



**hönle**group

Half-Year Report 2020/2021

# The Hönle Group

Earnings development in T€	01/10/2020 – 31/03/2021	01/10/2019 – 31/03/2020	+/- %
Revenue	57,605	50,853	13.3
Gross profit	37,670	34,031	10.7
Operating result/EBIT	6,733	5,786	16.4
Earnings before tax/EBT	6,287	5,678	10.7
Consolidated profit	4,553	4,393	3.7
Earnings per share in € <sup>1)</sup>	0.77	0.73	5.5
Number of shares of stock <sup>1)</sup>	6,062,930	6,062,930	0.0

Development of assets in T€	31/03/2021	30/09/2020	+/- %
Non-current assets	122,120	107,226	13.9
Current assets	89,630	88,020	1.8
Equity	117,294	116,685	0.5
Non-current liabilities	70,194	58,442	20.1
Current liabilities	25,212	21,070	19.7
Total assets	212,701	196,196	8.4
Equity ratio as a percentage (%)	55.2	59.5	-7.2

Liquidity development in T€	01/10/2020 – 31/03/2021	01/10/2019 – 31/03/2020	+/- %
Cash generated from operations <sup>2)</sup>	1,495	4,909	-69.6
Cash flow from investing activities	-14,948	-15,648	4.5
Cash flow from financing activities	4,240	16,219	-73.9
Change in cash and cash equivalents	-12,178	2,643	-560.8

Employees	01/10/2020 – 31/03/2021	01/10/2019 – 31/03/2020	+/- %
Average number of employees	645	595	8.4

1) adjusted prior year figures

2) cash generated from current business activities

# Group Management Report

for the period from 01 October 2020 to 31 March 2021

## Overview

### *Market development*

The number of new coronavirus infections saw another significant increase and containment measures were again intensified in many countries. Once again, the European economy slipped into recession while the global economy continued to recover in the winter half-year. Economic growth in China, in particular, has recently returned to significant growth.

A study published by the Institute for the World Economy indicates that global production picked up again at rate of some 2 percent in the last quarter of 2020, thus marginally exceeding the pre-crisis level. The positive trend is likely to have continued in the first quarter of 2021, with a further growth of the world economy.

### *Course of business*

Although the Höhle Group was still largely spared from the corona pandemic in the first half of the previous year, the reluctance to invest especially in the printing business was clearly felt in the current financial year. Nevertheless, Höhle succeeded in raising both the revenue and earnings level, supported in particular, by the application fields of air disinfection and water disinfection. Overall, the Höhle Group's revenues in the first six months of the 2020/2021 financial year came to T€ 57,605, up 13.3 % on the previous year's level. The operating result rose by 16.4 % to T€ 6,733. In the second quarter, compared to the first quarter of the current financial year, sales revenues increased by 16.0 % to T€ 30,932 and operating result by 117.8 % to T€ 4,615.

### *Adhesives Segment*

Sales revenues in the Adhesives segment declined in the first half of the year from T€ 14,886 in the previous year to T€ 14,295 in the reporting year. Restrictions in connection with the corona pandemic hampered sales activities quite considerably in some cases. At T€ 3,392, the segment's operating result was below the previous year's level of T€ 3,893. As part of the planned sales growth, the staff levels were stocked up further in the sales and development units. In particular, it was not possible to realise the acquisition of new customers to the full extent. We expect that the large number of high-potential adhesives projects will again lead to significant sales and earnings growth as soon as the corona-related restrictions can be discontinued.

### *Equipment and Systems Segment*

Several corporate acquisitions in the Equipment and Systems segment, which were initially consolidated as at 1 October 2020, compensated for the cyclical decline in sales revenues. At T€ 30,017, revenues were up on the previous year's level of T€ 26,764.

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

Compared with the prior period, which was not yet affected by the economic consequences of the corona pandemic, the reluctance to invest, particularly in the printing press industry, was noticeable in the year under review, both in terms of incoming orders and sales.

Developments in the field of air disinfection are very encouraging. Here, high-performance devices for the disinfection of room air were developed and extensive marketing measures were initiated in order to increase the sale of the new disinfection systems. In addition, acquisitions were made with a view to achieving targeted acceleration of market access to the promising business sectors of air, water and surface disinfection. The air disinfection unit, in particular, is to be expanded to become a major field of the Hönle Group's activities in the future.

The segment's operating result amounted to T€ 2,450, only marginally below the previous year's quarterly result of T€ 2,555. In addition to cyclical sales declines, mainly concerning the printing market, the operating result was adversely impacted by increased market expenses associated with the market launch of the SteriWhite Air air disinfection device.

### *Glass & Lamps Segment*

Business in the Glass & Lamps segment developed favourably with a 44.5 % increase in sales to T€ 13,293 in the first six months of the current financial year. uv-technik Speziallampen GmbH sold significantly more lamps in the air disinfection and water treatment units than in the previous year and managed to strongly expand sales revenues and earnings. Aladin GmbH and uv-technik meyer GmbH, both of which were merged with uv-technik Speziallampen GmbH, contributed to this positive development. Sales growth was also reported by Raesch Quarz (Germany) GmbH. In the semiconductor market in particular, its sales were significantly higher than in the prior-year period.

