITDA of EUR 6–9m (up +1,5pp yoy of margin at midpoint). The lower end reflects continued subdued demand, while the upper end requires a pickup in project activity and successful execution of ongoing efficiency measures.

The following table displays the quarterly performance of Hoenle AG:

P&L data	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025
Sales	23.8	24.3	23.9	26.7	21.4	25.8	22.6	23.9
yoy growth in %	-13.9%	-6.1%	-8.7%	0.3%	-10.0%	5.9%	-5.5%	-10.5%
Gross profit	14.4	15.7	15.4	14.7	14.3	15.7	14.8	17.0
Gross margin in %	60.6%	64.7%	64.1%	55.1%	66.7%	60.9%	65.3%	71.0%
EBITDA	0.6	2.1	1.3	-1.0	1.0	2.0	0.5	2.7
EBITDA margin in %	2.5%	8.6%	5.5%	-3.6%	4.8%	7.7%	2.3%	11.4%
EBIT	-0.7	0.7	-0.1	-10.0	-0.4	0.6	-0.8	1.2
EBIT margin in %	-3.1%	2.9%	-0.3%	-37.7%	-1.6%	2.4%	-3.7%	4.9%
EBT	-1.3	0.2	-0.5	-10.7	-0.8	0.2	-1.3	0.2
taxes paid	-0.4	0.1	-0.2	1.4	-0.2	-0.0	-0.4	2.0
tax rate in %	32.4%	39.5%	49.8%	-12.6%	26.1%	-13.9%	28.1%	1,207.1%
net profit	-0.9	0.2	-0.3	-12.3	-0.6	0.2	-0.9	-1.9
yoy growth in %	-156.6%	-73.3%	-97.1%	180.5%	-34.3%	7.2%	242.3%	-84.8%
<b>EPS</b>	<b>-0.15</b>	<b>0.03</b>	<b>-0.04</b>	<b>-2.03</b>	<b>-0.10</b>	<b>0.03</b>	<b>-0.15</b>	<b>-0.31</b>

Source: Company data; mwb research

# SWOT analysis

## Strengths

- Strong technological depth and 50 years of UV expertise
- Integrated solutions and one-stop-shop with broad UV offering
- Large installed base (100k+) enabling aftermarket and recurring revenues
- Exposure to structurally growing end markets (Disinfection & Adhesives)
- R&D refocused on platform strategy and modularization

## Weaknesses

- High concentration in Europe (70% of revenues)
- Legacy portfolio complexity and historical missteps in capital allocation
- Lack of strategic customers primarily in adhesives (low wallet share)
- Earnings volatility due to project-driven and cyclical revenue mix

## Opportunities

- Structural replacement of conventional technologies by UV
- Expansion in Asia and North America
- Expansion of after-sales and lifecycle revenues
- Deeper penetration in target markets and strategic customer relationship

## Threats

- Intense competition in mature and standardized components
- Rapid technological changes, particularly in UV-LED systems
- Geopolitical, energy and supply chain risks
- Execution risk related to ambitious 2030 targets

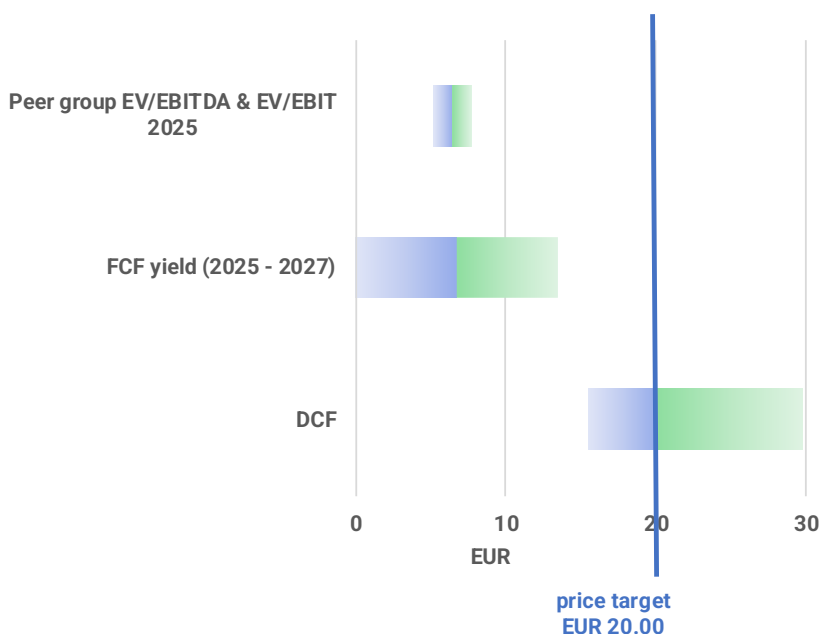
# Valuation

In order to derive at a fair value for **Hoenle AG** we have conducted several valuation approaches. We note however that valuing an investment firm, traditional valuation techniques often provide pitfalls and hence do not 100% accurately reflect the true value of the company. These are:

1. DCF Model
2. Adj. FCF yield
3. Peer group analysis

The following table summarizes the potential range of fair values for Hoenle, using the different valuation approaches.

## Valuation overview



Source: mwb research

### mwb research valuation toolbox

As discussed later, a **peer group comparison** often comes with challenges in finding the appropriate peers. More often than not, comparable companies differ quite significantly in terms of size, growth rates, profitability and/or geographical exposure. Also, different stages in the life-cycle of a company might command different risk-/reward profiles. All these elements have a significant impact on the appropriate fair value computation. We therefore deem our peer analysis as a rather inappropriate measure to derive at a fair value for Hoenle.

