

hönle group

Half-Year Report 2023/24



Hönle Group

| Earnings development in T€ | 01.10.2023- 31.03.2024 | 01.10.2022- 31.03.2023 | +/- % |
|--|-----------------------------------|-----------------------------------|---------------|
| Revenue | 48,108 | 53,520 | -10.1 |
| Gross profit | 30,149 | 33,904 | -11.1 |
| Operating result/EBIT | -113 | 3,685 | -103.1 |
| Earnings before tax/EBT from continued operations | -1,034 | 3,050 | -133.9 |
| Consolidated net income from continued operations | -697 | 2,357 | -129.6 |
| Result from discontinued operations | 0 | 327 | -100.0 |
| Consolidated profit for the year | -697 | 2,684 | -126.0 |
| Earnings per share in € | -0.13 | 0.43 | -134.7 |
| Number of shares | 6,062,930 | 6,062,930 | 0.0 |
| | | | |
| Development of assets in T€ | 31.03.2024 | 30.09.2023 | +/- % |
| Non-current assets | 106,069 | 108,718 | -2.4 |
| Current assets | 62,830 | 67,438 | -6.8 |
| Equity | 93,534 | 96,133 | -2.7 |
| Non-current liabilities | 45,049 | 47,775 | -5.7 |
| Current liabilities | 30,315 | 32,248 | -6.0 |
| Total assets | 168,899 | 176,156 | -4.1 |
| Equity ratio as a % | 55,4 | 54,6 | 1.5 |
| | | | |
| Liquidity development in T€ | 01.10.2023- 31.03.2024 | 01.10.2022- 31.03.2023 | +/- % |
| Cash generated from operations | 3,347 | 3,229 | 3.7 |
| Cash flow from operating activities | 1,873 | 201 | 831.8 |
| Cash flow from investing activities | -816 | 3,586 | -122.8 |
| Cash flow from financing activities | -1,374 | -3,966 | 65.4 |
| Change in cash and cash equivalents | -398 | -376 | -5.9 |
| | | | |
| Employees Number | 01.10.2023- 31.03.2024 | 01.10.2022- 31.03.2023 | +/- % |
| Average number of employees | 572 | 577 | -0.9 |

Group Management Report

for the period from 01.10.2023 to 31.03.2024

Overview

Market Trend

The global economy evidenced little momentum at the start of the year. However, early indicators point to a slight recovery going forward. After the high inflation and rising interest rates seen in recent years, both inflation and interest rates have become a less critical topic as inflationary pressure has continued to ease, thanks especially to lower prices for energy and food. The consumer price index – a leading indicator of future price trends – also declined in a reflection of disinflationary forces.

The soft economy particularly impacted the machinery and plant engineering sector, a key driver of the German economy. According to the German Machinery and Equipment Manufacturing Association (VDMA), new orders in the euro-zone declined in the double-digit percentage range during the prior six months.

Course of Business

Both revenue and earnings of the Hönlé Group declined in the first six months of financial year 2023/24 compared with the same period last year due to the challenging market environment in the machinery and equipment manufacturing sector combined with order delays. Customer demand for printing applications saw an especially notable decline.

Revenue amounted to T€ 48,108 and the operating result (EBIT) to T€ –113 in the first half of the year. In the prior-year period, EBIT of T€ 3,685 had been generated based on revenue of T€ 53,520.

However, business picked up in the second quarter of the current financial year, as expected. Revenue increased from T€ 23,787 in the first quarter to T€ 24,321 in the second quarter, and the operating result improved from T€ –779 in the first quarter to T€ 675 in the second quarter.

Adhesives Segment

In the Adhesives segment, the Hönlé Group generated revenue of T€ 14,147 in the first half of the year after having reported revenue of T€ 14,435 in the prior-year period. Additional employees were hired in both sales and development in light of projected growth in the area of adhesives applications. The increase in personnel and the decline in revenue contributed to the operating result in the Adhesives segment dropping to T€ 543 in the first six months of the year, down from T€ 1,001 in the prior-year period.

New fields of application are continuously being added to existing ones. Among those are organic photovoltaics (OPV), which requires large quantities of industrial adhesives. Hönlé has developed a special type of adhesive for this area of application and is already receiving the first orders after having successfully completed extensive materials testing. Initial deliveries will also be made in the current financial year.

Equipment & Systems Segment

The Equipment & Systems segment was impacted by the aforementioned investor restraint in the machinery and plant engineering sector. Customer demand for printing applications saw an especially notable decline, with segment revenue decreasing by 16.2% to T€ 25,260 year-on-year. Segment EBIT dropped from T€ 1,472 in the prior year to T€ –1,380 in the reporting year.

By contrast, revenue in the area of solar simulation performed well in the first six months. Solar simulation is used above all to carry out materials aging tests.

Glass & Lamps Segment

Revenue in the Glass & Lamps segment came to T€ 8,701 in the first half of the 2023/24 financial year, thereby nearly reaching the prior-year level of T€ 8,946. Operating profit came to T€ 725 in the first six months due to changes in the product mix, which is down from the previous year's figure of T€ 1,213.

