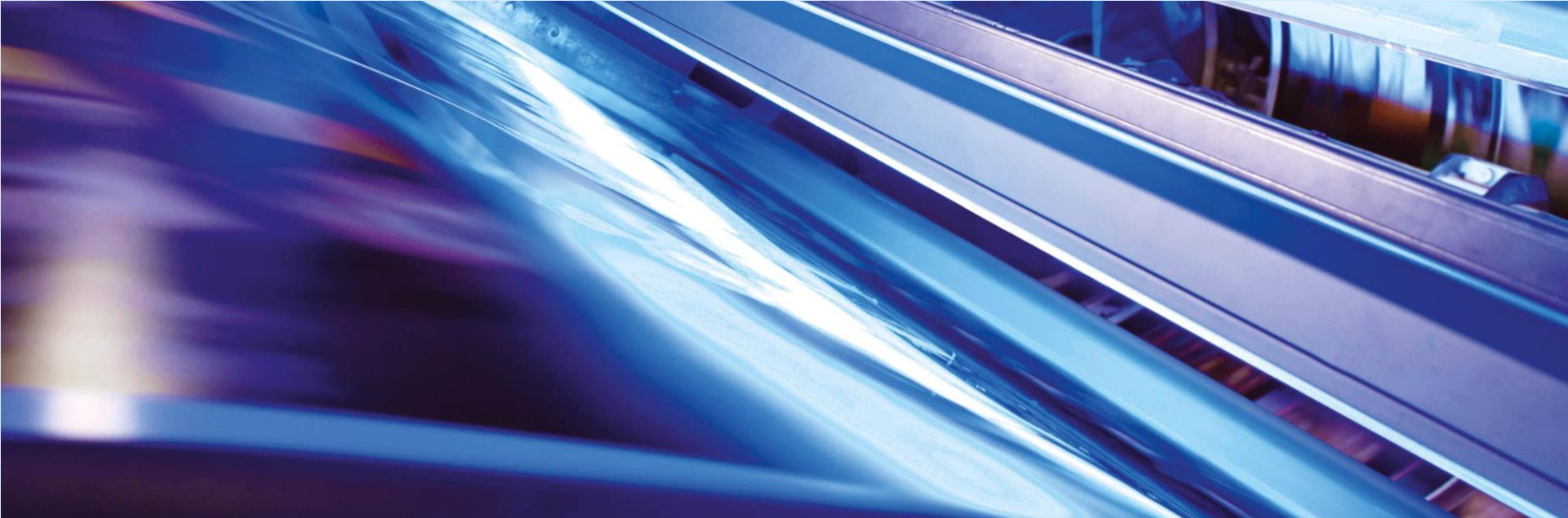




hönle group

**Capital Markets Day
2023**



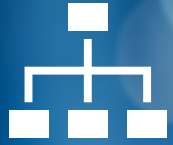
Welcome and Introduction

Dr. Franz Richter, CEO Dr. Hönle AG

Business Highlights



Changes in Management Board Team
Changes in Key Positions



Simplifying Hoenle Group Structure,
Re-define Basic Business Set-up



Focus on USP's, Show Customer Benefits
Emphasize ESG Impact



Increasing Investor Relations Activities
Be More Transparent, Easier to Understand

Changes in Management Positions

New CEO since May (interim), acting CFO

Current COO will leave by end of December 2023 the latest

New CFO will be onboarded thereafter

One Managing Director of Panacol has been taken out

Other Managers (second and third level) have been replaced

Create Buy-in and improve Motivation among all Employees

First Meetings within the last 10 years:

- General Manager Meeting from all Major Entities
- R&D-Manager Meeting from all Major Subsidiaries
- All hands Meeting in Gilching



Potentials

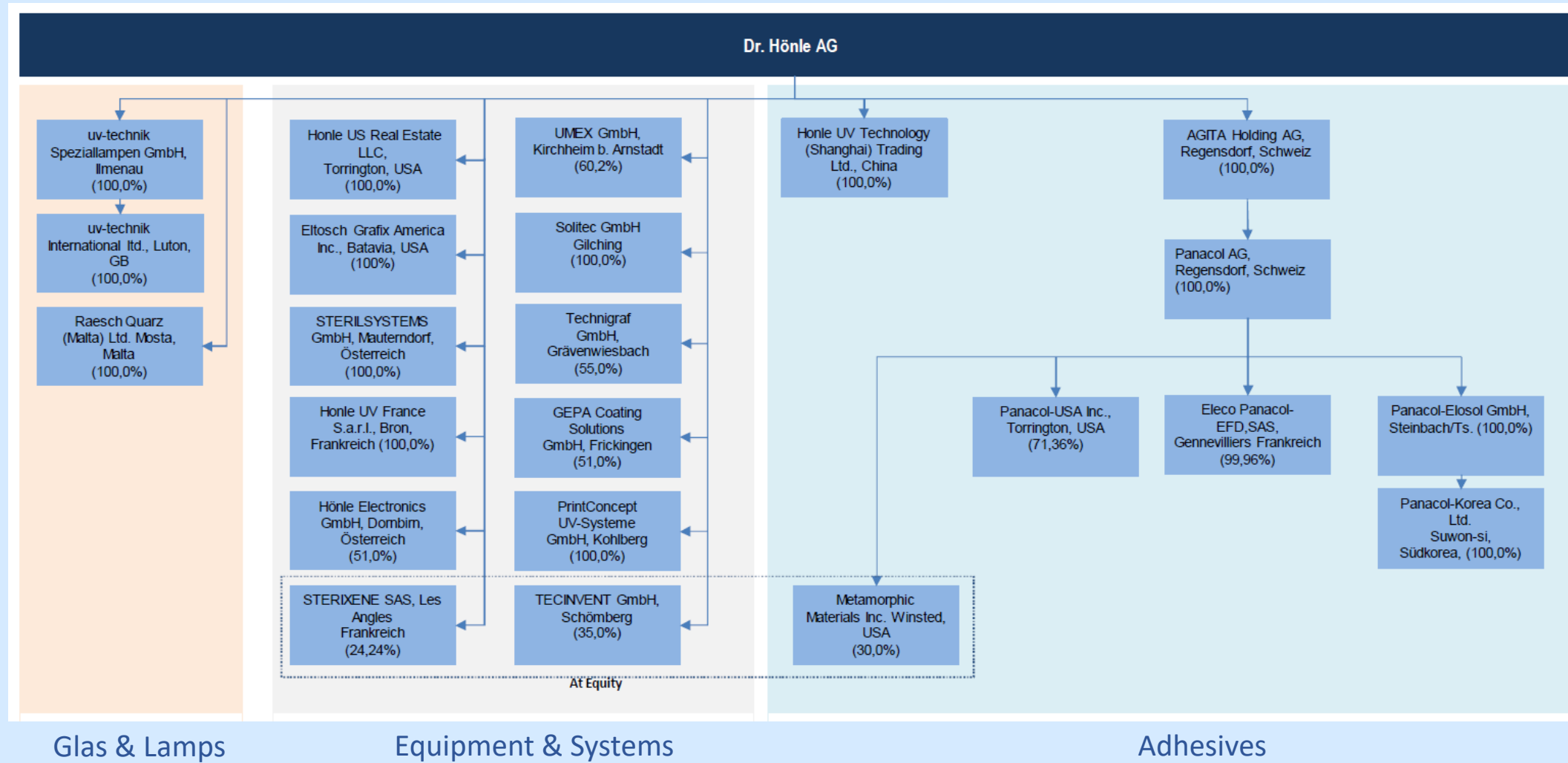
- Greater focus on attractive business areas, improvement of internal communication
- Acceleration of business processes
- Expansion of product management, return to sustained good business development

However:

- ✓ **Aktive in Growth Markets**
- ✓ **EBIT-positiv (adjusted)**
- ✓ **Cash-positiv in all Divisions**