Our proprietary **adj. FCF yield valuation** technique values a company on a standalone basis. However, the FCF yield observation is a relatively static approach where the cash flows of one specific year in the future will be taken as the basis for valuing the entire company, i.e. taking a private equity view, where all cash flows and earnings belong to the potential buyer. An additional pitfall is that cash flows are not discounted to today's value. Hence, the adj. FCF yield only derives at meaningful results if a company has stable future cash flows.

Our **DCF derived fair value** valuation is the most appropriate valuation method for companies in its growth phase but with “easy” to predict future cash flows. At this time, we see this as the most appropriate model to value Hoenle AG.

## DCF Model

The DCF model results in a **fair value of EUR 19.96 per share**:

**Top-line growth:** We expect Hoenle AG to grow revenues at a CAGR of 8.1% between 2026E and 2033E. The long-term growth rate is set at 2.0%.

**ROCE.** Returns on capital are developing from 2.0% in 2026E to 13.1% in 2033E.

**WACC.** Starting point is a historical equity beta of 2.30. Unlevering and correcting for mean reversion yields an asset beta of 1.25. Combined with a risk-free rate of 2.0% and an equity risk premium of 6.0% this yields cost of equity of 12.2%. With pre-tax cost of borrowing at 5.0%, a tax rate of 28.0% and target debt/equity of 0.5 this results in a long-term WACC of 9.3%.

DCF (EURm) (except per share data and beta)	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	Terminal value
NOPAT	1.8	4.6	7.3	10.8	13.8	15.9	16.4	16.8	
Depreciation & amortization	5.4	5.1	4.9	4.8	4.7	4.1	4.2	4.2	
Change in working capital	-4.2	-3.0	-2.5	-3.6	-4.3	-4.4	-1.7	-1.3	
Chg. in long-term provisions	0.4	0.6	0.6	0.6	0.7	0.7	0.2	0.2	
Capex	-2.6	-2.9	-3.1	-3.5	-3.8	-4.2	-4.3	-4.4	
Cash flow	0.8	4.5	7.2	9.1	11.1	12.2	14.7	15.6	216.5
Present value	0.8	3.9	5.7	6.6	7.4	7.4	8.2	8.0	109.7
WACC	9.2%	9.2%	9.2%	9.2%	9.2%	9.2%	9.2%	9.2%	9.3%

DCF per share derived from		DCF avg. growth and earnings assumptions	
Total present value	157.7	Planning horizon avg. revenue growth (2026E-2033E)	8.1%
Mid-year adj. total present value	164.8	Terminal value growth (2033E - infinity)	2.0%
Net debt / cash at start of year	40.5	Terminal year ROCE	13.1%
Financial assets	0.4	Terminal year WACC	9.3%
Provisions and off b/s debt	3.7		
Equity value	121.0		
No. of shares outstanding	6.1		
<b>Discounted cash flow / share upside/(downside)</b>	<b>19.96</b> <b>129.5%</b>		
		Terminal WACC derived from	
		Cost of borrowing (before taxes)	5.0%
		Long-term tax rate	28.0%
		Equity beta	2.30
		Unlevered beta (industry or company)	1.25
		Target debt / equity	0.5
		Relevered beta	1.70
		Risk-free rate	2.0%
		Equity risk premium	6.0%
		Cost of equity	12.2%
<b>Share price</b>	<b>8.70</b>		

Sensitivity analysis DCF								
Change in WACC (%-points)		Long term growth					Share of present value	
		1.0%	1.5%	2.0%	2.5%	3.0%		
2.0%		12.1	12.8	13.5	14.3	15.2	2026E-2029E	10.8%
1.0%		14.5	15.4	16.3	17.4	18.6	2030E-2033E	19.7%
0.0%		17.5	18.7	20.0	21.4	23.2	terminal value	69.5%
-1.0%		21.4	23.0	24.8	26.9	29.4		
-2.0%		26.5	28.7	31.4	34.6	38.6		

Source: mwb research

## FCF Yield Model

Due to the fact that companies rarely bear sufficient resemblance to peers in terms of geographical exposure, size or competitive strength and in order to adjust for the pitfalls of weak long-term visibility, an Adjusted Free Cash Flow analysis (Adjusted FCF) has been conducted.

**The adjusted Free Cash Flow Yield results in a fair value between EUR -0.48 per share based on 2026E and EUR 31.59 per share on 2030E estimates.**

The main driver of this model is the level of return available to a controlling investor, influenced by the cost of that investors' capital (opportunity costs) and the purchase price – in this case the enterprise value of the company. Here, the adjusted FCF yield is used as a proxy for the required return and is defined as EBITDA less minority interest, taxes and investments required to maintain existing assets (maintenance capex).