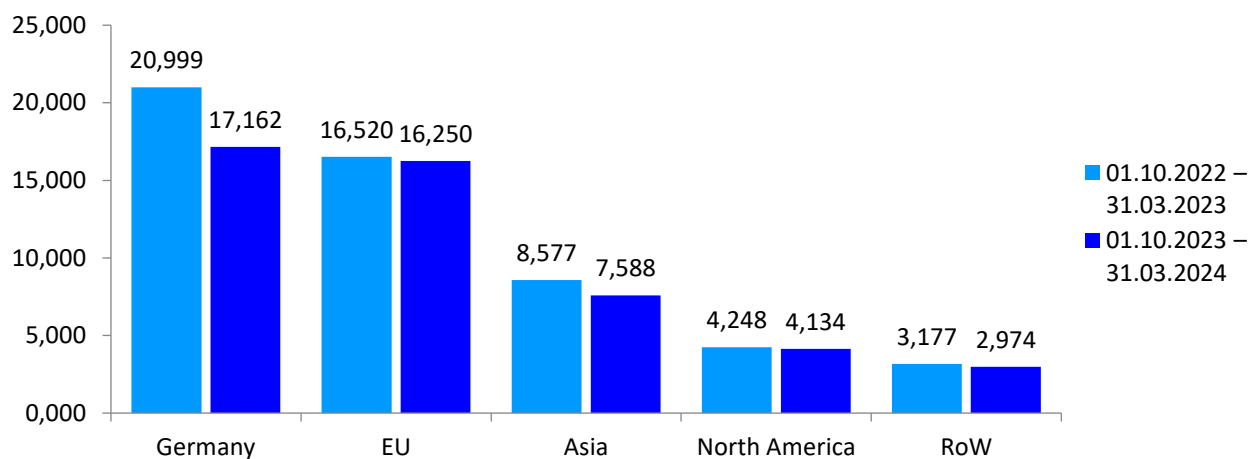
Just as in the Adhesives segment, however, business in the Glass & Lamps segment picked up in the second quarter.

Revenue increased from T€ 3,849 in the first quarter to T€ 4,852 in the second quarter, and operating profit improved from T€ 166 in the first quarter to T€ 559 in the second quarter.

| Segments in T€ | 01.10.2023- 31.03.2024 | 01.10.2022- 31.03.2023 | +/- % |
|---|-----------------------------------|-----------------------------------|--------------|
| Revenue Adhesives | 14,147 | 14,435 | -2.0 |
| Revenue Equipment & Systems | 25,260 | 30,139 | -16.2 |
| Revenue Glass & Lamps | 8,701 | 8,946 | -2.7 |
| Operating result/EBIT Adhesives | 543 | 1,001 | -45.8 |
| Operating result/EBIT Equipment & Systems | -1,380 | 1,472 | -193.8 |
| Operating result/EBIT Glass & Lamps | 725 | 1,213 | -40.3 |

Sales by Region

Despite the year-on-year revenue decline of 18.3%, Germany remains the Hönle Group's most important sales market with sales of T€ 17,162. Slow growth in the printing market was the main reason for the revenue decline in Germany. The revenue trend was much better in the rest of the EU (excluding Germany), where sales of T€ 16,250 nearly reached the prior-year level of T€ 16,520. In Asia, revenue declined by 11.5% on the prior year to T€ 7,588. Investor reluctance was also felt in North America and the rest of the world. Sales fell by 2.7% to T€ 4,134 in North America and by 6.4% to T€ 2,974 in the rest of the world.



Results of Operations

Hönle Group sales revenues fell 10.1% below the level of the prior-year period to T€ 48,108 in the first half of the financial year. Gross profit dropped by 11.1% year-on-year to T€ 30,149. Even so, the cost of materials ratio was unchanged at 39.6%. The personnel expenses ratio rose to 41.2% (PY: 35.7%) as a result of lower revenues. The ratio of other operating expenses to total output was 15.5% in the current financial year (PY: 14.5%). The operating result (EBIT) amounted to T€ –113 (PY: T€ 3,685) and earnings before taxes (EBT) came to T€ –1,034 (PY: T€ 3,050). Consolidated profit for the year was T€ –697 after taxes (PY: T€ 2,684), which corresponds to earnings per share of €–0.13 (PY: €0.43).

| Earnings development in T€ | 01.10.2023- 31.03.2024 | 01.10.2022- 31.03.2023 | +/- % |
|--|-----------------------------------|-----------------------------------|---------------|
| Revenue | 48,108 | 53,520 | -10.1 |
| Gross profit | 30,149 | 33,904 | -11.1 |
| Operating result/EBIT | -113 | 3,685 | -103.1 |
| Earnings before tax/EBT from continued operations | -1,034 | 3,050 | -133.9 |
| Consolidated net income from continued operations | -697 | 2,357 | -129.6 |
| Result from discontinued operations | 0 | 327 | -100.0 |
| Consolidated profit for the year | -697 | 2,684 | -126.0 |
| Earnings per share in € | -0.13 | 0.43 | -129.8 |
| Number of shares | 6,062,930 | 6,062,930 | 0.0 |

Financial Position

In the first quarter of the 2023/24 financial year, the Hönle Group generated operating cash flows of T€ 3,347 (PY: T€ 3,229). After adjusting for interest and taxes on income, cash flows from continuing and discontinued operations amounted to T€ 1,873 (PY: T€ 201).