The operating result generated by the Glass and Lamps segment rose from T€ -661 in the previous year to T€ 891 in the current financial year. Given the current order intake, the Management expects a significantly higher earnings contribution from the Glass & Lamps segment in the second half-year compared to the first six months of the year.

### *Sales by Regions*

At T€ 23,297 in sales, Germany was the major sales market of the Hönle Group. Sales revenues generated in Germany increased by 16.2 % compared to the prior year period, mainly due to the sales increase achieved in the field of air disinfection. Sales generated in the other European countries climbed 22.0 % to T€ 15,470, primarily as a result of the Sterilsystems acquisition. At T€ 11,783, sales generated in Asia were 8.4 % below the previous year's value. The decline is due, in particular, to the fact that the previous year's revenues included a major order. Sales also rose significantly in North America and in the rest of the world, climbing by 8.5 % to T€ 4,002 and by 95.2 % to T€ 3,054, respectively, compared to the prior year period.

### *Results of Operations*

At T€ 57,605, the Hönle Group's sales revenues in the period from 01 October 2020 to 31 March 2021 were up 13.3 % on the prior year period. Gross profit rose by 10.7 % to T€ 37,670 and the cost of materials ratio increased by 1.4 percentage points to 37.0 % due to a changed product mix. In the context of the acquisition-related staff increase within the Hönle Group, personnel expenses rose by 6.1 % to T€ 19,035, corresponding to a personnel expense ratio of 32.5 % (PY: 34.6 %). The ratio of other operating expenses dropped from 13.5 % in the previous year to 13.2 % in the financial year under review.

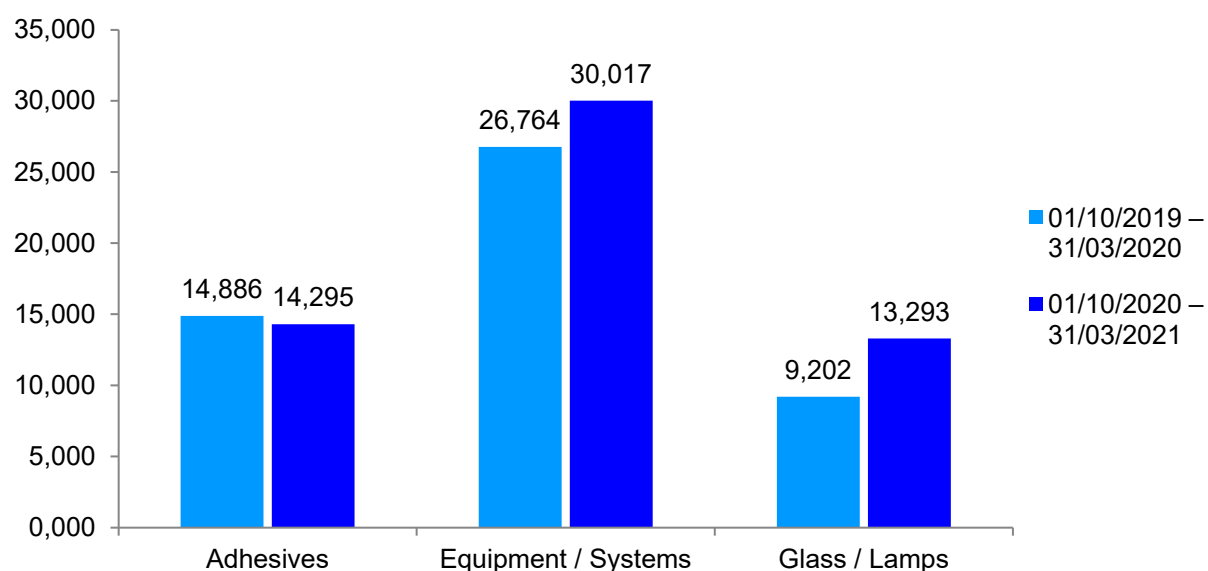
The operating result (EBIT) climbed by 16.4 % to T€ 6,733, which translates into an EBIT margin of 11.5 % after 11.2 % in the previous year. Earnings before tax (EBT) amounted to T€ 6,287 and were thus 10.7 % up on the prior year period. After income taxes, the consolidated profit amounted to

T€ 4,553, corresponding to an increase of 3.7 %. Earnings per share improved from € 0.73 to € 0.77. Net profit on sales came to 7.9 % in the first half of the year (PY: 8.6 %).