FCF yield in EURm	2026E	2027E	2028E	2029E	2030E
<b>EBITDA</b>	<b>8.0</b>	<b>11.7</b>	<b>15.3</b>	<b>20.1</b>	<b>24.4</b>
- Maintenance capex	4.8	4.6	4.5	4.3	4.3
- Minorities	-0.0	-0.0	-0.0	-0.0	-0.1
- tax expenses	0.3	1.5	2.7	4.2	5.5
<b>= Adjusted FCF</b>	<b>2.9</b>	<b>5.6</b>	<b>8.2</b>	<b>11.6</b>	<b>14.6</b>
<b>Actual Market Cap</b>	<b>52.7</b>	<b>52.7</b>	<b>52.7</b>	<b>52.7</b>	<b>52.7</b>
+ Net debt (cash)	40.8	37.5	31.4	23.2	12.1
+ Pension provisions	4.0	4.5	5.0	5.5	6.0
+ Off B/S financing	0.0	0.0	0.0	0.0	0.0
- Financial assets	0.4	0.4	0.4	0.4	0.4
- Acc. dividend payments	0.0	0.0	0.0	0.0	0.0
<i>EV Reconciliations</i>	44.5	41.6	35.9	28.3	17.7
<b>= Actual EV'</b>	<b>97.3</b>	<b>94.4</b>	<b>88.6</b>	<b>81.0</b>	<b>70.5</b>
<b>Adjusted FCF yield</b>	<b>3.0%</b>	<b>5.9%</b>	<b>9.3%</b>	<b>14.3%</b>	<b>20.8%</b>
base hurdle rate	7.0%	7.0%	7.0%	7.0%	7.0%
ESG adjustment	0.0%	0.0%	0.0%	0.0%	0.0%
adjusted hurdle rate	7.0%	7.0%	7.0%	7.0%	7.0%
<b>Fair EV</b>	<b>41.6</b>	<b>79.7</b>	<b>117.5</b>	<b>165.6</b>	<b>209.2</b>
- <i>EV Reconciliations</i>	44.5	41.6	35.9	28.3	17.7
<b>Fair Market Cap</b>	<b>-2.9</b>	<b>38.1</b>	<b>81.6</b>	<b>137.3</b>	<b>191.5</b>
No. of shares (million)	6.1	6.1	6.1	6.1	6.1
<b>Fair value per share in EUR</b>	<b>-0.48</b>	<b>6.28</b>	<b>13.47</b>	<b>22.65</b>	<b>31.59</b>
<b>Premium (-) / discount (+)</b>	<b>-105.5%</b>	<b>-27.8%</b>	<b>54.8%</b>	<b>160.4%</b>	<b>263.1%</b>

Sensitivity analysis FV						
	5.0%	2.3	11.5	21.2	33.6	45.4
	6.0%	0.7	8.5	16.7	27.2	37.3
<b>Adjusted hurdle rate</b>	<b>7.0%</b>	<b>-0.5</b>	<b>6.3</b>	<b>13.5</b>	<b>22.7</b>	<b>31.6</b>
	8.0%	-1.3	4.6	11.0	19.2	27.3
	9.0%	-2.0	3.4	9.2	16.6	23.9

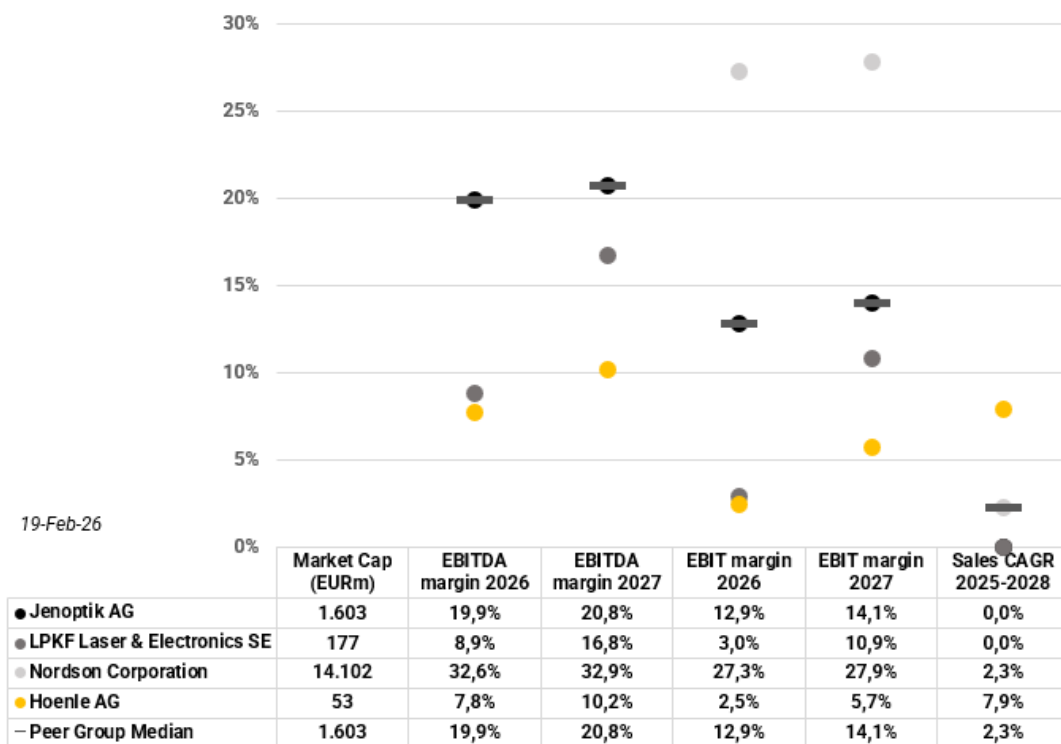
Source: Company data; mwb research

Simply put, the model assumes that investors require companies to generate a minimum return on the investor's purchase price. The required after-tax return equals the model's hurdle rate of 7.0%. Anything less suggests the stock is expensive; anything more suggests the stock is cheap. **ESG adjustments might be applicable. A high score indicates high awareness for environmental, social or governance issues and thus might lower the overall risk an investment in the company might carry. A low score on the contrary might increase the risk of an investment and might therefore trigger a higher required hurdle rate.**

## Peer group analysis

A peer group or comparable company (“comps”) analysis is a methodology that calculates a company’s relative value – how much it should be worth based on how it compares to other similar companies. Given that **Hoenle AG** differs quite significantly in terms of size, focus, financial health and growth trajectory, we regard our peer group analysis merely as a support for other valuation methods. The peer group of Hoenle AG consists of the stocks displayed in the below. As of 19 February 2026 the median market cap of the peer group was EUR 1,602.7m, compared to EUR 52.7m for Hoenle AG. In the period under review, the peer group was more profitable than Hoenle AG. The expectations for sales growth are lower for the peer group than for Hoenle AG.