Cash flows from investing activities were impacted by payments for the acquisition of items of property, plant and equipment as well as prior-year cash inflows from the disposal of the Raesch Quartz Germany GmbH business unit, which had led to a positive net figure for cash flows from investment activities of T€ 3,586 in the prior-year period. In the current period, cash flows from investing activities were T€ –816.

Cash flows from financing activities amounted to T€ –1,374 (PY: T€ –3,966), mainly due to repayments of bank liabilities and drawdowns of credit lines.

All in all, cash and cash equivalents declined by T€ –398 in the first six months of the current financial year (PY: T€ – 376).

| Liquidity development in T€ | 01.10.2023- 31.03.2024 | 01.10.2022- 31.03.2023 | +/- % |
|---------------------------------------|---------------------------|---------------------------|------------|
| Cash generated from operations | 3,347 | 3,229 | 3.7 |
| Cash flow from operating activities | 1,873 | 201 | 831.8 |
| Cash flow from investing activities | -816 | 3,586 | -122.8 |
| Cash flow from financing activities | -1,374 | -3,966 | 65.4 |
| Change in cash and cash equivalents | -398 | -376 | -5.9 |

Net Assets

On the assets side of the balance sheet, property, plant and equipment decreased by T€ 1,825 to T€ 73,302 as at 31 March 2024 as a result of depreciation/impairment. The Hönle Group has taken out interest rate swaps to hedge against the risk of rising interest rates. Interest rate changes caused declines in other non-current assets on the assets side of balance sheet as well as in retained earnings on the equity and liabilities side.

Cash and cash equivalents amounted to T€ 8,919 as at 31 March 2024 (PY: T€ 9,317). The Hönle Group continues to be solidly financed with an equity-to-assets ratio of 55.4%.

Long-term loans decreased by T€ 2,031 to T€ 39,752 in the first six months due to loan repayments. Short-term loans amounted to T€ 13,947 as of 31 March 2024 (PY: T€ 12,416). Other current liabilities declined by T€ 1,447 to T€ 5,249 due to the utilisation of provisions.

Development of Assets

| in T€ | 31.03.2024 | 30.09.2023 | +/- % |
|-------------------------|------------|------------|-------|
| Non-current assets | 106,069 | 108,718 | -2.4 |
| Current assets | 62,830 | 67,438 | -6.8 |
| Equity | 93,534 | 96,133 | -2.7 |
| Non-current liabilities | 45,049 | 47,775 | -5.7 |
| Current liabilities | 30,315 | 32,248 | -6.0 |
| Total assets | 168,899 | 176,156 | -4.1 |
| Equity ratio as a % | 55.4 | 54.6 | 1.5 |

Research and Development

Expenses for research and development activities rose from T€ 3,344 in the previous year to T€ 3,624 in the year under review. This corresponds to an R&D-to-sales ratio of 7.5% (PY: 6.2%). The Hönle Group employed an average staff of 96 persons in its research and development departments (PY: 89). Development activities included the following:

Adhesives segment: Manufacturers of flexible consumer electronics are reaching their limits in terms of functionality and flexibility of design. In response, Hönle teamed up with Group company Panacol to develop solutions consisting of multifunctional adhesives and UV curing devices that can be adapted to novel applications in flexible electronics and organic photovoltaics. Panacol has developed flexible UV adhesives for flexible circuits, including new underfills for chip bonding and edge bonding.

With respect to organic PV, new UV-curing adhesives were developed specifically for the lamination of barrier films. These adhesives offer increased resistance to environmental stresses, improved compatibility with PV materials, and low water vapor permeability. Because the adhesives cure quickly under UV light, they are particularly suitable for processes at high production speeds. This increases efficiency and lowers production costs.

Equipment & Systems segment: With its LED Powerline LC HV product, Hönle has succeeded in developing a solution for the main curing process for printing applications and varnishes. This LED curing array works quickly, extremely efficiently, and allows for variable use. It can be used for both intermediate curing (pinning) and final curing for printing applications and varnishes as well as for a wide variety of substrates, even substrates such as films that can only withstand low temperatures (where the array is especially useful). Thanks to water cooling, the LED system achieves very high intensities. This enables reliable and fast curing, which reduces machine throughput times and thus increases productivity.

Glass & Lamps segment:

One use case for UV lamps is photolysis. Photolysis is a chemical reaction triggered by light or ultraviolet radiation, where different radiation source wavelengths can cause different reactions. In addition to established areas of photolysis application, Hönle is also involved in research projects aimed at finding new fields of application. The emission spectrum of the lamps can be modified by making targeted adjustments, for example by adding metals. Hönle is also researching the use of UV-emitting diodes for this area of application. Photolysis can be used for a wide variety of applications, ranging from the manufacture of fertilizers and cleaning agents to plant protection agents.

Human resources

In the first six months of the 2023/24 reporting year, the Hönle Group had an average of 572 employees, which represents a decrease of 5 employees compared with the previous year. A total of 18 employees were let go in connection with the sale of two smaller companies. New employees were hired in both sales and development in order to be able to achieve the planned revenue growth.