Earnings development in T€	01/10/2020 – 31/03/2021	01/10/2019 – 31/03/2020	+/- %
Revenue	57,605	50,853	13.3
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Earnings before tax/EBT	6,287	5,678	10.7
Consolidated profit	4,553	4,393	3.7
Earnings per share in € <sup>1)</sup>	0.77	0.73	5.5
Number of shares of stock <sup>1)</sup>	6,062,930	6,062,930	0.0

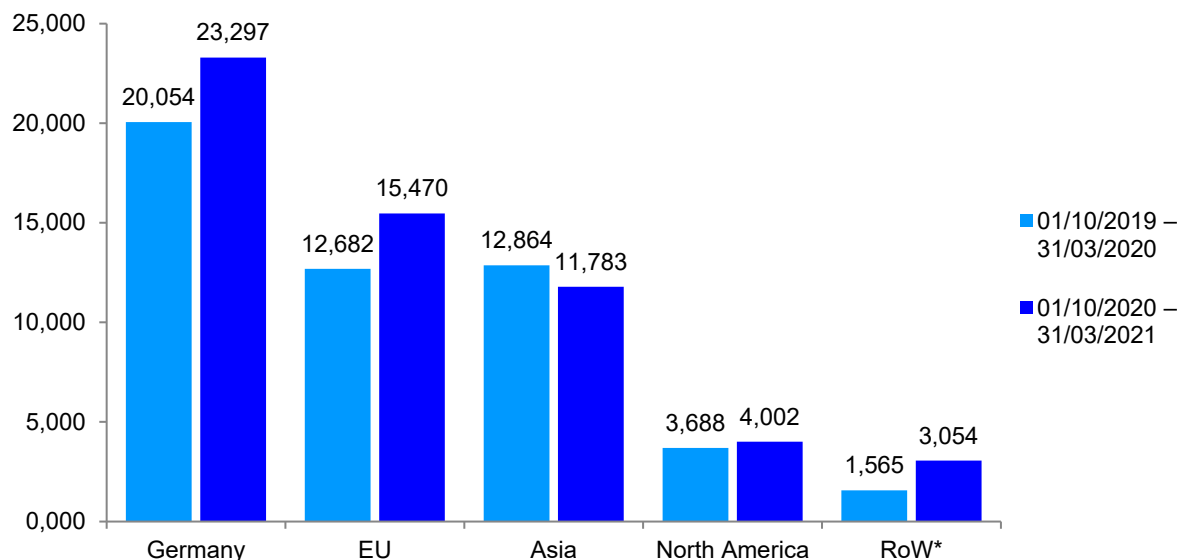
1) adjusted prior year figures

#### Sales by Segments in T€ (adjusted)



Sales are adjusted by an order from the Equipment & Systems segment. The order was processed via one of our subsidiaries that is allocated to the Adhesives segment.

## Sales by Regions in T€



\*) RoW (rest of the world)

## Financial Position

The cash flow from operating activities amounted to T€ 1,495 in the half-year period (PY: T€ 4,909). The decline is due for the most part to the increase in inventories in connection with the production of SteriWhite Air products.

Capital expenditure in the amount of T€ 14,948 was down 4.5 % from the prior year level of T€ 15,648, and relates mainly to payments made for corporate acquisitions and investment in new corporate buildings.

The cash flow from financing activities in the amount of T€ 4,240 (PY: T€ 16,219) mainly results from the raising of bank loans to finance the building projects, from dividend pay-outs and the payment of lease liabilities.

In all, cash and cash equivalents contracted by T€ 12,178 in the first half of the year (PY: increase of T€ 2,643). It should be noted in this context that the previous year's cash and cash equivalents do not include a dividend pay-out due to the postponement of the annual general meeting. Moreover, the acquisitions made were financed with cash and cash equivalents.

Liquidity development in T€	01/10/2020 – 31/03/2021	01/10/2019 – 31/03/2020	+/- %
Cash generated from operations <sup>1)</sup>	1,495	4,909	-69.5
Cash flow from investing activities	-14,948	-15,648	-4.5
Cash flow from financing activities	4,240	16,219	-73.9
Change in cash and cash equivalents	-12,178	2,643	-560.8

1) Cash generated from current business activities

## Net Assets

The initial consolidation of several companies contributed significantly to an increase in non-current and current assets on the assets side of the statement of financial position. Sterilsystems GmbH, UMEX GmbH, Technigraf GmbH as well as uv-technik meyer GmbH (the latter was merged with uv-technik Speziallampen GmbH) have been part of the Höhle group since the beginning of the reporting year. As a result, goodwill rose by T€ 5,889 to T€ 24,738, intangible assets increased by T€ 1,209 to T€ 3,384 and the inventory value also grew by T€ 8,415 to T€ 43,661.

Property, plant and equipment increased by T€ 7,079 to T€ 83,891, primarily within the context of the Höhle Group's building projects.

The liabilities side of the statement of financial position was marked by a T€ 9,693 increase in non-current loans to T€ 47,287 mainly within the scope of real estate financing. The other current liabilities, which include a purchase price liability concerning the Sterilsystems GmbH acquisition, increased by T€ 1,874 to T€ 6,239.

With an equity ratio of 55.2 % and cash and cash equivalents in the amount of T€ 21,997, the Höhle Group continues to be solidly financed.