### Peer Group – Key data

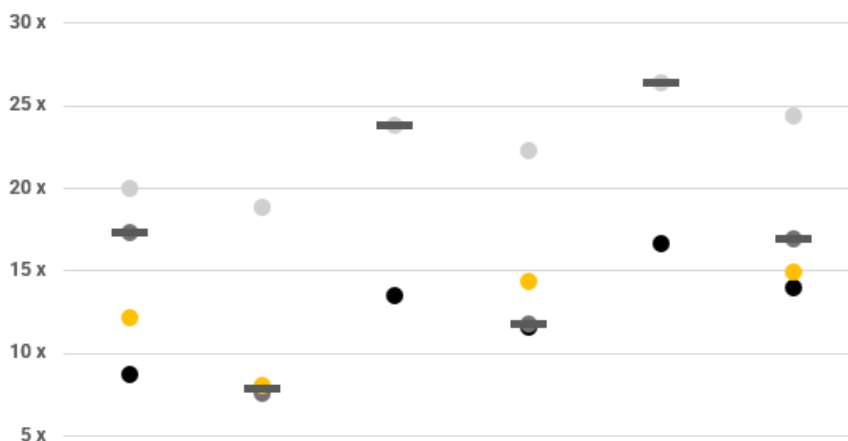


Source: FactSet, mwb research

\*The peer group is only partially representative, as most direct competitors are privately held.

Comparable company analysis operates under the assumption that similar companies will have similar valuation multiples. We use the following multiples: EV/EBITDA 2026, EV/EBITDA 2027, EV/EBIT 2026, EV/EBIT 2027, P/E 2026 and P/E 2027. Applying these to Hoenle AG results in a range of fair values from EUR 2.73 to EUR 15.45.

### Peer Group – Multiples and valuation



19-Feb-26

	EV/EBITDA 2026	EV/EBITDA 2027	EV/EBIT 2026	EV/EBIT 2027	P/E 2026	P/E 2027
● Jenoptik AG	8,8x	7,9x	13,5x	11,7x	16,7x	14,1x
● LPKF Laser & Electronics SE	17,4x	7,6x	52,4x	11,8x	1446,0x	17,0x
● Nordson Corporation	20,0x	18,9x	23,9x	22,3x	26,5x	24,5x
● Hoenle AG	12,3x	8,1x	37,9x	14,5x	82,2x	15,0x
– Peer Group Median	17,4x	7,9x	23,9x	11,8x	26,5x	17,0x
Fair Value (EUR)	15,45	7,81	2,73	5,38	2,80	9,85

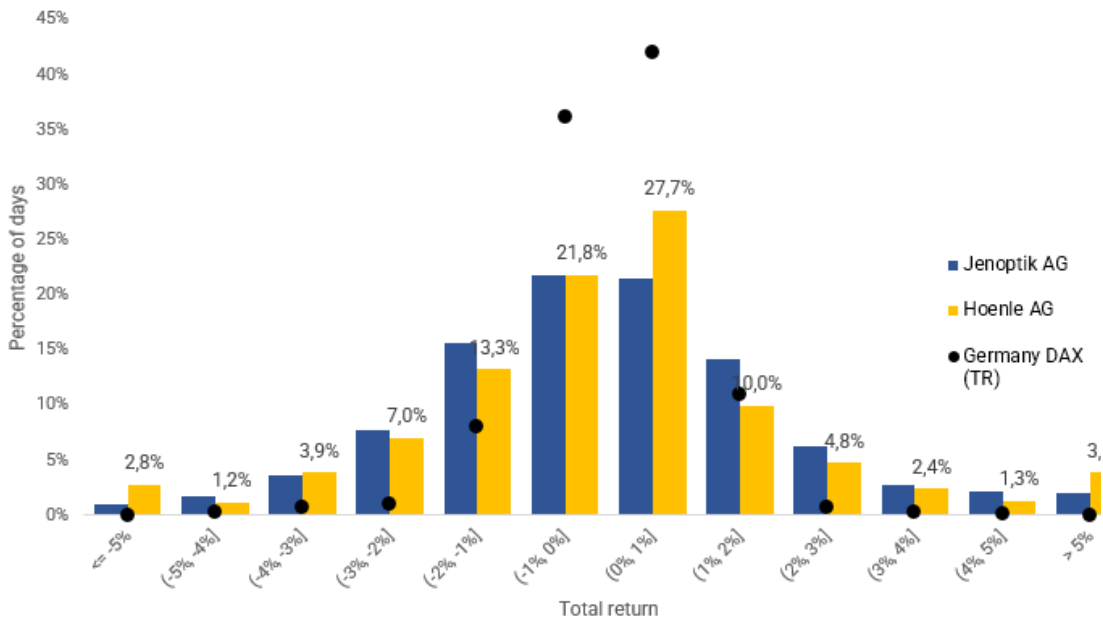
Source: FactSet, mwb research

\*The peer group is only partially representative, as most direct competitors are privately held.

# Risk

The chart displays the distribution of daily returns of Hoenle AG over the last 3 years, compared to the same distribution for Jenoptik AG. We have also included the distribution for the index Germany DAX (TR). The distribution gives a better understanding of risk than measures like volatility, which assume that log returns are normally distributed. In reality, they are skewed (down moves are larger) and have fat tails (large moves occur more often than predicted). Also, volatility treats up and down moves the same, while investors are more worried about down moves. For Hoenle AG, the worst day during the past 3 years was 06/02/2025 with a share price decline of -18.1%. The best day was 04/02/2025 when the share price increased by 19.6%.