A total of 58 employees, or 10.1% of the total workforce, were in part-time positions. In the first half of the current financial year, employees worked in the following functional areas:

| Functional areas – reporting date | 31.03.2024 | 31.03.2023 | +/- % |
|--|-----------------------------------|---------------------------|-------|
| Sales & Marketing | 103 | 97 | 6.2 |
| Research & Development | 98 | 89 | 10.1 |
| Production, Service | 232 | 246 | -5.7 |
| Logistics | 65 | 67 | -3.0 |
| Administration | 75 | 78 | -3.8 |
| Total | 573 | 577 | -0.7 |
| Functional areas - average | 01.10.2023- 31.03.2024 | 01.10.2022- 31.03.2023 | +/- % |
| Sales & Marketing | 104 | 97 | 7.2 |
| Research & Development | 96 | 89 | 7.9 |
| Production, Service | 233 | 248 | -6.0 |
| Logistics | 65 | 66 | -1.5 |
| Administration | 74 | 77 | -3.9 |
| Total | 572 | 577 | -0.9 |
| Personnel expenses in T€ | 01.10.2023- 31.03.2024 | 01.10.2022- 31.03.2023 | +/- % |
| Wages and salaries | 16,601 | 16,021 | 3.6 |
| Social security and pension costs | 3,365 | 3,348 | 0.5 |
| Total | 19,966 | 19,369 | 3.1 |

Personnel expenses amounted to T€ 19,966 in the first six months, an increase of 3.1% on the previous year. To ensure that its workforce is highly qualified, Hönle invests in training and continuing education on a continuous basis. In this context, the Company avails itself of both internal experts from the respective departments as well as external institutions. Expenses for staff training and continuing education amounted to T€ 319 in the first six months (PY: T€ 328).

The Hönle Group offers several vocational training programs designed to help meet future demand for qualified staff. The respective programs cover the fields of business, technology, chemicals, and logistics. A total 25 young people completed vocational training with the Hönle Group as of 31 March (PY: 25).

Opportunities and Risk Report

When assessing the risks and opportunities for the Hönle Group, there were no significant changes in the reporting period compared to the corresponding statements in the 2022/2023 annual report. The risk management system and the main opportunities and risks are described in the annual report on pages 35 to 41.

Outlook

Overall Market

After having experienced crises, wars, high inflation, and rising interest rates over the past few years, the current year is expected to bring some relief, at least in terms of inflation and interest rates. In addition to the Russia-Ukraine war and the conflict in the Middle East, tensions between Taiwan and China are weighing on the outlook. Moreover, the European Union can expect increased headwinds if Donald Trump wins the U.S. presidential election in November. A victory by Trump would be likely to bring new tariffs on imports along with global trade wars. Although prices are continuing to increase in the services industry due to ongoing wage demands, purchasing managers' indices (PMIs) are signalling a decline in cost pressure across industrial sectors. Inflation could approach the 2% mark by this summer, assuming the decline persists. After a weak first half, several leading indicators have recently improved and point to an economic upturn in the second half of the year. The economy is expected to trend upward in view of the fact that energy prices have largely returned to normal, real incomes are rising, interest rates are expected to start declining in the summer, and the global economy is providing increasing support.

The International Monetary Fund has forecast growth of 3.2% for the overall global economy in 2024 (PY: 3.2%). In contrast with the previous forecast, the report states that the clear downside tilt has vanished and that risks to the global economy have diminished and are now broadly balanced.

Hönle Group

Adhesives Segment

The field of organic photovoltaics offers great potential for generating electrical energy in an environmentally friendly manner, as the light-absorbing layers of organic solar cells are much thinner than those of conventional silicon solar cells. Because they use fewer resources and do not contain problematic elements such as lead or cadmium, they also have a much smaller environmental footprint. Hönle has developed a special type of adhesive for use in organic photovoltaics and has already received the first major orders after having successfully completed extensive testing. Hönle offers a wide range of adhesives for the electronics packaging sector, a segment that is expected to see substantial growth in the future. In the coming years, more and more data will be generated and processed worldwide. Electronics packaging usually requires customized adhesives, making this an ideal field of activity for the Hönle Group as an adhesives specialist. The adhesives can be used in smart phones, in wearables, or in data processing systems for autonomous cars, for example.

Medical technology adhesives are another growth area, with one important field of application being adhesives used to bond needles to syringes. This is an area in which the Hönle Group has proven expertise in the adhesive systems required for this purpose.

From a regional perspective, the Group will continue to focus on developing the U.S. and the Asian market. Demand for customised industrial adhesives is high in North America, where Hönle has been underrepresented thus far. Hönle plans to continue developing the U.S. sales market by working closely together with key account customers.

The Management Board believes that sales of adhesives and adhesive systems, i.e. UV-reactive adhesives and the associated UV curing equipment, will rise sharply in the coming years. Earnings are expected to rise even at a higher rate than revenue.

Equipment & Systems Segment

Investment has been slow in the printing applications sector in the run-up to the Drupa trade fair for the printing industry scheduled for May. The investment backlog is expected to dissipate after the trade fair with an increase in new orders.