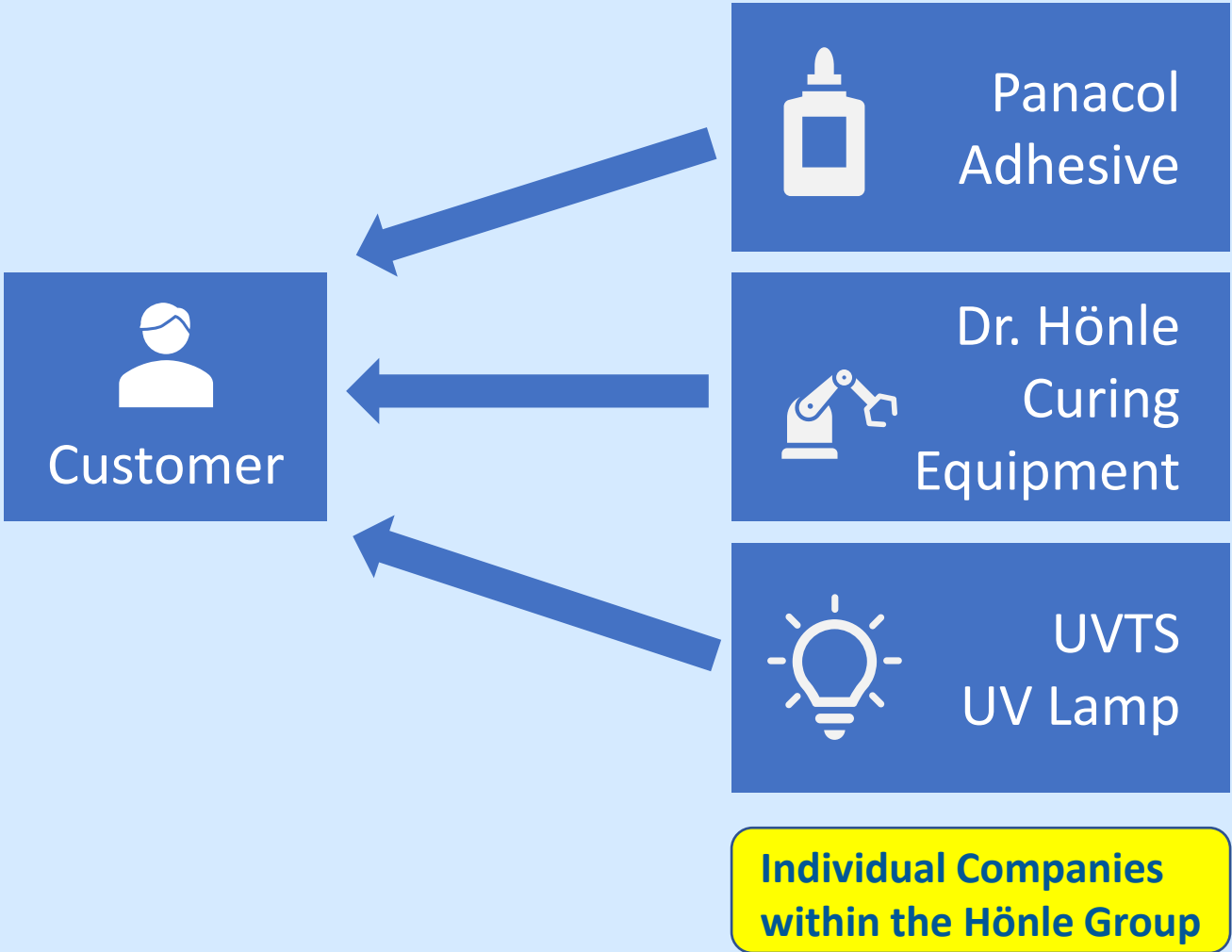


Current Dr. Hönle Group Structure



In total 24 companies within the Hönle Group

Current Business Set-up

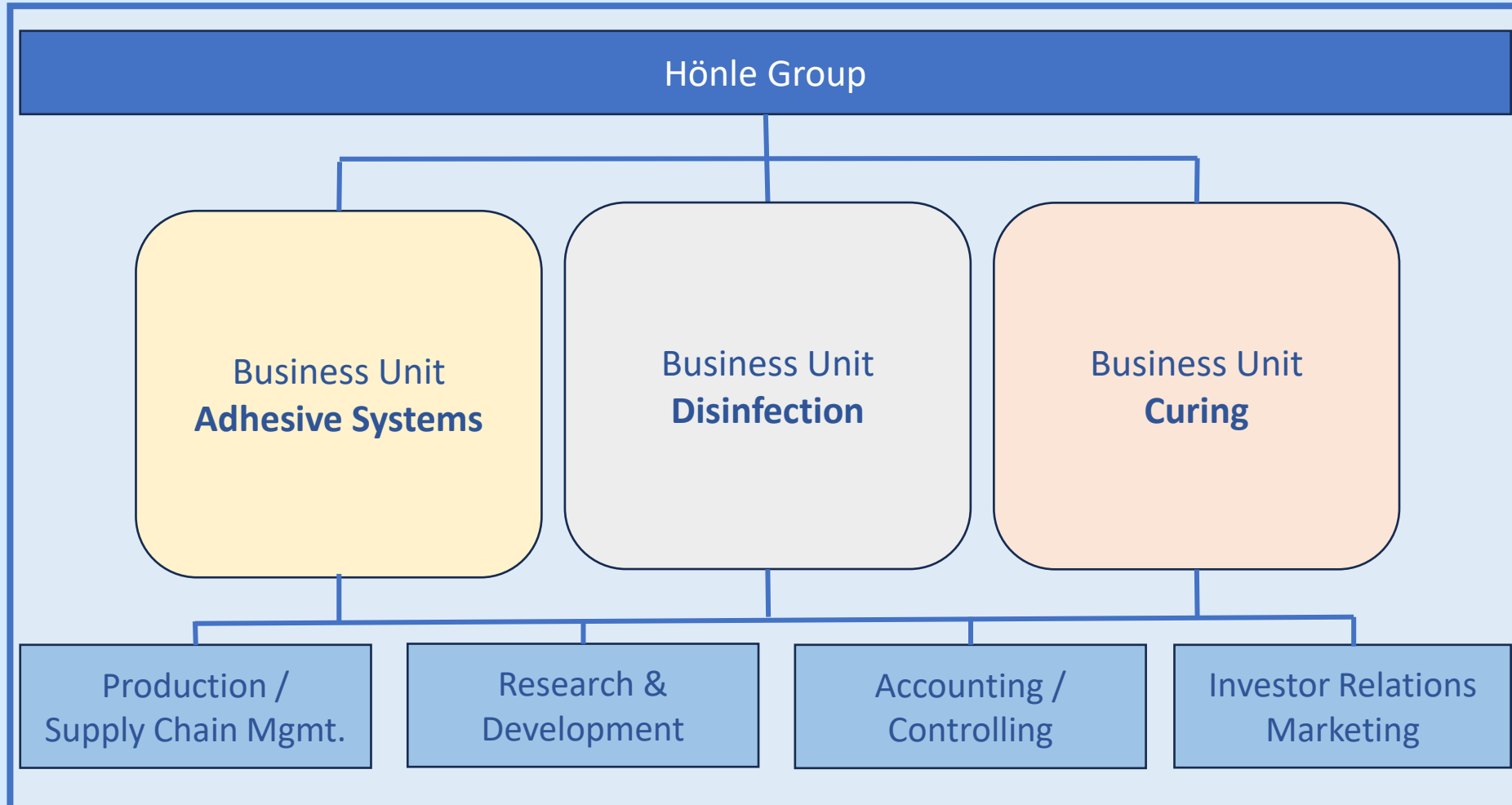


Current customer approach

Different intra-group points of contact

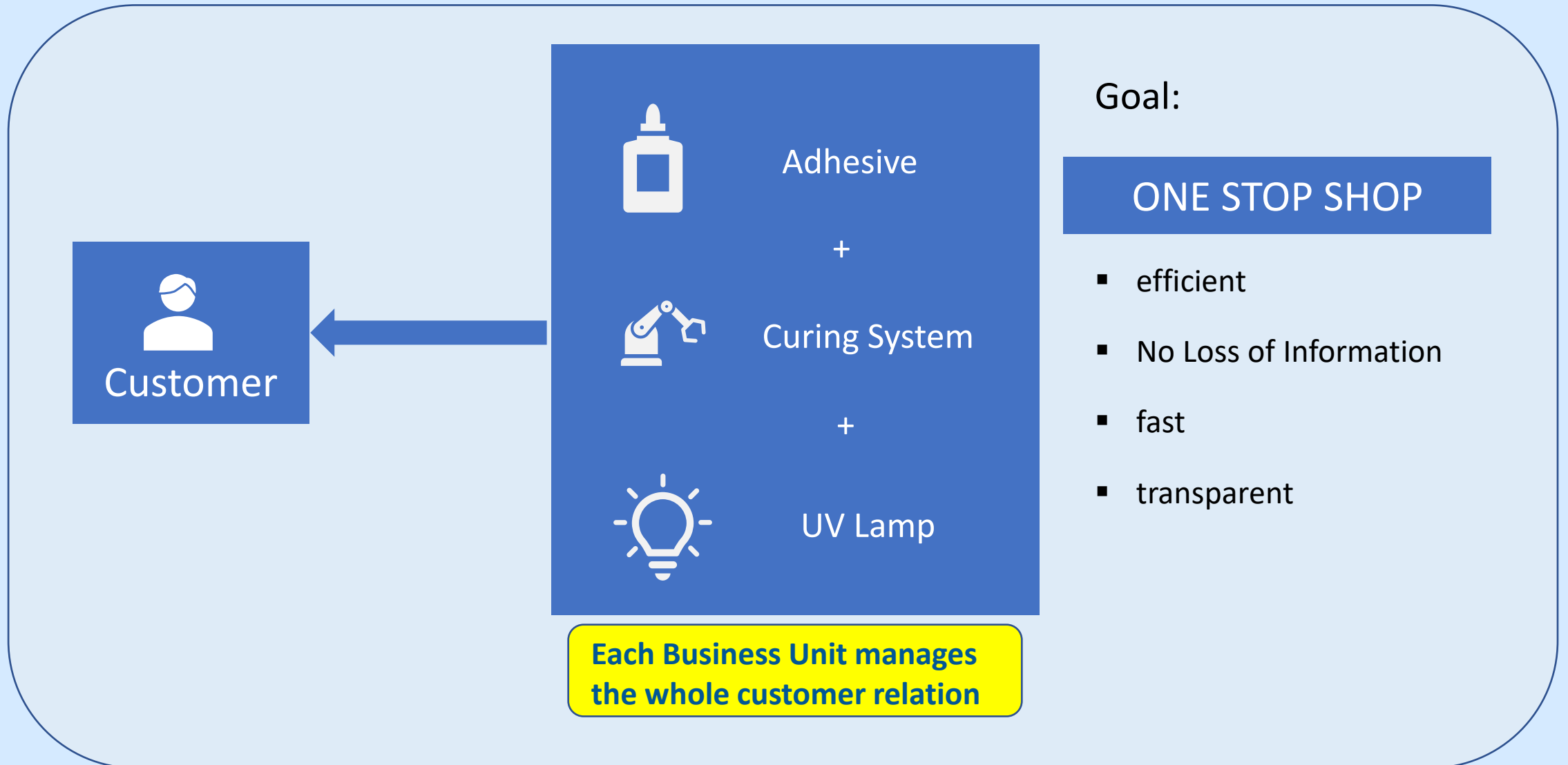
- High coordination effort
- Loss of information
- Time consuming
- Non-transparent
- Personnel intensive
- Cost intensive

New Dr. Hönle “Business Unit” – Structure



- Tasks
- P&L responsibility
 - Product Management
 - Business Development
 - Sales / Marketing
 - Service

 - Corporate Functions



Emphasize ESG Impact



no solvent



no toxic chemicals



reduced energy consumption



speeding up production process



long lived scratch resistant products

- Höhle group is active in **attractive growth markets** – our **growth potentials are intact!**
- New Business Unit structure will support stronger focus on customer demand (→ low hanging fruit)