Development of assets in T€	31/03/2021	30/09/2020	+/- %
Non-current assets	122,120	107,226	13.9
Current assets	89,630	88,020	1.8
Equity	117,294	116,685	0.5
Non-current liabilities	70,194	58,442	20.1
Current liabilities	25,212	21,070	19.7
Total assets	212,701	196,196	8.4
Equity ratio as a %	55.2	59.5	-7.2

## Research & Development

Research and development activities provide the basis for the Höhle Group's future success. Research and development expenses increased from T€ 3,121 in the previous year to T€ 3,154 in the reporting year, corresponding to an R&D ratio of 5.5 % (PY: 6.1 %). The Höhle Group employs an average of 92 people in the research and development departments, six more than in the previous year. The following development projects, among others, were realised:

Panacol-Elosol GmbH has developed new high-performance adhesives for frame-and-fill applications on circuit boards. Frame-and-fill processes are used to protect highly complex or sensitive areas on electronic circuit boards. In the first step, a so-called frame is applied using a high-viscosity adhesive and in the next step, this respective area is filled with low-viscosity filler material - the fill. Based on this precise process, areas on the printed circuit board can be protected from mechanical influences. The combination of frame-and-fill materials facilitates the application of minimal potting heights.

Dr. Höhle AG has developed the SteriWhite Air product family for the easy and effective disinfection of room air. The product family will be further expanded in the future and supplemented by particularly powerful variants. Within the scope of a research project, Dr. Höhle AG succeeded in providing scientific evidence for the effectiveness of short-waved, energy-rich UVC irradiation in the inactivation of SARS-CoV-2 viruses. The ultraviolet irradiation is absorbed by the cells. This leads to the inactivation of viruses, bacteria and fungal spores and thus exceeds by far the effect limited to SARS-CoV-2



viruses. The devices of the SteriWhite Air product family are equipped with high efficiency UVC lamps and powerful yet particularly quiet ventilators. The devices can be used in a wide range of applications, ranging from use in doctors' waiting rooms, kindergartens, schools, old age homes and public facilities through to hotels and restaurant trade. The risk of infection can be reduced by up to 90 % through the use of these devices.

## Personnel

Dr. Hönle AG acquired several companies as of 01 October 2020 and this has led to a considerable increase in the number of staff. In the first half of 2020/2021, the Hönle Group had an average of 645 employees, an increase of 50 employees or 8.4 % compared to the previous year.

65 staff members or 10.1 % of the total number of staff worked part-time. In the first half of the current financial year, employees were active in the following functional areas:

Functional areas Reporting date	31/03/2021	31/03/2020	+/- %
Sales & Marketing	101	93	8.6
Research & Development	94	85	10.6
Production, Service	304	276	10.1
Logistics	72	69	4.3
Administration	75	71	5.6
Total	646	594	8.8

Functional areas average	01/10/2020 – 31/03/2021	01/10/2019 – 31/03/2020	+/- %
Sales & Marketing	101	92	9.8
Research & Development	92	86	7.0
Production, Service	306	277	10.5
Logistics	71	70	1.4
Administration	75	70	7.1
Total	645	595	8.4

Personnel expenses in T€	01/10/2020 – 31/03/2021	01/10/2019 – 31/03/2020	+/- %
Wages and salaries	15,433	14,678	5.1
Social security and pension costs	3,602	3,269	10.2
Total	19,035	17,947	6.1

In the course of corporate acquisitions, personnel expenses rose from T€ 17,947 in the first six months of the previous year to T€ 19,035 in the reporting year.

Hönle invests in occupational training with a view to covering the future demand for qualified



personnel. The Höhle Group offers apprenticeships in the areas of economics, technology, chemistry and logistics. As at 31 March 2021, 26 young people received occupational training at the Höhle Group (PY: 28).

## Outlook

### *Overall market*

Following the sharpest plunge in global economic activities since World War II, the economy recovered noticeably in the winter half-year. And this despite the fact that the number of new corona infections increased strongly and measures to contain the pandemic had to be intensified again in many countries. Provided that the vaccination campaign progresses as expected and restrictions can be eased or gradually discontinued, the summer half-year will probably see strong recovery. The upswing will then increasingly extend to include economic sectors that, at present, are still under heavy pressure such as tourism and the hotel/restaurant trade. An economic upturn is expected for 2021 in both the industrialized and emerging economies. The International Monetary Fund forecasts economic growth of 6.0 percent for the year 2021.

### *The Höhle Group*

#### *Adhesives Segment*

Given the corona pandemic, the Management expects stable business development in the short term and a return to strong business development over the medium to long term in the Adhesives segment. Current customer projects as well as the enlarged customer base will contribute to this positive course of business which is also demonstrated by the fact that all major smartphone manufacturers are now using Höhle Group adhesives. With a view to realising the growth planned, both the development and sales capacities in the Adhesives segment were stocked up. In addition, the space capacities were expanded. A new corporate building with 6000 m<sup>2</sup> of floor space was built in Steinbach near Frankfurt, which is ready for being occupied at the beginning of the year. Moreover, there are further expansion areas to enable the realisation of growth plans over the long term.