Project management is being expanded with the goal of strategically targeting the application fields of the future. In addition to digital and offset printing, these include technical films and coatings used for floor surfaces and in automotive engineering.

Targeted product development is being implemented to improve the Group's competitive standing. The development process centres on the customer with the aim of providing user-friendly systems, which will create an important foundation for increasing sales volumes over the coming years. Profitability improvements are also expected from restructuring the product range and from leveraging savings potential on the procurement side.

Glass & Lamps Segment

The Hönle Group is expanding its range of services in the field of disinfection. In addition to sterilization lamps, proof of sterilization will also be offered in the future. Hönle thus pursues a holistic approach from customer advice through the delivery of sterilization systems to microbiological analysis to monitor the success and technical documentation of the sterilization process.

Environmentally friendly disinfection using ultraviolet radiation is increasingly being used to treat surfaces, air and water. In the area of water disinfection, the Hönle Group supplies leading manufacturers of water treatment systems with emitters, sensors and electronic components. The pharmacy and electromobility represent additional growth markets in the Glass & Lamps Segment. The Group's selective expansion of product management will enable a targeted development of new, high-potential fields of application.

On the whole, the Management Board expects sales and earnings to increase in the Glass & Lamps segment over the next few years.

Overall Assessment of Future Business Development

The Management Board expects business activity to pick up in the second half of the financial year. However, the remainder of the financial year will see weaker revenue and earnings than originally forecasted, with increases being postponed until the new financial year to some extent. The Hönle Group is feeling the effects of the weak market environment in the machinery and equipment manufacturing sector, with some solar projects and e-mobility projects also having been postponed. Although order inquiries have increased, this development has not yet been reflected in the revenue trend for the current financial year.

As communicated to the capital markets on 30 April 2024, the Management Board expects the Hönle Group to generate revenue of around €100 million in financial year 2023/24. The previous forecast projected revenue of between €105 million and €115 million. The Management Board also expects to report a positive operating profit (EBIT). Previously, the Management Board had forecasted an operating profit of €6 million to €9 million.

Consolidated Income Statement

for the period from 01.10.2023 to 31.03.2024 (IFRS)

| in T€ | 01.01.2024- 31.03.2024 | 01.10.2023- 31.03.2024 | 01.01.2023- 31.03.2023 | 01.10.2022- 31.03.2023 |
|---|---------------------------|---------------------------|---------------------------|---------------------------|
| Revenue | 24,321 | 48,108 | 25,903 | 53,520 |
| Changes in inventories of finished goods and work in progress | 276 | 286 | 717 | 676 |
| Other work performed by entity and capitalised | 14 | 14 | 9 | 9 |
| Other operating income | 728 | 900 | 638 | 1,139 |
| Cost of purchased materials and services | -9,613 | -19,159 | -10,595 | -21,439 |
| Personnel expenses | -10,012 | -19,966 | -10,011 | -19,369 |
| Depreciation and amortisation of property, plant and equipment and intangible assets | -1,006 | -2,019 | -1,066 | -2,164 |
| Amortisation of rights of use IFRS 16 | -371 | -742 | -414 | -811 |
| Other operating expenses | -3,624 | -7,452 | -3,792 | -7,834 |
| Impairment pursuant to IFRS 9 | -37 | -84 | -49 | -40 |
| Operating result/EBIT | 675 | -113 | 1,338 | 3,685 |
| Profit/loss from investments accounted for using the equity method | 58 | 58 | 25 | 66 |
| Financial income | 8 | 10 | 34 | 79 |
| Financial expenses | -492 | -989 | -375 | -780 |
| Financial result | -427 | -921 | -316 | -635 |
| Earnings before tax and non-controlling interests/ EBT from continued operations | 248 | -1,034 | 1,022 | 3,050 |
| Income taxes | -75 | 338 | -262 | -693 |
| Consolidated net income from continued operations | 173 | -697 | 760 | 2,357 |
| Result from discontinued operations | 0 | 0 | 0 | 327 |
| Consolidated profit | 173 | -697 | 760 | 2,684 |
| Share of earnings attributable to non-controlling interests | -8 | 32 | 81 | 86 |
| Share of earnings attributable to Dr. Hönle AG shareholders | 181 | -729 | 680 | 2,598 |
| Earnings per share (basic) from continued operations in € | | -0,13 | | 0,37 |
| Earnings per share (basic) from discontinued operations in € | | 0,00 | | 0,05 |
| Earnings per share (basic) from continued operations in € | | -0,13 | | 0,37 |
| Earnings per share (basic) from discontinued operations in € | | 0,00 | | 0,05 |
| Average number of shares in circulation (basic) | | 6,061,854 | | 6,061,854 |
| Average number of shares in circulation (diluted) | | 6,061,854 | | 6,061,854 |

Consolidated Statement of Comprehensive Income

for the period from 01.10.2023 to 31.03.2024 (IFRS)

| in T€ | 01.10.2023- 31.03.2024 | 01.10.2022- 31.03.2023 |
|---|---------------------------|---------------------------|
| Consolidated profit | -697 | 2,684 |
| Other comprehensive income: | | |
| Positions that may be subsequently reclassified to profit or loss | | |
| Currency translation differences | -177 | -432 |
| Other comprehensive income from hedge accounting | -2,082 | -463 |
| Income tax effects | 598 | 131 |
| Positions not reclassified to profit or loss | | |
| Change in actuarial gains/losses from pensions | -18 | 0 |
| Deferred tax from change to actuarial gains/losses from pensions | 5 | 0 |
| Total other comprehensive income | -1,614 | -764 |
| Total comprehensive income | -2,311 | 1,921 |
| Thereof: | | |
| Comprehensive income attributable to non-controlling interests | 32 | 86 |
| Comprehensive income of Dr. Hönle AG shareholders | -2,343 | 1,834 |

Profit/loss from discontinued operations after taxes is assigned to the share in earnings attributable to Dr. Hönle AG shareholders.