- Implementation of Product Management Organization will lead to **better suited products**
- **Improve communication** among all stake holders in product life cycle (→ low hanging fruit)
- Develop **stronger USP's** by close collaboration with Lead Customers
- Improve Key Customer Management
- Many “low hanging fruits” will allow **improvements with relative short time** scale (1 – 2 years)

Increasing Investor Relations Activities

Capital Markets Day

- First capital markets day in history: not perfect - but a start

Roadshows

- Increasing Roadshows with M.M.Warburg and Hauck Aufhäuser

Investor Conferences

- Five conferences till end of calendar year

Earnings Call

- Implementing earnings calls

Strengthening visibility of Management Board

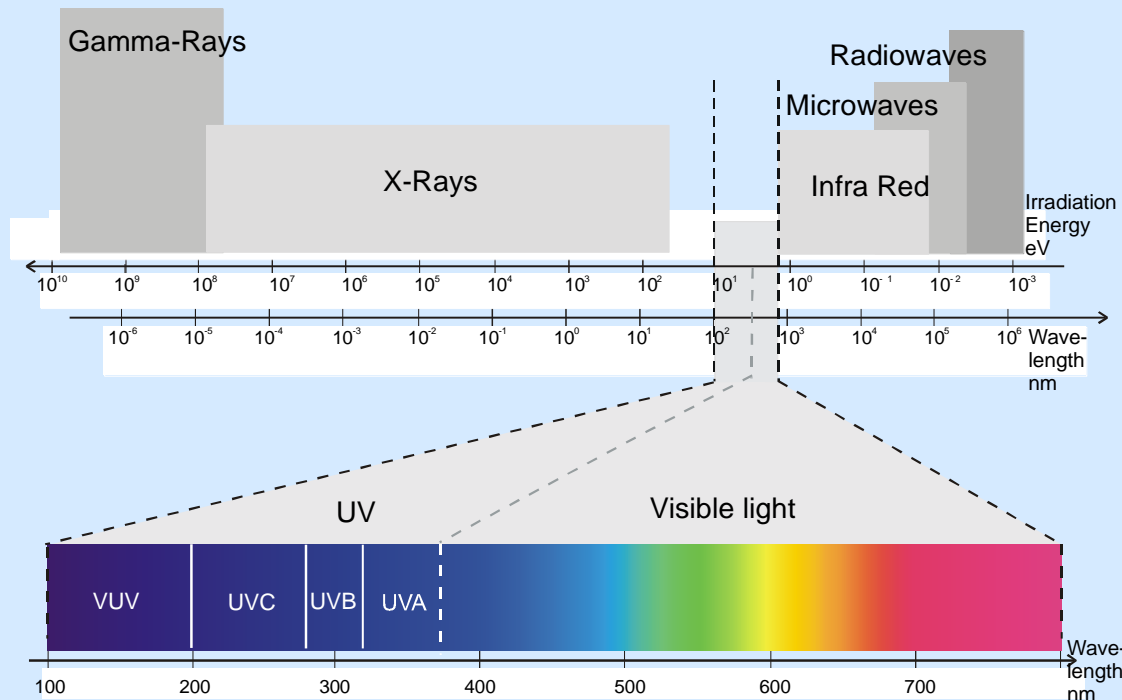
- Management is available for investor calls



Basics and advantages of UV technology

Dr. Helena Barros-Braun, Head of UV LED Development, Dr. Hönle AG

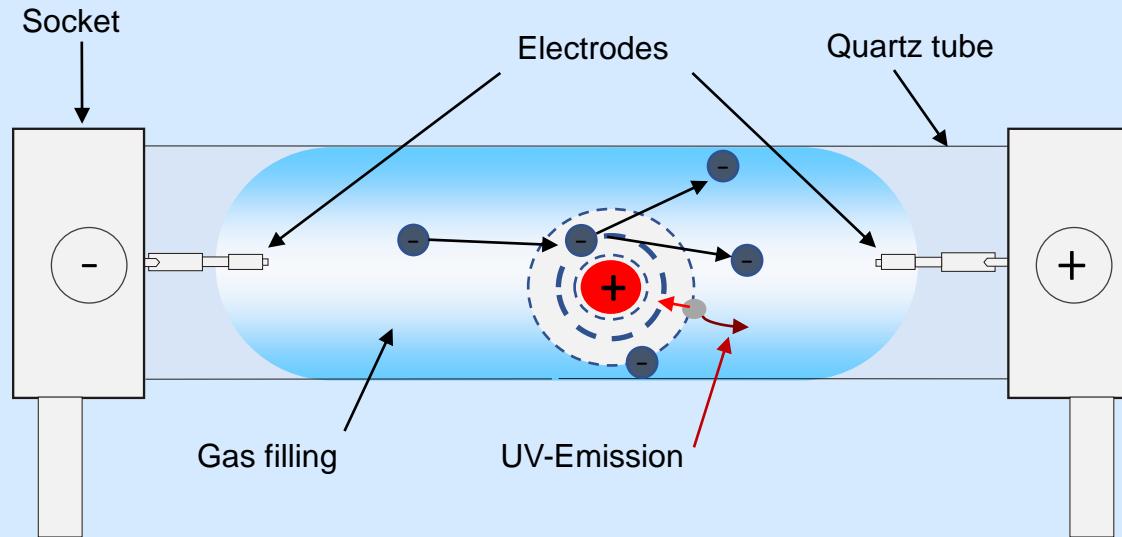
Electromagnetic Wave Spectrum and UV-Radiation