#### *Equipment & Systems Segment*

The Höhle Group has used the last few months to strengthen its position in the life science market. High-performance equipment for the disinfection of air, water and surfaces has been developed to this end. In addition, Höhle further expanded its market position via several acquisitions. The Equipment & Systems segment as well as the Glass & Lamps segment will profit from the expected strong development of business with air and surface disinfection equipment.

Höhle is going to further expand its product range of high-performance air disinfection systems. In order to achieve significant sales increases in this field, Höhle is significantly intensifying its marketing activities. TV commercials, press conferences, print- and online advertising campaigns as well as its presence in social media are designed to inform the public about the Höhle Group's powerful disinfection devices aimed at reducing the risk of infection in connection with the corona pandemic, among others. After marketing in Germany, efforts are now underway to open up the European market and thereafter the US American market.

The food industry is a further target group within the scope of life science. Here, Höhle is continuously expanding its product range of environmentally friendly disinfection solutions. New technologies will be added to the existing product range and provide for additional growth opportunities.

Cooperation agreements with strategic partners also provide the Höhle Group with important growth potential in the water disinfection segment in the coming years. The Management expects that the UV-based disinfection business will make a significant contribution to the Höhle Group's sales revenues and earnings in the current financial year and in the future.

### *Glass & Lamps Segment*

In order to accommodate the planned growth in the areas of UV air disinfection and ballast water disinfection, production capacities in the newly created lamp competence centre in Ilmenau were significantly increased. Rising sales generated with lamps and components for disinfection systems will contribute to the very encouraging business development at uv-technik Speziallampen GmbH.

In addition, the quartz glass market will also pick up, as underlined by the favourable order intake in recent months. Increased demand is expected from the semi-conductor industry, in particular. In addition, the planned expansion of sales capacities in conjunction with high-quality quartz glass products is expected to lead to a sales increase at Raesch Quarz (Germany) GmbH. Moreover, better purchasing conditions at Raesch Quarz (Germany) GmbH will also contribute to the improvement in earnings.

### *Overall Assessment of Future Business Development*

Given the corona pandemic it is still difficult to predict the Hönle Group's business development and the impact on individual segments for the year 2020/2021. While, in the first six months of the financial year 2020/2021, the dampening effects of the corona crisis were still clearly felt in individual sectors such as the printing machine market, the Management Board expects respective stronger revenue and earnings contributions in the second half of the year. Moreover, very good development is expected for the business with systems and UV lamps for air and surface disinfection in the current financial year. However, although the Management expects the positive effects to clearly outweigh the negative ones due to the demand for air disinfection systems, in particular, a reliable quantitative prognosis for the financial year 2020/2021 cannot be made at this time. Nevertheless, the Management Board expects clear sales and earnings improvements in the reporting year compared to the previous year.

# Consolidated Income Statement

for the period from 1 October 2020 to 31 March 2021 (IFRS)

in T€	01/01/2021 - 31/03/2021	01/10/2020 - 31/03/2021	01/01/2020 - 31/03/2020	01/10/2019 - 31/03/2020
Revenue	30,932	57,605	25,354	50,853
Change in finished goods and work in progress inventories	798	885	-78	1,048
Other work performed by entity and capitalised	13	34		5
Other operating income	385	797	427	593
Cost of purchased materials and services	11,751	21,651	9,193	18,467
Personnel expenses	9,859	19,035	9,144	17,947
Depreciation and amortisation expense	1,176	2,278	855	1,671
Amortisation of rights of use (IFRS 16)	979	2,021	775	1,553
Other operating expenses	3,743	7,697	3,523	6,998
Impairment (IFRS 9)	4	-94	109	76
Operating result/EBIT	4,615	6,733	2,106	5,786
Profit from investments accounted for using the equity method			17	17
Financial income	35	41	4	9
Financial expenses	336	487	70	135
Financial result	-301	-447	-49	-109
Earnings before tax and non-controlling interests/EBT	4,313	6,287	2,057	5,678
Income taxes	1,385	1,733	272	1,285
Consolidated profit	2,928	4,553	1,785	4,393
Share of earnings attributable to non-controlling interests	-68	-95	-25	-46
Share of earnings attributable to Dr. Höhle AG shareholders	2,996	4,648	1,810	4,439
Earnings per share (basic) in €		0.77		0.73
Earnings per share (diluted) in €		0.77		0.73
Average shares outstanding (basic)		6,061,854		6,061,854
Average shares outstanding (diluted)		6,061,854		6,061,854