Consolidated Statement of Financial Position

as at 31.03.2024

| in T€ | 31.03.2024 | 30.09.2023 |
|---|----------------|----------------|
| ASSETS | | |
| NON-CURRENT ASSETS | | |
| Goodwill | 18,400 | 18,400 |
| Intangible assets | 1,285 | 1,304 |
| Property, plant and equipment | 73,302 | 75,127 |
| Investment property | 995 | 1,015 |
| Investments accounted for using the equity method | 439 | 381 |
| Financial assets | 26 | 26 |
| Other non-current assets | 5,282 | 7,307 |
| Deferred tax assets | 6,340 | 5,159 |
| Total non-current assets | 106,069 | 108,718 |
| CURRENT ASSETS | | |
| Inventories | 35,100 | 35,046 |
| Trade accounts receivable | 12,807 | 15,618 |
| Receivables from companies in which an equity interest is held | 110 | 108 |
| Finance lease receivables | 45 | 57 |
| Other current assets | 2,091 | 1,871 |
| Tax refund claims | 3,756 | 3,910 |
| Cash and cash equivalents | 8,919 | 9,317 |
| Non-current assets held for sale | 0 | 1,510 |
| Total current assets | 62,830 | 67,438 |
| TOTAL ASSETS | 168,899 | 176,156 |
| EQUITY AND LIABILITIES | | |
| EQUITY | | |
| Subscribed capital | 6,063 | 6,063 |
| Own shares | -8 | -8 |
| Capital reserves | 41,979 | 41,979 |
| Retained earnings | 45,441 | 47,787 |
| Equity attributable to Dr. Hönle AG shareholders | 93,475 | 95,820 |
| Non-controlling interests | 60 | 313 |
| Total equity | 93,534 | 96,133 |
| NON-CURRENT LIABILITIES | | |
| Non-current loans (less current portion) | 39,752 | 41,783 |
| Non-current finance lease liabilities | 970 | 1,274 |
| Other non-current liabilities | 263 | 269 |
| Pension provisions | 3,106 | 3,212 |
| Accrued public investment grants | 62 | 63 |
| Deferred income tax liabilities | 897 | 1,175 |
| Total non-current liabilities | 45,049 | 47,775 |
| CURRENT LIABILITIES | | |
| Trade accounts payable | 6,609 | 7,558 |
| Liabilities to companies in which an equity investment is held | 0 | 4 |
| Contract liabilities | 1,820 | 1,711 |
| Current liabilities from finance leasing | 1,160 | 1,333 |
| Current liabilities to banks and current portion of non-current loans | 13,947 | 12,416 |
| Other current liabilities | 5,249 | 6,696 |
| Other provisions | 362 | 382 |
| Income tax liabilities | 1,167 | 1,361 |
| Liabilities related to assets held for sale | 0 | 778 |
| Current liabilities, total | 30,315 | 32,248 |
| TOTAL EQUITY AND LIABILITIES | 168,899 | 176,156 |

Statement of Consolidated Cash Flows

for the period from 01.10.2023 to 31.03.2024

| in T€ | 01.10.2023- 31.03.2024 | 01.10.2022- 31.03.2023 |
|---|---------------------------|---------------------------|
| Cash flow from operating activities | | |
| Consolidated profit before non-controlling interests and taxes | -1,034 | 3,379 |
| Adjustments for: | | |
| Depreciation of intangible assets, property, plant and equipment and investment property | 2,761 | 3,176 |
| Gains/losses from disposal of intangible assets, property, plant and equipment and investment property | 0 | 2 |
| Financial income | -68 | -145 |
| Financial expenses | 989 | 780 |
| Other non-cash expenses and income | 73 | -2,489 |
| Operating result before changes to net current assets | 2,721 | 4,703 |
| Increase/decrease in provision | -204 | -213 |
| Increase/decrease in trade accounts receivable | 2,740 | 1,861 |
| Increase/decrease in receivables from companies in which an equity investment is held | -1 | 16 |
| Increase/decrease in other assets | -208 | 582 |
| Increase/decrease in reinsurance | -58 | -104 |
| Increase/decrease in inventories | 35 | -546 |
| Increase/decrease in trade accounts payable | -908 | -1,309 |
| Increase/decrease in liabilities to companies in which an equity investment is held | 0 | 4 |
| Increase/decrease in contract liabilities | 109 | 217 |
| Increase/decrease in other liabilities | -878 | -1,981 |
| Cash generated from operations | 3,347 | 3,229 |
| Interest paid | -915 | -654 |
| Income taxes paid | -559 | -2,374 |
| Cash flow from operating activities | 1,873 | 201 |
| Cash flow from investing activities | | |
| Payments received from the disposal of intangible assets, property, plant and equipment and investment property | 0 | 13 |
| Payments for the acquisition of property, plant and equipment and intangible assets | -662 | -1,701 |
| Payments received from non-current receivables | 1 | 530 |
| Payments for non-current receivables | 0 | -313 |
| Interest received | 5 | 81 |
| Payments from sale of consolidated companies and other business units | 165 | 4,977 |
| Cash flow from investing activities | -816 | 3,586 |
| Cash flow from financing activities | | |
| Payments received from loans and liabilities to banks | 1,649 | 650 |
| Payments for loans and liabilities to banks | -2,161 | -3,222 |
| Payments for the repayment portion of leasing liabilities | -739 | -1,394 |
| Dividend payments made | -123 | 0 |
| Cash flow from financing activities | -1,374 | -3,966 |
| Currency-related change in cash and cash equivalents | -82 | -197 |
| Net change in cash and cash equivalents | -398 | -376 |
| Cash and cash equivalents at the beginning of the reporting period | 9,317 | 7,131 |
| Cash and cash equivalents at the end of the reporting period | 8,919 | 6,755 |