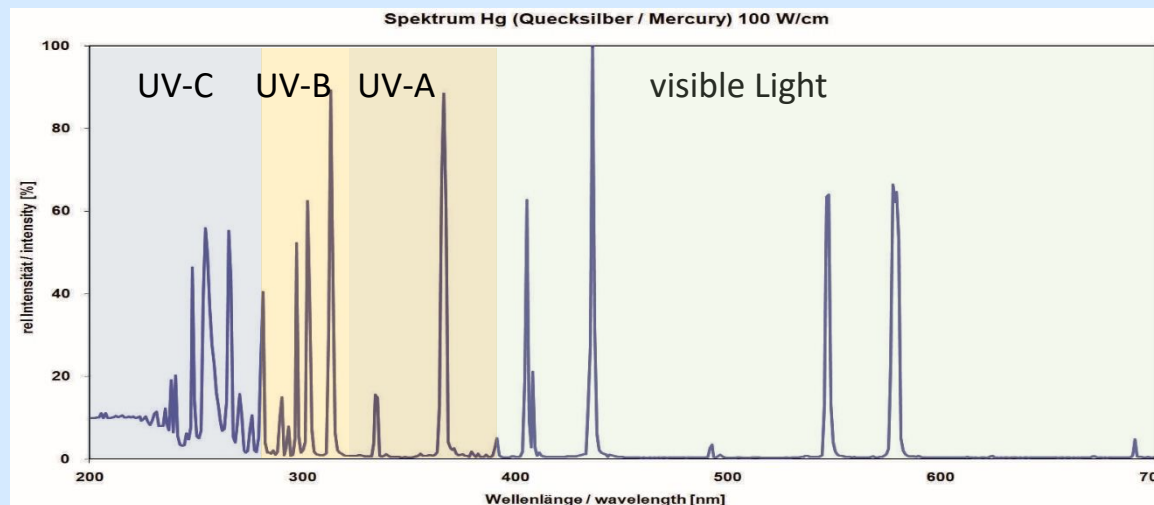
UV-Radiation is beyond the visible light and is generated by means of:

- UV-LEDs (Light Emitting Diodes)
- Gas-discharge lamps / low-, medium- and high-pressure lamps

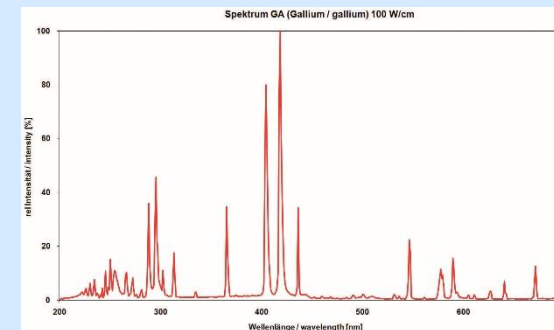
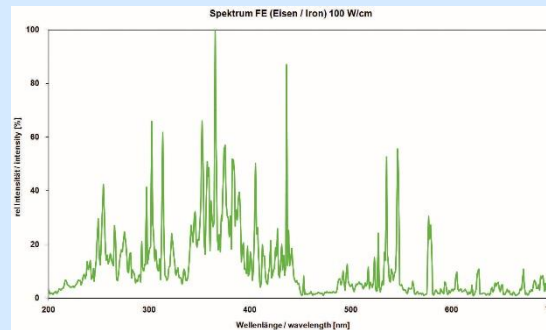
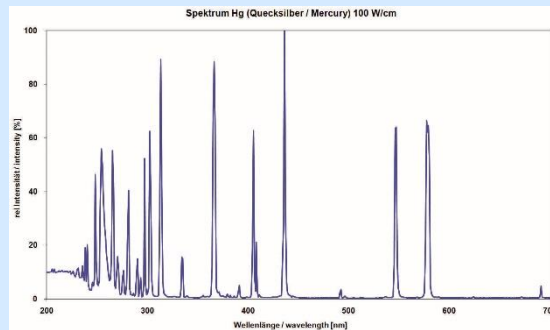
Functional Principle of Gas-Discharge Lamps



- Electrons are traveling at high speed from the + to the - pole (electrode)
- If it collides with a gas atom, an electron surrounding the atom nucleus is „kicked“ out of its atomic orbit
- When the electron moves back in its initial atomic orbit, a photon (= UV-emission) is released

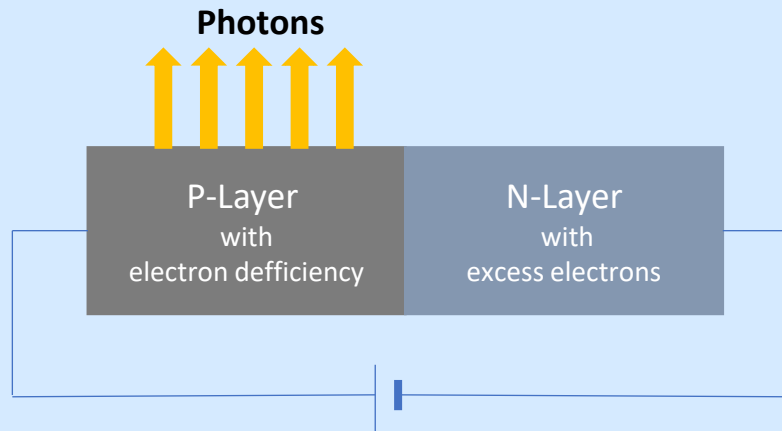


Gas-Discharge Lamps: different chemicals to generate different light

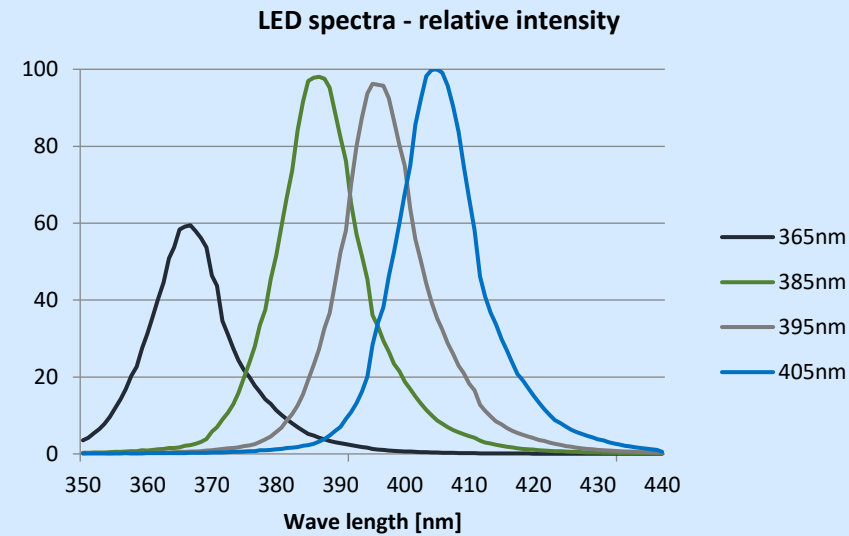


Mercury	Iron	Gallium
Broad spectrum between 200 and 300 nm	Main emission between 350 and 400 nm	Main peaks between 400 and 420 nm
Surface hardening Curing of thin layers Disinfection / Sterilization	Surface and depth curing	Depth curing
Paints, adhesives, coatings, scratch-resistant paints	Paints, adhesives, casting compounds, fluorescence excitation	Adhesives, white pigmented systems

LED (Light Emitting Diode): Working principle



Electrical current is directly converted to radiation.