# Consolidated Statement of Comprehensive Income

for the period from 01 October 2020 to 31 March 2021 (IFRS)

in T€	01/10/2020 - 31/03/2021	01/10/2019 - 31/03/2020
<b>Consolidated profit</b>	<b>4,553</b>	<b>4,393</b>
Other comprehensive income for the period:		
Items that may subsequently be reclassified to profit or loss		
- Difference from currency translation	11	-32
- Reserve for hedging transactions	990	377
- Income tax effect	-261	-97
Items not reclassified to profit or loss		
- Change in actuarial gains/losses from pensions	0	0
- Deferred taxes from changes in actuarial gains/losses from pensions	0	0
Total other comprehensive income	740	248
<b>Total comprehensive income</b>	<b>5,293</b>	<b>4,641</b>
thereof:		
- Comprehensive income attributable to non-controlling interests	-95	-46
- Comprehensive income attributable to Dr. Höhle AG shareholders	5,388	4,687

# Consolidated Statement of Financial Position

as of 31 March 2021 (IFRS)

in T€	31/03/2021	30/09/2020
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Goodwill	24,738	18,849
Intangible assets	3,384	2,175
Property, plant and equipment	83,891	76,812
Investment property	1,112	1,132
Investments accounted for using the equity method	262	263
Financial assets	26	26
Other non-current assets	2,141	2,103
Deferred income tax assets	6,566	5,867
<b>Total non-current assets</b>	<b>122,120</b>	<b>107,226</b>
<b>CURRENT ASSETS</b>		
Inventories	43,661	35,246
Trade accounts receivable	19,385	14,253
Receivables from companies in which an equity interest is held	111	117
Finance lease receivables	125	
Other current assets	2,877	3,040
Tax refund claims	1,474	1,190
Cash and cash equivalents	21,997	34,175
<b>Total current assets</b>	<b>89,630</b>	<b>88,020</b>
Non-current assets held for sale	950	950
<b>TOTAL ASSETS</b>	<b>212,701</b>	<b>196,196</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Subscribed capital	6,063	6,063
Own shares	-8	-8
Capital reserves	41,979	41,979
Retained earnings	68,895	68,307
<b>Equity attributable to Dr. Hönle AG shareholders</b>	<b>116,928</b>	<b>116,340</b>
Non-controlling interests	366	345
<b>Total equity</b>	<b>117,294</b>	<b>116,685</b>
<b>NON-CURRENT LIABILITIES</b>		
Non-current loans (less current portion)	47,287	37,594
Non-current finance lease liabilities	2,229	2,015
Other non-current liabilities	9,858	9,392
Pension provisions	9,448	8,820
Accrued public investment grants	168	200
Deferred income tax liabilities	1,204	421
<b>Total non-current liabilities</b>	<b>70,194</b>	<b>58,442</b>
<b>CURRENT LIABILITIES</b>		
Trade accounts payable	6,947	6,487
Liabilities to companies in which an equity investment is held	-15	34
Contract liabilities	2,038	1,621
Current liabilities from finance leasing	2,375	3,216
Current liabilities to banks and current portion of non-current loans	5,049	3,474
Other current liabilities	6,239	4,363
Other provisions	693	637
Income tax liabilities	1,887	1,236
<b>Current liabilities, total</b>	<b>25,212</b>	<b>21,069</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>212,701</b>	<b>196,196</b>

# Statement of Consolidated Cash Flows

or the period from 01 October 2020 to 31 March 2021 (IFRS)

in T€	01/10/2020 – 31/03/2021	01/10/2019 – 31/03/2020
<b>Cash flow from operating activities</b>		
Consolidated profit before non-controlling interests and taxes	6,287	5,678
Adjustments for:		
Amortisation/depreciation of intangible assets and property, plant and equipment	4,299	3,224
Gains/losses from the disposal of intangible assets and property, plant and equipment	187	6
Financial income	-41	-26
Financial expenses	487	135
Other non-cash expenses and income	-139	461
<b>Operating result before changes to net current assets</b>	<b>11,080</b>	<b>9,478</b>
Increase/decrease in provisions	182	153
Increase/decrease in trade accounts receivable	-3,656	732
Increase/decrease in receivables from companies in which an equity investment is held	7	14
Increase/decrease in other assets	292	-2,158
Increase/decrease in reinsurance	-82	-60
Increase/decrease in inventories	-6,527	-580
Increase/decrease in trade accounts payable	-272	-2,819
Increase/decrease in liabilities to companies in which an equity investment is held	-49	37
Increase/decrease in prepayments received	334	-663
Increase/decrease in other liabilities	186	800
Increase/decrease in accrued public investment grants	0	-25
<b>Cash generated from operations</b>	<b>1,495</b>	<b>4,909</b>
Interest paid	-436	-128
Income taxes paid	-2,533	-2,694
<b>Cash flow from operating activities</b>	<b>-1,473</b>	<b>2,087</b>
<b>Cash flow from investing activities</b>		
Payments received from the disposal of intangible assets and property, plant and equipment	135	4
Acquisition of subsidiaries less acquired net cash	-6,222	0
Payments made for the acquisition of investments accounted for at equity	0	-200
Payments made for the acquisition of intangible assets and property, plant and equipment	-8,946	-15,270
Change in financial assets	0	2
Payments received from non-current receivables	44	8
Payments made for non-current receivables	0	-200
Interest received	40	9
<b>Cash flow from investing activities</b>	<b>-14,948</b>	<b>-15,648</b>
<b>Cash flow from financing activities</b>		
Payments received from loans and liabilities to banks	9,806	18,599
Payments made for loans and liabilities to banks	538	-1,239
Payments made for the repayment portion of lease liabilities	-1,420	-1,186
Payments from liabilities to shareholders	0	45
Equity contributions vis à vis non-controlling interests	116	0
Dividend payments made	-4,800	0
<b>Cash flow from financing activities</b>	<b>4,240</b>	<b>16,219</b>
Exchange rate differences	-8	-18
Exchange rate-based change in cash and cash equivalents	12	3
<b>Net increase/decrease in cash and cash equivalents</b>	<b>-12,178</b>	<b>2,643</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>	<b>34,175</b>	<b>14,577</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>21,997</b>	<b>17,220</b>