Consolidated Statement of Changes in Equity

for the period from 01.10.2023 to 31.03.2024 (IFRS)

| in T€ | R e t a i n e d e a r n i n g s | | | | | | | E q u i t y | | | Total |
|---|---------------------------------|------------|------------------|--------------------------|--|-----------------------------------|---|----------------------------------|--|--------------------------|----------------|
| | Subscribed capital | Own shares | Capital reserves | Legal and other reserves | Reserve from measures . acc. to IFRS 9 | Reserve from hedging transactions | Reserve for actuarial gains/losses IAS 19 | Reserve for currency differences | Equity attributable to Dr. Höhle AG shareholders | Non-controlling interest | |
| As at 01.10.2022 | 6,063 | -8 | 41,979 | 52,238 | 341 | 3,480 | 299 | 2,490 | 106,881 | 357 | 107,239 |
| Consolidated net income for the year | - | - | - | 2,598 | - | - | - | - | 2,598 | 86 | 2,684 |
| Other comprehensive income | - | - | - | - | -14 | -332 | - | -432 | -777 | - | -777 |
| Total comprehensive income | - | - | - | 2,598 | -14 | -332 | - | -432 | 1,821 | 86 | 1,907 |
| Dividend distribution | - | - | - | 0 | - | - | - | - | 0 | - | 0 |
| As at 31.03.2023 | 6,063 | -8 | 41,979 | 54,837 | 327 | 3,148 | 299 | 2,058 | 108,703 | 444 | 109,146 |
| As at 01.10.2023 | 6,063 | -8 | 41,979 | 41,225 | 332 | 3,527 | 559 | 2,145 | 95,820 | 313 | 96,133 |
| Consolidated net income for the year | - | - | - | -729 | - | - | - | - | -729 | 32 | -697 |
| Other comprehensive income | - | - | - | - | - | -1,484 | -13 | -117 | -1,614 | - | -1,614 |
| Total comprehensive income | - | - | - | -729 | - | -1,484 | -13 | -117 | -2,343 | 32 | -2,311 |
| Change due to the disposal of non-controlling interests | - | - | - | - | - | - | - | - | - | -163 | -163 |
| Dividend distribution | - | - | - | - | - | - | - | - | - | -123 | -123 |
| As at 31.03.2024 | 6,063 | -8 | 41,979 | 40,496 | 332 | 2,043 | 546 | 2,029 | 93,477 | 59 | 93,536 |

Explanatory Notes

for the Half-Year Report 2023/24

Hönle prepares the interim 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 2022/23.

The consolidated statement of financial position as of 31 March 2024, 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 2024 and 2023 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 2022/23 consolidated financial statements.

Events after the Balance Sheet Date

The secondment of Dr. Franz Richter to the Management Board of Dr. Hönle AG ended on 30 April 2024. His successor, Dr. Markus Arendt, was appointed to the Management Board as at 1 May 2024. Dr. Richter will resume his position as Chairman of the Supervisory Board.

Dr. Hönle AG increased its stake in Sterixene SAS from 24,24% to 51,21% as of April 30th, 2024. Through the integration into the group, the product portfolio in the field of disinfection is completed by customer-oriented services for microbiological analyses.