Different emission spectra are achieved by different materials in the semiconductor

- **Discharge Lamps:** Multi-peak spectra with discrete emission lines
- **LEDs:** Single-peak spectra in a certain wavelength range

UV Radiation Sources within Hönle Applications

- **Low-pressure mercury lamps / germicidal lamps**
 - Applications: Disinfection
 - Input power/ length: 1 – 2 W/cm
 - Conversion efficiency: ~ 30%

- **Medium-pressure lamps**
 - Applications: Curing of coatings, paints and adhesives, disinfection
 - Input power/ length: 80 – 300 W/cm
 - Conversion efficiency: 15 – 20%

- **UV-LEDs**
 - Applications: Curing of adhesives and thin layers of paint / varnish
 - Input power/ length: up to 100 W/cm
 - Conversion efficiency: ~ 50%



Key facts of Conventional UV-Systems and LED UV-Systems

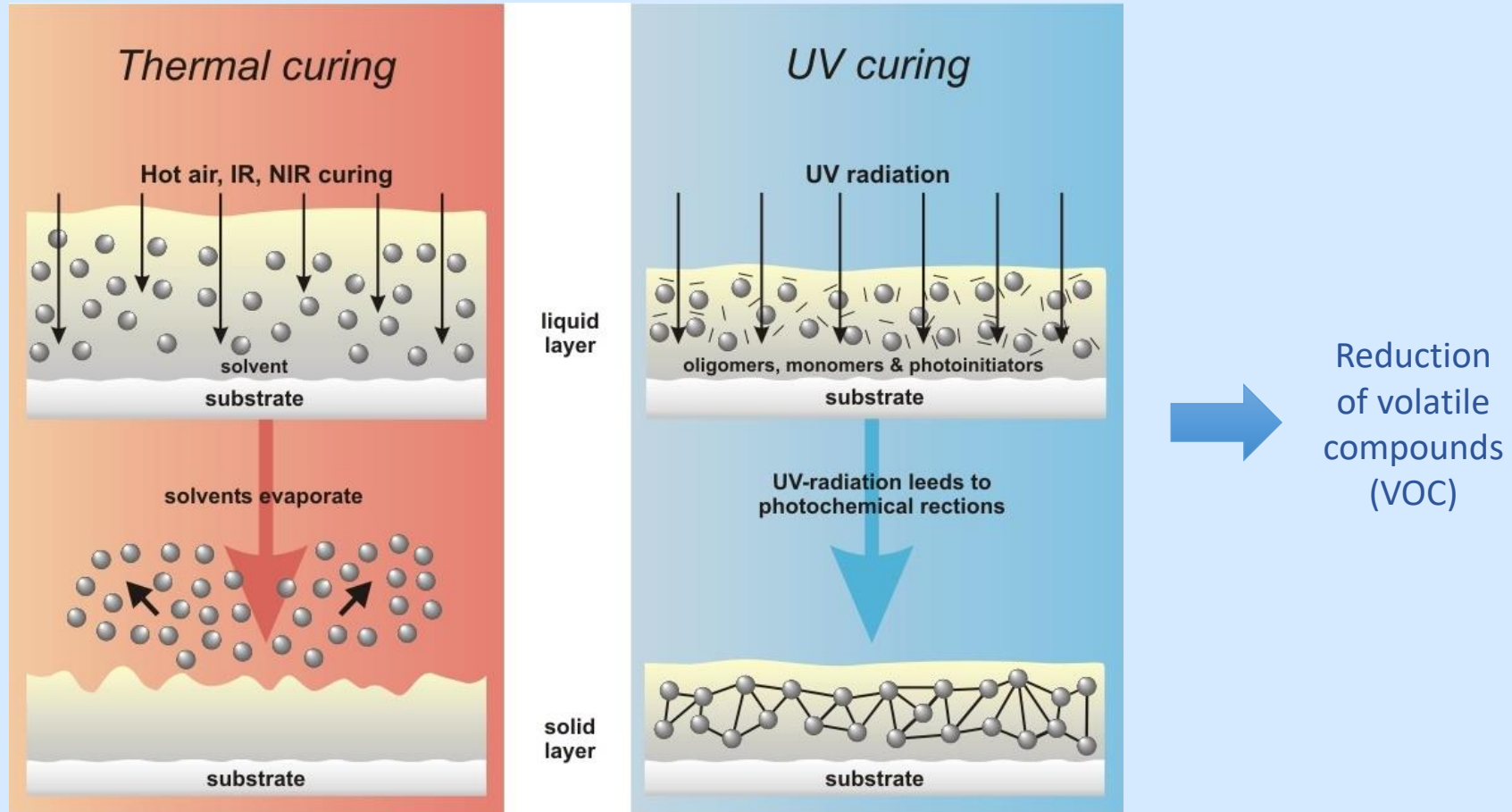
Gas discharge lamps

- Emits the complete UV spectrum from 185-400nm (UVC is important for surface hardening)
- 360 degree emission
- Easy change and maintenance of lamps
- Availability of a wide range of coating materials

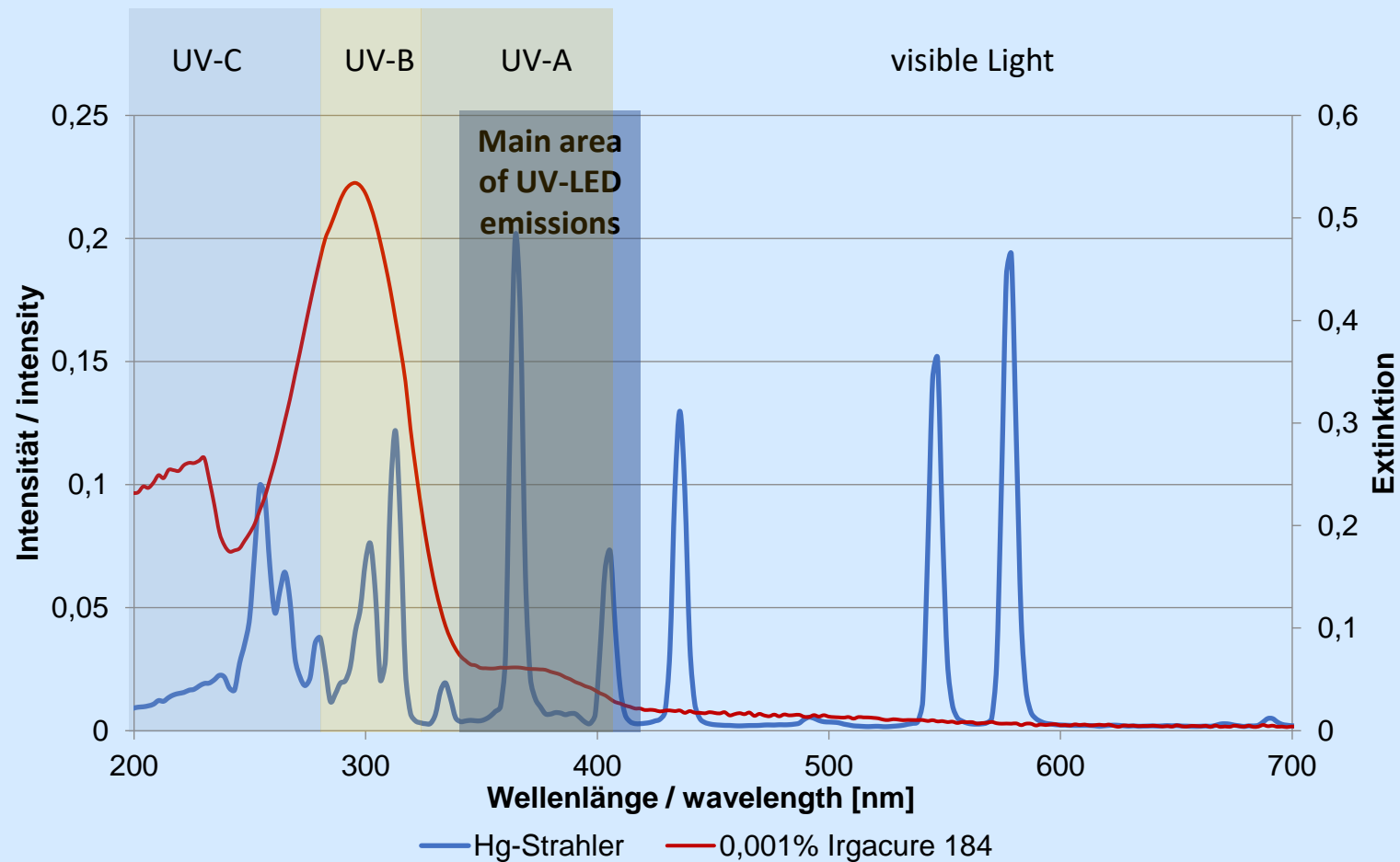
LEDs (Light Emitting Diode)