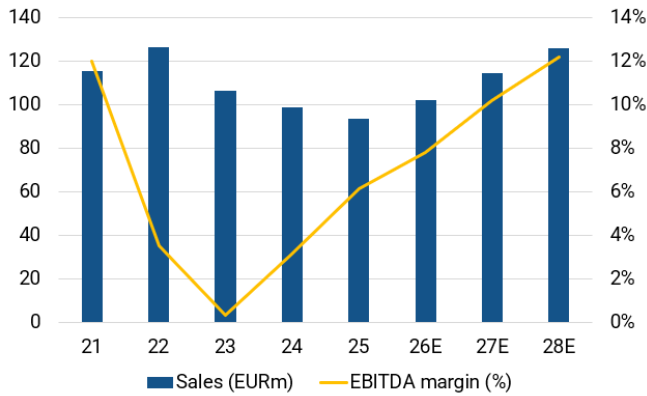
**Risk – Daily Returns Distribution (trailing 3 years)**



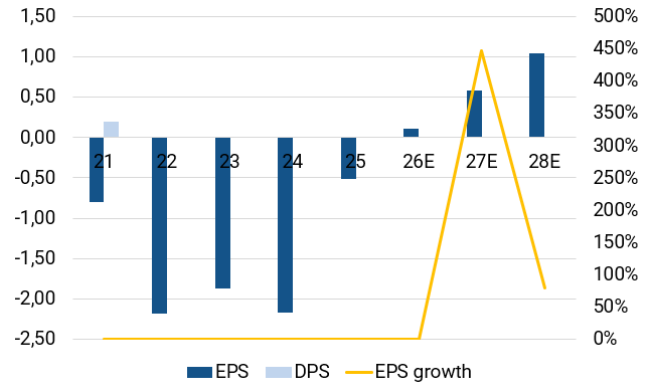
Source: FactSet, mwb research

# Financials in six charts

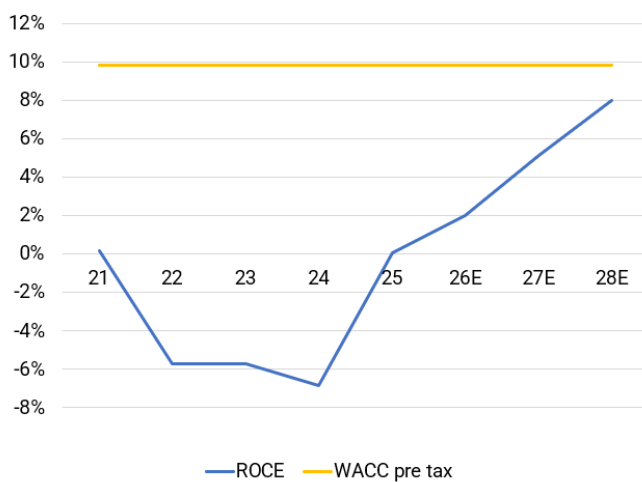
**Sales vs. EBITDA margin development**



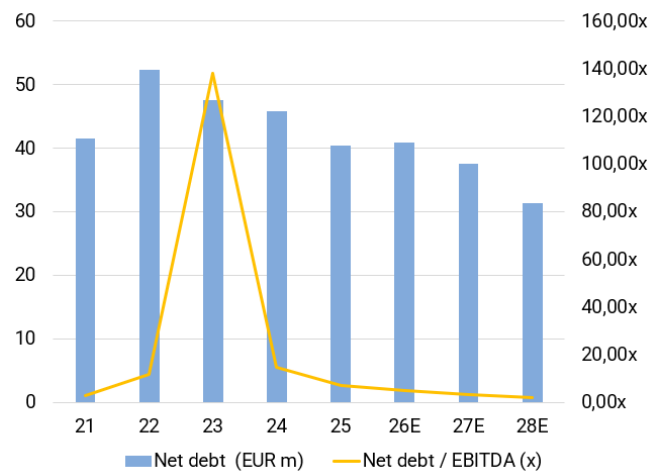
**EPS, DPS in EUR & yoy EPS growth**



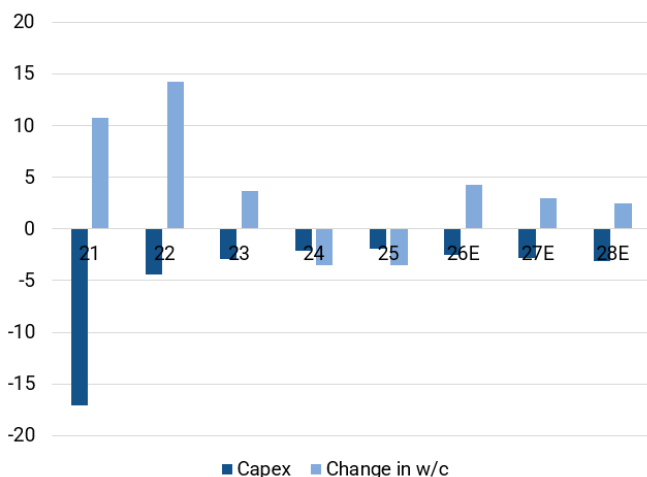
**ROCE vs. WACC (pre tax)**



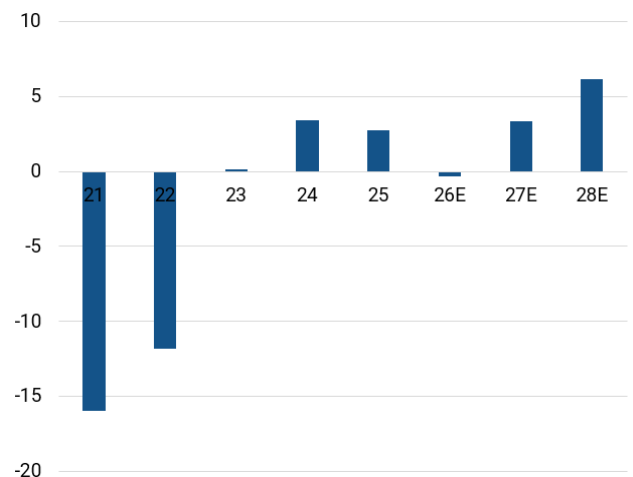
**Net debt and net debt/EBITDA**



**Capex & chgn in w/c requirements in EURm**



**Free Cash Flow in EURm**



Source: Company data; mwb research

# Financials

Profit and loss (EURm)	2023	2024	2025	2026E	2027E	2028E
<b>Net sales</b>	<b>106.3</b>	<b>98.7</b>	<b>93.7</b>	<b>102.1</b>	<b>114.4</b>	<b>125.8</b>
Sales growth	-16.0%	-7.2%	-5.1%	9.0%	12.0%	10.0%
Change in finished goods and work-in-process	-1.9	-1.5	-0.2	-0.2	0.2	0.3
<b>Total sales</b>	<b>104.4</b>	<b>97.3</b>	<b>93.5</b>	<b>101.9</b>	<b>114.6</b>	<b>126.1</b>
Material expenses	51.1	39.3	35.1	39.3	43.5	47.2
<b>Gross profit</b>	<b>53.3</b>	<b>58.0</b>	<b>58.3</b>	<b>62.6</b>	<b>71.1</b>	<b>78.9</b>
Other operating income	3.3	2.2	3.3	3.1	3.4	3.8
Personnel expenses	39.5	41.3	40.5	41.0	44.6	47.8
Other operating expenses	16.7	15.8	15.4	16.6	18.3	19.5
<b>EBITDA</b>	<b>0.3</b>	<b>3.1</b>	<b>5.8</b>	<b>8.0</b>	<b>11.7</b>	<b>15.3</b>
Depreciation	8.0	5.0	5.0	4.8	4.6	4.5
EBITA	-7.6	-1.9	0.8	3.2	7.1	10.9
Amortisation of goodwill and intangible assets	1.8	8.2	0.7	0.6	0.5	0.4
<b>EBIT</b>	<b>-9.4</b>	<b>-10.1</b>	<b>0.1</b>	<b>2.6</b>	<b>6.6</b>	<b>10.4</b>
Financial result	-1.6	-2.0	-1.8	-1.7	-1.6	-1.5
Recurring pretax income from continuing operations	-11.0	-12.1	-1.7	0.9	5.0	9.0
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	-11.0	-12.1	-1.7	0.9	5.0	9.0