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

01.10.2023-31.03.2024

| in T€ | Adhesives | Equipment & Systems | Glass & Lamps | Total | Elimination | Consoli- dated |
|--|---------------|------------------------|------------------|----------------|----------------|-------------------|
| Sales revenues | | | | | | |
| External customers | 14,147 | 25,260 | 8,701 | 48,108 | | 48,108 |
| Sales with other business units | 169 | 1,459 | 831 | 2,459 | -2,459 | 0 |
| Total sales | 14,316 | 26,719 | 9,533 | 50,567 | -2,459 | 48,108 |
| RESULT | | | | | | |
| Segment result (operating result) | 543 | -1,380 | 725 | -113 | | -113 |
| Interest income | 25 | 12 | -1 | 36 | -26 | 10 |
| Interest expenses | 184 | 783 | 47 | 1,015 | -26 | 989 |
| Investments accounted for using the equity method | | | | 58 | | 58 |
| Earnings before taxes and non-controlling interests | | | | | | -1,034 |
| Income taxes | 239 | 89 | 196 | 523 | | 523 |
| Deferred taxes | -131 | -676 | -5 | -812 | -49 | -860 |
| Earnings before non-controlling interests | | | | | | -697 |
| OTHER INFORMATION | | | | | | |
| Segment assets | 71,014 | 87,761 | 20,844 | 179,620 | -26,564 | 153,057 |
| Non-allocated assets | | | | | | |
| Investments accounted for using the equity-method | | | | 439 | | 439 |
| Financial assets | | | | 26 | | 26 |
| Non-current receivables | | | | 5,282 | | 5,282 |
| Current tax assets | | | | 3,756 | | 3,756 |
| Deferred tax assets | | | | 6,340 | | 6,340 |
| Consolidated assets | | | | | | 168,899 |
| Segment liabilities | 11,713 | 59,176 | 3,985 | 74,874 | -42,296 | 32,579 |
| Non-allocated liabilities | | | | | | |
| Deferred tax liabilities | | | | 897 | | 897 |
| Current income tax liabilities | | | | 1,167 | | 1,167 |
| Non-current loans | | | | 40,722 | | 40,722 |
| Consolidated liabilities (current and non-current) | | | | | | 75,365 |
| Investments | 343 | 564 | 33 | 941 | | 941 |
| Segment write-downs | 719 | 1,712 | 328 | 2,761 | | 2,761 |
| Non-cash expenses of the segment | -1 | -159 | 16 | -144 | | -144 |

01.10.2022-31.03.2023

| in T€ | Adhesives | Equipment & Systems | Glass & Lamps | Total | Elimination | Consoli- dated |
|--|---------------|------------------------|------------------|----------------|----------------|---------------------------|
| Sales revenues | | | | | | |
| External customers | 14,435 | 30,139 | 8,946 | 53,520 | 0 | 53,520 |
| Sales with other business units | 168 | 1,499 | 1,455 | 3,121 | -3,121 | 0 |
| Total sales | 14,603 | 31,637 | 10,401 | 56,641 | -3,121 | 53,520 |
| RESULT | | | | | | |
| Segment result (operating result) | 1,001 | 1,472 | 1,213 | 3,685 | 0 | 3,685 |
| Interest income | 46 | 129 | 10 | 184 | -105 | 79 |
| Interest expenses | 200 | 558 | 130 | 888 | -108 | 780 |
| Investments accounted for using the equity method | | | | 66 | | 66 |
| Earnings before taxes and non-controlling interests | | | | | | 3,050 |
| Income taxes | 306 | 322 | 394 | 1,022 | 0 | 1,022 |
| Deferred taxes | -35 | -305 | 20 | -320 | -9 | -329 |
| Earnings before non-controlling interests | | | | | | 2,357 |
| OTHER INFORMATION | | | | | | |
| Segment assets | 67,936 | 107,749 | 20,832 | 196,518 | -24,805 | 171,713 |
| Non-allocated assets | | | | | | |
| Investments accounted for using the equity-method | | | | 390 | | 390 |
| Financial assets | | | | 26 | | 26 |
| Non-current receivables | | | | 6,676 | | 6,676 |
| Current tax assets | | | | 4,456 | | 4,456 |
| Deferred tax assets | | | | 3,358 | | 3,358 |
| Consolidated assets | | | | | | 186,618 |
| Segment liabilities | 10,262 | 61,077 | 4,421 | 75,760 | -43,221 | 32,539 |
| Non-allocated liabilities | | | | | | |
| Deferred tax liabilities | | | | 917 | | 917 |
| Current income tax liabilities | | | | 936 | | 936 |
| Non-current loans | | | | 43,081 | | 43,081 |
| Consolidated liabilities (current and non-current) | | | | | | 77,472 |
| Investments | 404 | 1,884 | 361 | 2,650 | | 2,475 |
| Segment write-downs | 727 | 1,887 | 562 | 3,176 | | 3,176 |
| Non-cash expenses of the segment | 3 | -202 | 3 | -196 | | -196 |

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.

Gilching, 7 May 2024

Dr. Hönle AG
The Management Board

Disclaimer

For reasons of better readability, sometimes the masculine form is used. The shortened form of language is for editorial reasons only and does not include any rating. Corresponding terms refer to all genders (male, female, diverse) in the sense of equal treatment.

The interim consolidated 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 of the last annual 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 differences.

Financial Calendar

8 May 2024
Present Half-Year Report 2023/24

7 August 2024
3rd Quarterly Statement 2023/24

25 September 2024
Berenberg/Goldman Sachs Conference, Munich

13–14 November 2024
GBC Munich Capital Markets Conference

25–27 November 2024
Deutsches Eigenkapitalforum



Dr. Hönle AG
Nicolaus-Otto-Str. 2
82205 Gilching
Tel +49 8105 2083 0

Investor Relations
Peter Weinert
Tel +49 8105 2083 173
E-Mail ir@hoenle.de