- Compact space and efficient design
- High UV intensity at specific wavelengths
- No direct infrared radiation on the substrate
- No ramp-up phase, immediate "Lamp on" → Possibility of clocking

Thermal curing x UV curing



Radiation spectra - absorption of the photoinitiator Irgacure 184



Advantages of UV technology

Reaction within seconds



Short processing time

Use of solvent-free coating systems



Low emission of solvents

Highly cross-linked systems



No pot-life limitation, little waste

No Chemicals within disinfection



ESG effect

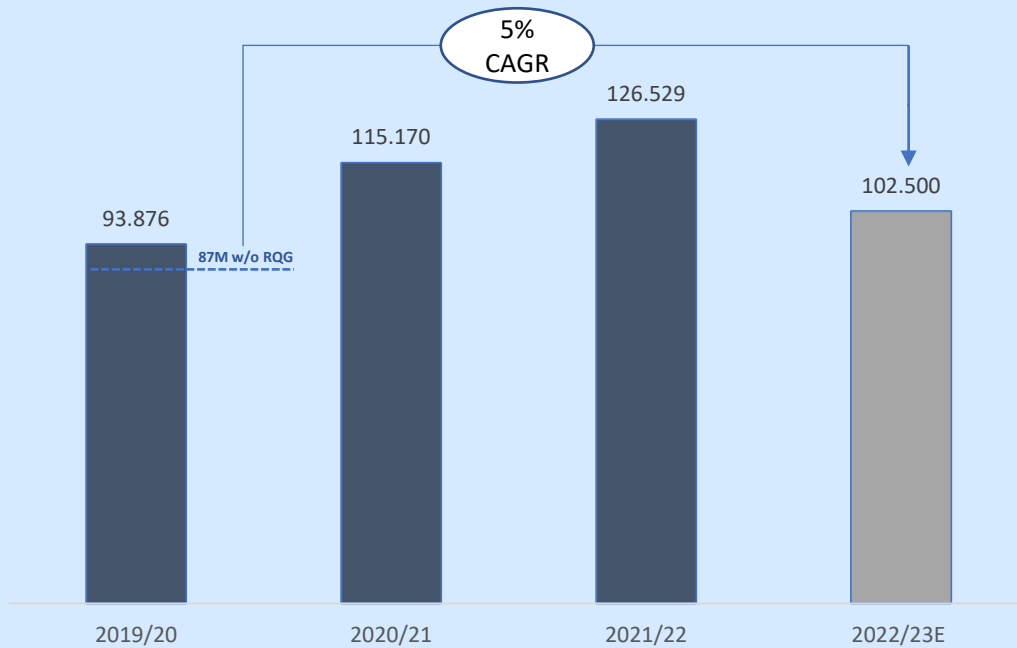


Financials

Robert Stark, Commercial Director, Dr. Hönle AG

Revenue Development by Business Years

in k€



- Air-Disinfection Business led to Revenue increase
- Healthy CAGR was 5% (from continued operations/products)

Revenue Development by Quarter

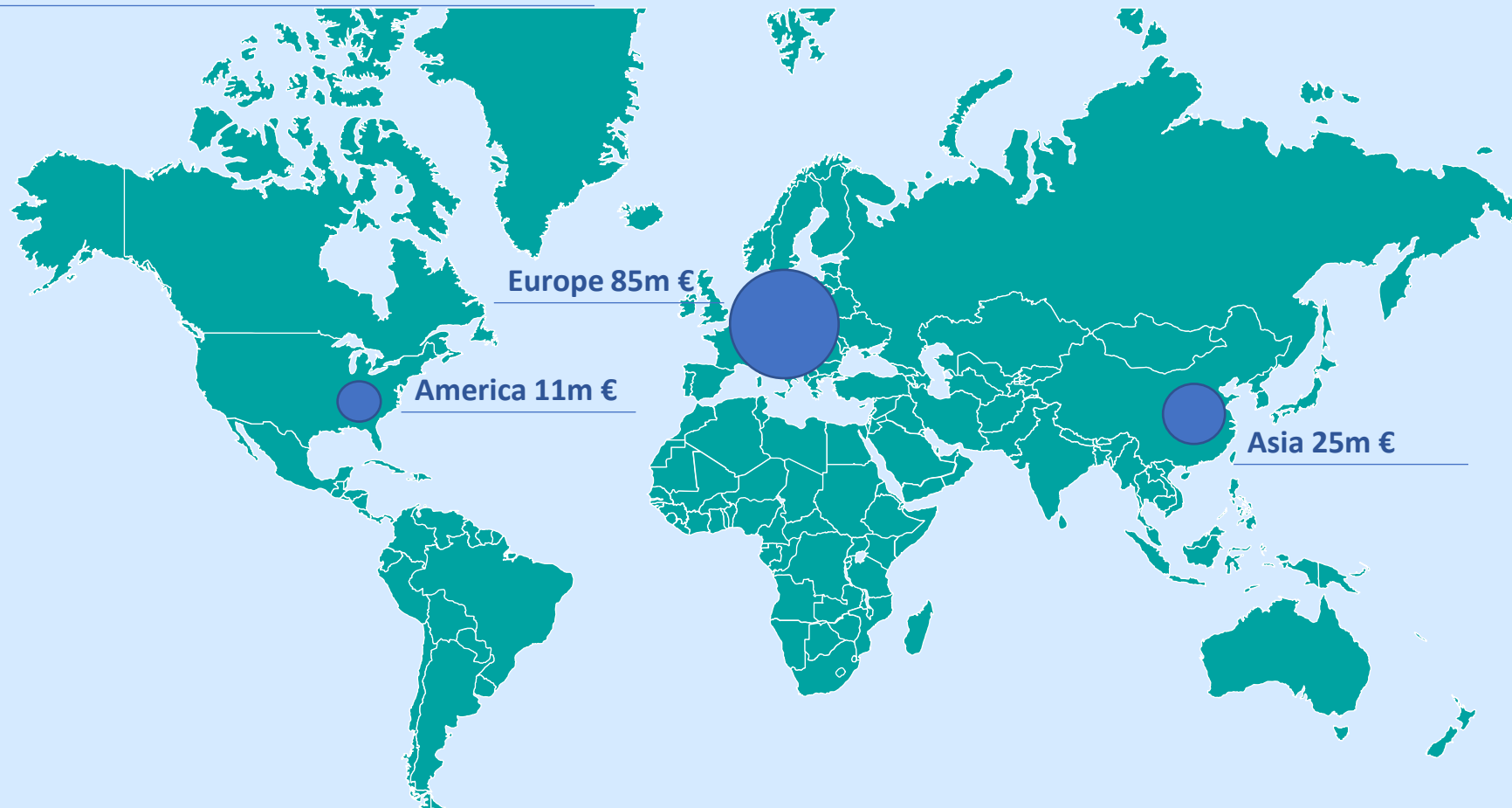
in k€



- Current Revenue development is sideways
- Headwinds should slowdown
- Restructuring actions are aimed at increasing sales

Revenue by Region

in k€

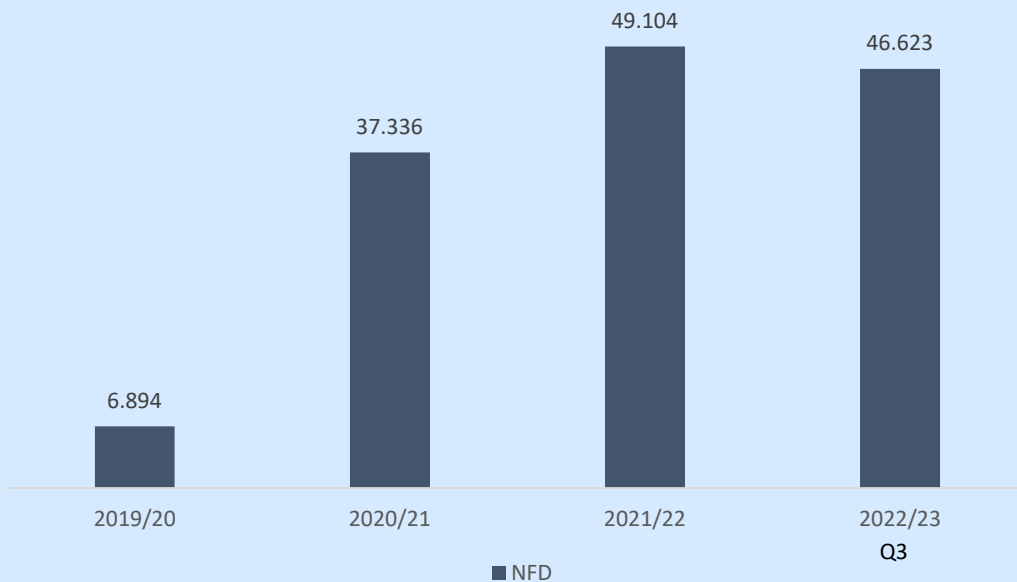


Heavy weight on Europe // USA market was underdeveloped in our sales strategy // Rising Opportunities in India and Asia