# Consolidated Statement of Changes in Equity

for the period from 01 October 2020 to 31 March 2021 (IFRS)

			R e v e n u e r e s e r v e s						E q u i t y c a p i t a l		
	sub- scribed capital	own shares	capital- reserve	legal and other revenue re- serves	reserve for measure- ment IFRS 9	reserve for hedging trans- actions	reserve for actuarial gains/ losses	reserve for exchange rate- differences	Equity attri- butable to Dr. Hönle AG share- holders	non- control- ling - interest	Total
in T€											
As at 01/10/2019	5,513	-8	16,596	73,395	341	-4,276	-3,630	2,044	89,976	146	90,122
Consolidated profit/loss for the year				4,439					4,439	-46	4,393
Other comprehensive income						280		-32	248		248
Total comprehensive income				4,439		280		-32	4,687	-46	4,641
As at 31/03/2020	5,513	-8	16,596	77,834	341	-3,997	-3,630	2,012	94,661	100	94,761
As at 01/10/2020	6,063	-8	41,979	74,664	341	-4,638	-3,863	1,803	116,341	345	116,686
Consolidated profit/loss for the year				4,648					4,648	-95	4,553
Other comprehensive income						728		11	740		740
Total comprehensive income				4,648		728		11	5,388	-95	5,293
Change due to the acquisition of non- controlling interests										116	116
Dividend pay-out				-4,800					-4,800		-4,800
As at 31/03/2021	6,063	-8	41,979	74,513	341	-3,911	-3,863	1,814	116,928	366	117,294

# Explanatory Notes

to the Half-Year Report 2020/2021

Hönle prepares the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) and the pertaining interpretations as to be applied in the European Union. Hönle prepares and publishes the interim consolidated financial statements in euros. The present interim consolidated financial statements were prepared in accordance with IAS 34 "Interim financial reporting". They should be read in the context of the consolidated financial statements published by the Company for the financial year 2019/2020.

The consolidated statement of financial position as of 31 March 2021, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the statement of consolidated cash flows for the periods ending on 31 March 2021 and 2020 as well as the notes to the consolidated financial statements are unaudited and were not subjected to a critical review.

The main recognition, measurement and consolidation methods applied have remained unchanged in comparison with the 2019/2020 consolidated financial statements.

The following corporate acquisitions were consolidated as at 01 October 2020:

- Sterilsystems GmbH, Mauterndorf, Austria
- UMEX GmbH, Kirchheim, Germany
- Technigraf GmbH, Grävenwiesbach, Germany
- uv-technik meyer GmbH, Ortenberg-Bleichenbach, Germany

For further information relating to the acquisitions, reference is made to the Annual Report 2019/2020, page 73 et seq..

Also in the first quarter of 2020/2021, uv-technik meyer GmbH, Ortenberg, was merged with the German subsidiary, uv-technik Speziallampen GmbH, Ilmenau. The merger took place with retroactive effect as of 01 October 2020.



The Group figures to be segmented are distributed among the individual segments as follows:

01/10/2020 – 31/03/2021 in T€	Adhesives	Equipment/ Systems	Glass/ Lamps	Total	Elimini- nations	Consoli- dated
<b>REVENUE</b>						
External customers	14,295	30,017	13,293	57,605	0	57,605
Sales with other business units	126	998	1,023	2,147	-2,147	0
Total sales	14,421	31,015	14,316	59,752	-2,147	57,605
<b>RESULT</b>						
<b>Segment result (operating result)</b>	<b>3,392</b>	<b>2,450</b>	<b>891</b>	<b>6,733</b>	<b>0</b>	<b>6,733</b>
Interest income	17	211	17	245	-204	41
Interest expenses	108	337	255	700	-212	488
Income from securities and loans from financial assets				-8	8	0
<b>Result before taxes and non-controlling interests</b>						<b>6,287</b>
Income taxes	1,012	878	435	2,326	0	2,326
Deferred taxes	-25	-178	-267	-472	-122	-592
<b>Result before non-controlling interests</b>						<b>4,553</b>
<b>OTHER INFORMATION</b>						
Segment assets	68,024	133,025	44,223	245,272	-42,687	202,586
Non-allocated assets						
Investments accounted for using the equity method				262		262
Financial assets				26		26
Non-current receivables				1,787		1,787
Tax refund claims				1,474		1,474
Deferred tax assets				6,566		6,566
<b>Consolidated assets</b>						<b>212,701</b>
<b>Segment debt</b>	<b>11,232</b>	<b>61,447</b>	<b>35,333</b>	<b>108,042</b>	<b>-65,242</b>	<b>42,800</b>
Deferred tax liabilities				1,204		1,204
Liabilities from income taxes				1,887		1,887
Non-current loans				49,516		49,516
<b>Consolidated liabilities (current and non-current)</b>						<b>95,407</b>
Capital expenditure	3,331	5,851	1,461	10,643		10,643
Segment write-downs	534	2,723	1,042	4,299		4,299
Non-cash expenses of the segment	-14	147	66	199		199

01/10/2019 – 31/03/2020 in T€	Adhesives	Equipment/ Systems	Glass/ Lamps	Total	Elimini- nations	Consoli- dated
<b>REVENUE</b>						
External customers	14,886	26,764	9,202	50,852	0	50,853
Sales with other business units	237	1,504	714	2,455	-2,455	0
Total sales	15,123	28,268	9,916	53,307	-2,455	50,853
<b>RESULT</b>						
<b>Segment result (operating result)</b>	<b>3,893</b>	<b>2,555</b>	<b>-661</b>	<b>5,787</b>	<b>0</b>	<b>5,786</b>
Interest income	10	179	19	208	-199	9
Interest expenses	23	97	222	342	-207	135
Investment accounted for using the equity method				17		17
Income from securities and loans from financial assets				-8	8	0
<b>Result before taxes and non-controlling interests</b>						<b>5,678</b>
Income taxes	1,148	907	60	2,116	0	2,116
Deferred taxes	-65	-309	-290	-665	-166	-831
<b>Result before non-controlling interests</b>						<b>4,393</b>
<b>OTHER INFORMATION</b>						
<b>Segment assets</b>	<b>64,216</b>	<b>95,608</b>	<b>41,676</b>	<b>201,500</b>	<b>-43,031</b>	<b>158,469</b>
Non-allocated assets						
Investments accounted for using the equity method				272		272
Financial assets				26		26
Non-current receivables				1,747		1,747
Tax refund claims				1,455		1,455
Deferred tax assets				6,253		6,253
<b>Consolidated assets</b>						<b>168,220</b>
<b>Segment debt</b>	<b>11,580</b>	<b>47,505</b>	<b>34,173</b>	<b>93,258</b>	<b>-60,950</b>	<b>32,308</b>
Deferred tax liabilities				1,130		1,130
Liabilities from income taxes				6,444		6,444
Non-current loans				33,576		33,576
<b>Consolidated liabilities (current and non-current)</b>						<b>73,458</b>
Capital expenditure	5,753	11,587	3,787	21,127		21,127
Segment write-downs	539	1,762	923	3,224		3,224
Non-cash expenses of the segment	7	132	-5	135		135

Segment assets are defined as the sum total of intangible assets, property, plant and equipment, inventories, current receivables and cash and cash equivalents. Segment debt includes non-current and current obligations. Non-cash segment expenses relate to changes in pension provisions and other provisions. Transfer prices relating to intercompany services and supplies including the pertaining calculation basis are based on the same terms and conditions as those applied for third parties. No changes in comparison with previous years have been made.

## Responsibility Statement

We affirm that, to the best of our knowledge, the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with generally accepted accounting principles and that the group management report provides a suitable understanding of the course of business, including the business results and the Group's position, and suitably presents the opportunities and risks of future development

Gräfelfing, 10 May 2021

Dr. Hönle AG  
The Management Board

## Note

The consolidated interim financial statements are unaudited.

The management report contains statements and information provided by Dr. Hönle AG that relate to future periods. The forward-looking statements represent assessments that were made on the basis of information available at the time when this report was prepared. Should the assumptions underlying the forecasts prove to be incorrect or should risks, such as those mentioned in the risk report, materialise, actual developments and results may deviate from current expectations. The Company assumes no obligation to update the statements contained in this management report, with the exception of publishing such updates as required by statutory provisions. The figures and percentages contained in this report may be subject to rounding difference.

## Financial Calendar

12 May 2021

**Present Half Year Report 2020/2021**

6 August 2021

**3rd Quarterly Statement 2020/2021**

7–8 December 2021

**GBC Munich Capital Market Conference**



Dr. Hönle AG  
Lochhamer Schlag 1  
D-82166 Gräfelfing, Munich  
Phone +49 89 85608-0

Investor Relations  
Peter Weinert  
Phone +49 89 85608-173  
E-Mail [ir@hoenle.de](mailto:ir@hoenle.de)