Taxes	0.3	0.8	1.4	0.3	1.5	2.7
Net income from continuing operations	-11.2	-12.9	-3.2	0.6	3.5	6.3
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income</b>	<b>-11.2</b>	<b>-12.9</b>	<b>-3.2</b>	<b>0.6</b>	<b>3.5</b>	<b>6.3</b>
Minority interest	-0.1	-0.3	0.0	0.0	0.0	0.0
Net profit (reported)	-11.3	-13.2	-3.1	0.6	3.5	6.3
Average number of shares	6.06	6.06	6.06	6.06	6.06	6.06
<b>EPS reported</b>	<b>-1.87</b>	<b>-2.17</b>	<b>-0.52</b>	<b>0.11</b>	<b>0.58</b>	<b>1.04</b>

Profit and loss (common size)	2023	2024	2025	2026E	2027E	2028E
<b>Net sales</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Change in finished goods and work-in-process	-2%	-1%	-0%	-0%	0%	0%
<b>Total sales</b>	<b>98%</b>	<b>99%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Material expenses	48%	40%	37%	38%	38%	38%
<b>Gross profit</b>	<b>50%</b>	<b>59%</b>	<b>62%</b>	<b>61%</b>	<b>62%</b>	<b>63%</b>
Other operating income	3%	2%	4%	3%	3%	3%
Personnel expenses	37%	42%	43%	40%	39%	38%
Other operating expenses	16%	16%	16%	16%	16%	16%
<b>EBITDA</b>	<b>0%</b>	<b>3%</b>	<b>6%</b>	<b>8%</b>	<b>10%</b>	<b>12%</b>
Depreciation	7%	5%	5%	5%	4%	4%
EBITA	-7%	-2%	1%	3%	6%	9%
Amortisation of goodwill and intangible assets	2%	8%	1%	1%	0%	0%
<b>EBIT</b>	<b>-9%</b>	<b>-10%</b>	<b>0%</b>	<b>3%</b>	<b>6%</b>	<b>8%</b>
Financial result	-1%	-2%	-2%	-2%	-1%	-1%
Recurring pretax income from continuing operations	-10%	-12%	-2%	1%	4%	7%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	-10%	-12%	-2%	1%	4%	7%
Taxes	0%	1%	2%	0%	1%	2%
Net income from continuing operations	-11%	-13%	-3%	1%	3%	5%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
<b>Net income</b>	<b>-11%</b>	<b>-13%</b>	<b>-3%</b>	<b>1%</b>	<b>3%</b>	<b>5%</b>
Minority interest	-0%	-0%	0%	0%	0%	0%
<b>Net profit (reported)</b>	<b>-11%</b>	<b>-13%</b>	<b>-3%</b>	<b>1%</b>	<b>3%</b>	<b>5%</b>