Capital Structure

Net Financial Debt

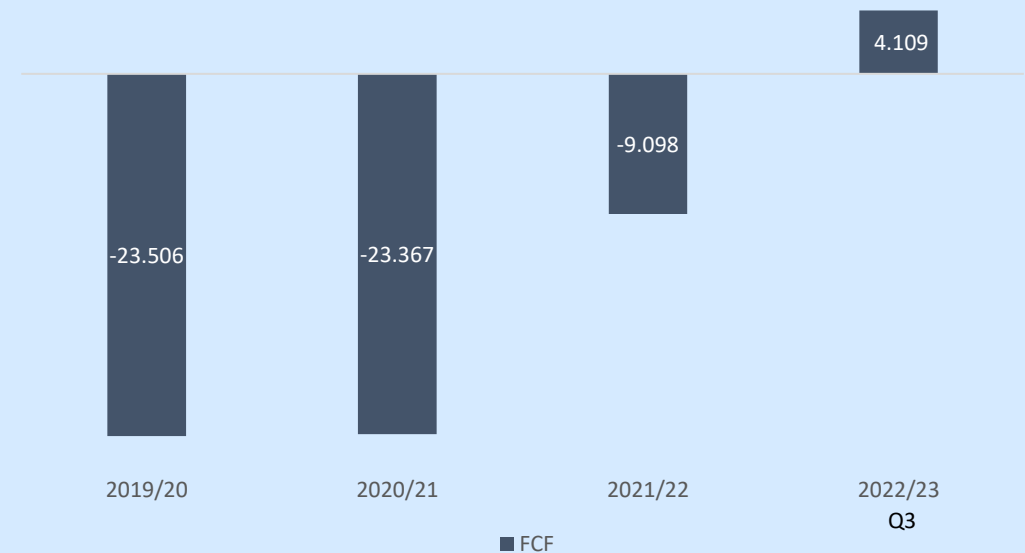
in k€



- NFD increased due to investment in company buildings
- Financing costs are very reasonable and long term secured
- Turnaround in current BY

Free Cashflow

in k€

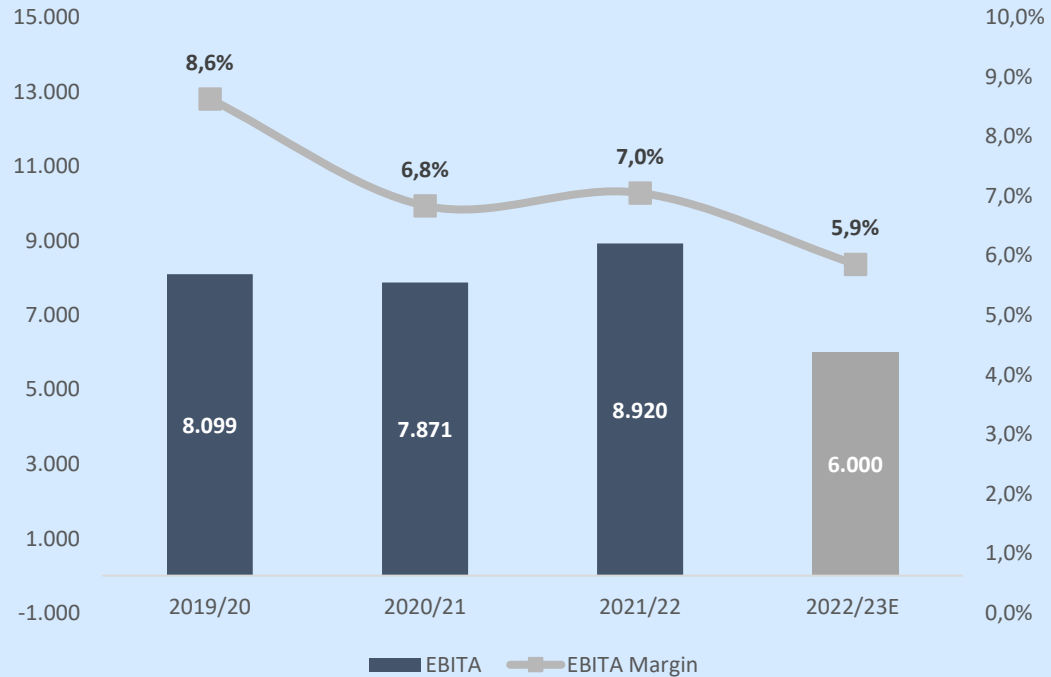


- In BY 2022/23 (YTD Q3) first time positive Free Cashflow
- Cashflow Controlling & Working Capital Management are focus topics within Finance