Source: Company data; mwb research

Balance sheet (EURm)	2023	2024	2025	2026E	2027E	2028E
<b>Intangible assets (exl. Goodwill)</b>	<b>1.3</b>	<b>1.6</b>	<b>1.7</b>	<b>1.4</b>	<b>1.3</b>	<b>1.2</b>
Goodwill	18.4	11.0	11.0	11.0	11.0	11.0
Property, plant and equipment	75.1	71.6	69.0	66.5	64.4	62.7
Financial assets	13.9	10.8	10.4	10.4	10.4	10.4
<b>FIXED ASSETS</b>	<b>108.7</b>	<b>95.1</b>	<b>92.2</b>	<b>89.4</b>	<b>87.1</b>	<b>85.4</b>
Inventories	35.0	30.5	28.6	32.9	36.1	38.8
Accounts receivable	15.6	14.9	13.8	15.4	17.2	19.0
Other current assets	7.5	7.4	3.1	3.1	3.1	3.1
Liquid assets	9.3	7.5	7.8	4.1	4.5	7.6
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0
<b>CURRENT ASSETS</b>	<b>67.4</b>	<b>60.3</b>	<b>53.3</b>	<b>55.5</b>	<b>60.9</b>	<b>68.5</b>
<b>TOTAL ASSETS</b>	<b>176.2</b>	<b>155.4</b>	<b>145.5</b>	<b>144.9</b>	<b>148.0</b>	<b>153.8</b>
<b>SHAREHOLDERS EQUITY</b>	<b>95.9</b>	<b>79.5</b>	<b>76.9</b>	<b>77.5</b>	<b>81.0</b>	<b>87.3</b>
MINORITY INTEREST	0.3	0.3	0.2	0.2	0.2	0.2
Long-term debt	43.1	39.0	34.3	31.0	28.0	25.0
Provisions for pensions and similar obligations	3.2	4.4	3.7	4.0	4.5	5.0
Other provisions	1.4	0.8	0.9	0.9	1.0	1.2
<b>Non-current liabilities</b>	<b>47.7</b>	<b>44.2</b>	<b>38.9</b>	<b>36.0</b>	<b>33.6</b>	<b>31.1</b>
short-term liabilities to banks	13.7	14.3	13.9	13.9	13.9	13.9
Accounts payable	7.6	6.4	6.0	6.8	7.6	8.4
Advance payments received on orders	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities (incl. from lease and rental contracts)	10.9	10.7	9.6	10.5	11.7	12.9
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0
<b>Current liabilities</b>	<b>32.2</b>	<b>31.4</b>	<b>29.6</b>	<b>31.2</b>	<b>33.3</b>	<b>35.3</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>176.2</b>	<b>155.4</b>	<b>145.5</b>	<b>144.9</b>	<b>148.0</b>	<b>153.8</b>

Balance sheet (common size)	2023	2024	2025	2026E	2027E	2028E
<b>Intangible assets (excl. Goodwill)</b>	<b>1%</b>	<b>1%</b>	<b>1%</b>	<b>1%</b>	<b>1%</b>	<b>1%</b>
Goodwill	10%	7%	8%	8%	7%	7%
Property, plant and equipment	43%	46%	47%	46%	43%	41%
Financial assets	8%	7%	7%	7%	7%	7%
<b>FIXED ASSETS</b>	<b>62%</b>	<b>61%</b>	<b>63%</b>	<b>62%</b>	<b>59%</b>	<b>55%</b>
Inventories	20%	20%	20%	23%	24%	25%
Accounts receivable	9%	10%	9%	11%	12%	12%
Other current assets	4%	5%	2%	2%	2%	2%
Liquid assets	5%	5%	5%	3%	3%	5%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred charges and prepaid expenses	0%	0%	0%	0%	0%	0%
<b>CURRENT ASSETS</b>	<b>38%</b>	<b>39%</b>	<b>37%</b>	<b>38%</b>	<b>41%</b>	<b>45%</b>
<b>TOTAL ASSETS</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>SHAREHOLDERS EQUITY</b>	<b>54%</b>	<b>51%</b>	<b>53%</b>	<b>54%</b>	<b>55%</b>	<b>57%</b>
MINORITY INTEREST	0%	0%	0%	0%	0%	0%
Long-term debt	24%	25%	24%	21%	19%	16%
Provisions for pensions and similar obligations	2%	3%	3%	3%	3%	3%
Other provisions	1%	1%	1%	1%	1%	1%
<b>Non-current liabilities</b>	<b>27%</b>	<b>28%</b>	<b>27%</b>	<b>25%</b>	<b>23%</b>	<b>20%</b>
short-term liabilities to banks	8%	9%	10%	10%	9%	9%
Accounts payable	4%	4%	4%	5%	5%	5%
Advance payments received on orders	0%	0%	0%	0%	0%	0%
Other liabilities (incl. from lease and rental contracts)	6%	7%	7%	7%	8%	8%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred income	0%	0%	0%	0%	0%	0%
<b>Current liabilities</b>	<b>18%</b>	<b>20%</b>	<b>20%</b>	<b>22%</b>	<b>22%</b>	<b>23%</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: Company data; mwb research

Cash flow statement (EURm)	2023	2024	2025	2026E	2027E	2028E
Net profit/loss	-11.0	-12.2	-1.7	0.6	3.5	6.3
Depreciation of fixed assets (incl. leases)	8.2	5.0	5.0	4.8	4.6	4.5
Amortisation of goodwill	0.0	7.7	0.0	0.0	0.0	0.0
Amortisation of intangible assets	1.8	0.5	0.7	0.6	0.5	0.4
Others	7.9	1.1	-2.8	0.4	0.6	0.6
Cash flow from operations before changes in w/c	6.8	2.0	1.1	6.4	9.2	11.7
Increase/decrease in inventory	-1.8	2.7	1.9	-4.3	-3.2	-2.7
Increase/decrease in accounts receivable	0.8	0.7	1.1	-1.6	-1.8	-1.7
Increase/decrease in accounts payable	0.1	-0.9	-0.3	0.7	0.8	0.8
Increase/decrease in other w/c positions	-2.7	0.9	0.9	0.9	1.3	1.2
Increase/decrease in working capital	-3.7	3.5	3.5	-4.2	-3.0	-2.5
<b>Cash flow from operating activities</b>	<b>3.1</b>	<b>5.5</b>	<b>4.6</b>	<b>2.2</b>	<b>6.2</b>	<b>9.3</b>
CAPEX	-2.9	-2.1	-1.9	-2.6	-2.9	-3.1
Payments for acquisitions	0.0	-0.7	0.1	0.0	0.0	0.0
Financial investments	0.5	-0.2	-0.1	0.0	0.0	0.0
Income from asset disposals	5.0	0.6	3.5	0.0	0.0	0.0
<b>Cash flow from investing activities</b>	<b>2.6</b>	<b>-2.4</b>	<b>1.6</b>	<b>-2.6</b>	<b>-2.9</b>	<b>-3.1</b>
Cash flow before financing	5.7	3.1	6.2	-0.3	3.4	6.1
Increase/decrease in debt position	-2.1	-3.6	-4.7	-3.3	-3.0	-3.0
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	-0.1	-0.1	-0.1	0.0	0.0	0.0
Others	-1.2	-1.1	-1.6	0.0	0.0	0.0
Effects of exchange rate changes on cash	-0.2	-0.1	0.1	0.0	0.0	0.0
<b>Cash flow from financing activities</b>	<b>-3.6</b>	<b>-5.0</b>	<b>-6.3</b>	<b>-3.3</b>	<b>-3.0</b>	<b>-3.0</b>
Increase/decrease in liquid assets	2.0	-1.8	-0.1	-3.7	0.4	3.1
<b>Liquid assets at end of period</b>	<b>9.3</b>	<b>7.5</b>	<b>7.4</b>	<b>3.8</b>	<b>4.1</b>	<b>7.2</b>

Source: Company data; mwb research

Regional sales split (EURm)	2023	2024	2025	2026E	2027E	2028E
Domestic	39.4	34.8	29.7	32.4	36.3	39.9
Europe (ex domestic)	33.7	31.7	34.4	37.5	42.0	46.2
The Americas	8.6	9.2	7.9	8.7	9.7	10.7
Asia	18.3	15.7	15.5	16.9	18.9	20.8
Rest of World	6.3	6.8	6.1	6.7	7.5	8.2
<b>Total sales</b>	<b>106.3</b>	<b>98.7</b>	<b>93.7</b>	<b>102.1</b>	<b>114.4</b>	<b>125.8</b>

Regional sales split (common size)	2023	2024	2025	2026E	2027E	2028E
Domestic	37.1%	35.3%	31.7%	31.7%	31.7%	31.7%
Europe (ex domestic)	31.7%	32.2%	36.7%	36.7%	36.7%	36.7%
The Americas	8.1%	9.3%	8.5%	8.5%	8.5%	8.5%
Asia	17.2%	15.9%	16.6%	16.6%	16.6%	16.6%
Rest of World	6.0%	6.9%	6.5%	6.5%	6.5%	6.5%
<b>Total sales</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: Company data; mwb research

Ratios	2023	2024	2025	2026E	2027E	2028E
<b>Per share data</b>						
Earnings per share reported	-1.87	-2.17	-0.52	0.11	0.58	1.04
Cash flow per share	-0.80	0.09	-0.05	-0.42	0.27	0.79
Book value per share	15.82	13.11	12.68	12.79	13.36	14.40
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00
<b>Valuation</b>						
P/E	-4.7x	-4.0x	-16.9x	82.2x	15.0x	8.4x
P/CF	-10.9x	102.0x	-162.9x	-20.5x	32.7x	10.9x
P/BV	0.6x	0.7x	0.7x	0.7x	0.7x	0.6x
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield (%)	-9.2%	1.0%	-0.6%	-4.9%	3.1%	9.1%
EV/Sales	1.0x	1.0x	1.0x	1.0x	0.8x	0.7x
EV/EBITDA	300.1x	33.3x	16.8x	12.3x	8.1x	5.8x
EV/EBIT	-11.0x	-10.2x	1,031.4x	37.9x	14.5x	8.5x
<b>Income statement (EURm)</b>						
Sales	106.3	98.7	93.7	102.1	114.4	125.8
yoy chg in %	-16.0%	-7.2%	-5.1%	9.0%	12.0%	10.0%
Gross profit	53.3	58.0	58.3	62.6	71.1	78.9
Gross margin in %	50.1%	58.7%	62.3%	61.3%	62.2%	62.7%
EBITDA	0.3	3.1	5.8	8.0	11.7	15.3
EBITDA margin in %	0.3%	3.1%	6.1%	7.8%	10.2%	12.2%
EBIT	-9.4	-10.1	0.1	2.6	6.6	10.4
EBIT margin in %	-8.8%	-10.3%	0.1%	2.5%	5.7%	8.3%
Net profit	-11.3	-13.2	-3.1	0.6	3.5	6.3
<b>Cash flow statement (EURm)</b>						
CF from operations	3.1	5.5	4.6	2.2	6.2	9.3
Capex	-2.9	-2.1	-1.9	-2.6	-2.9	-3.1
Maintenance Capex	8.0	5.0	5.0	4.8	4.6	4.5
Free cash flow	0.2	3.4	2.7	-0.3	3.4	6.1
<b>Balance sheet (EURm)</b>						
Intangible assets	19.7	12.6	12.8	12.5	12.3	12.3
Tangible assets	75.1	71.6	69.0	66.5	64.4	62.7
Shareholders' equity	95.9	79.5	76.9	77.5	81.0	87.3
Pension provisions	3.2	4.4	3.7	4.0	4.5	5.0
Liabilities and provisions	61.5	58.6	52.8	49.9	47.5	45.1
Net financial debt	47.6	45.8	40.5	40.8	37.5	31.4
w/c requirements	43.1	39.0	36.4	41.5	45.7	49.3
<b>Ratios</b>						
ROE	-11.7%	-16.2%	-4.1%	0.8%	4.3%	7.2%
ROCE	-6.0%	-7.3%	0.1%	2.0%	5.1%	7.9%
Net gearing	49.6%	57.7%	52.7%	52.7%	46.3%	35.9%
Net debt / EBITDA	137.9x	14.8x	7.0x	5.1x	3.2x	2.0x

Source: Company data; mwb research

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