KPI's

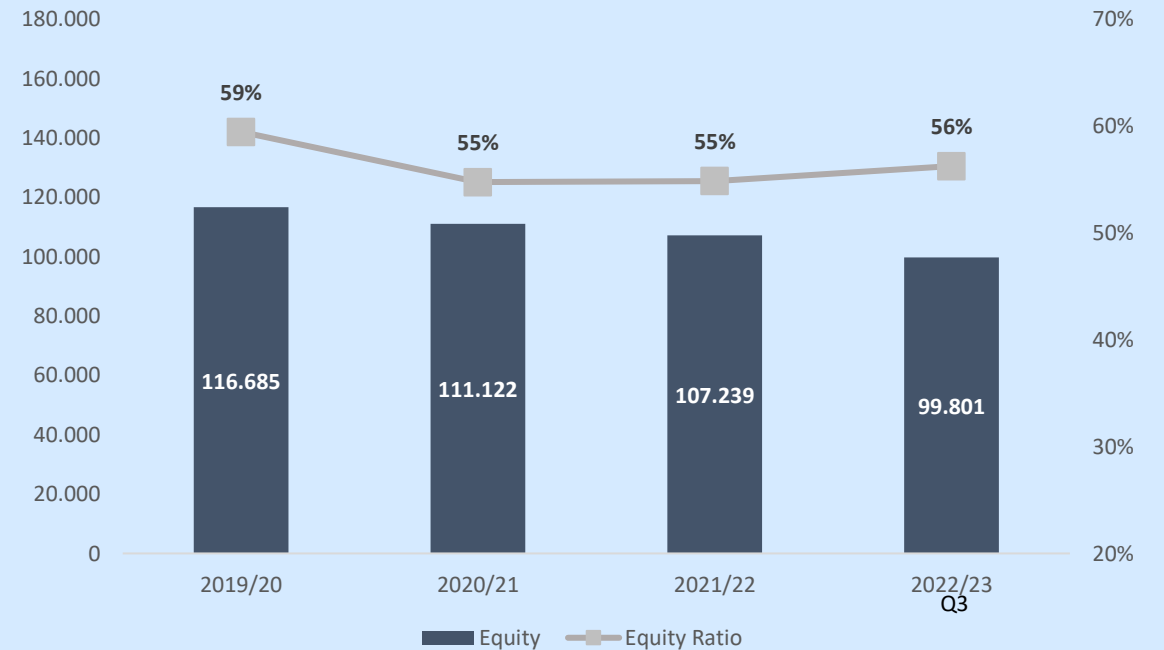
EBITA and EBITA Margin

in k€ and %



Equity and Equity Ratio

in k€ and %



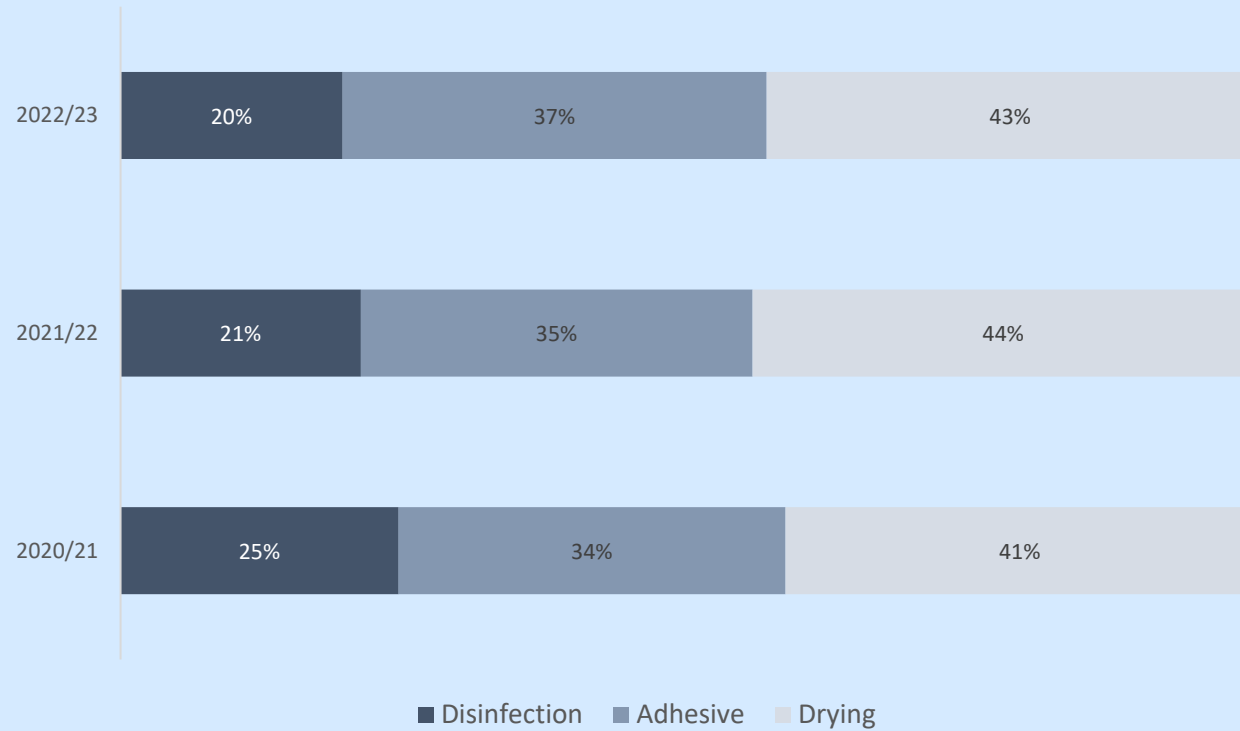
- **Development gives a strong signal for taking action**
 - **Operational Excellence Programm**
 - **Simplifying Group Structure**

- **Equity Ratio still on high level and in comfort zone**

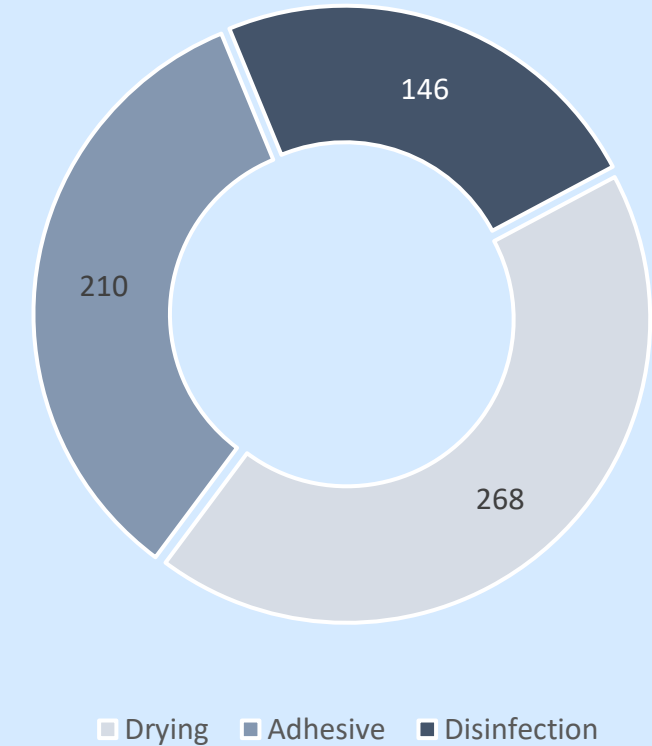
By Application

Revenue Distribution/Share

in %



Headcount Distribution

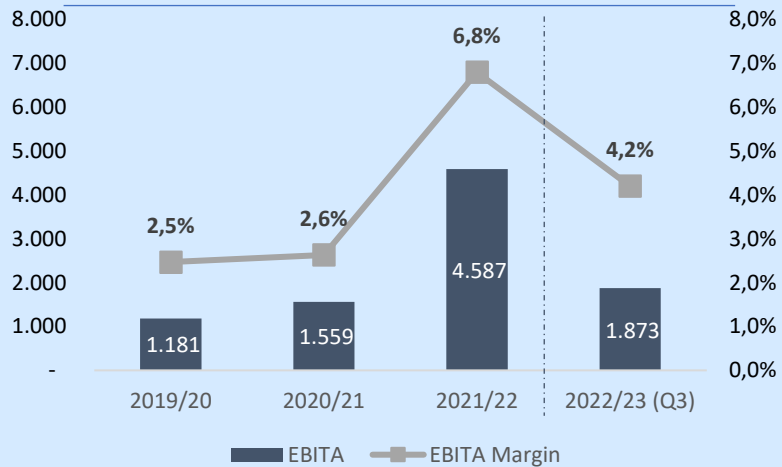
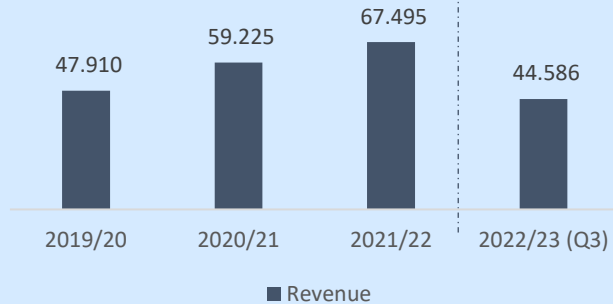


Elimination of redundancies // Focus on the customer // Clear Positioning internal and external // Leveraging Synergies // Responsibilities and Controlling

Segment Information by Legal Entity

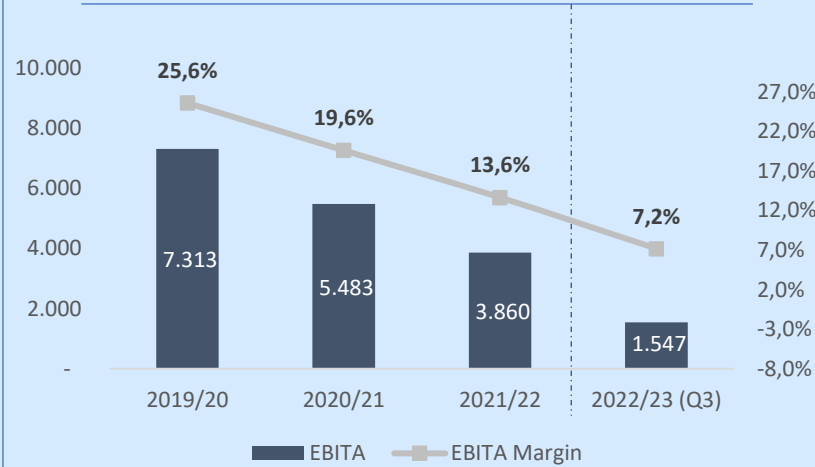
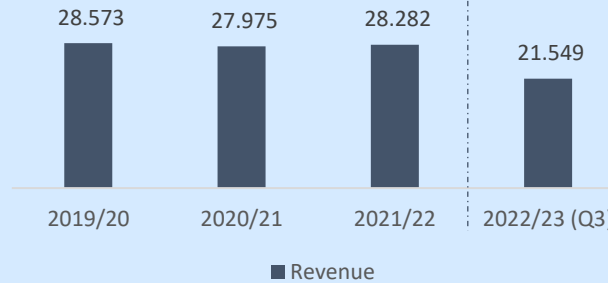
Equipment & Systems

in k€



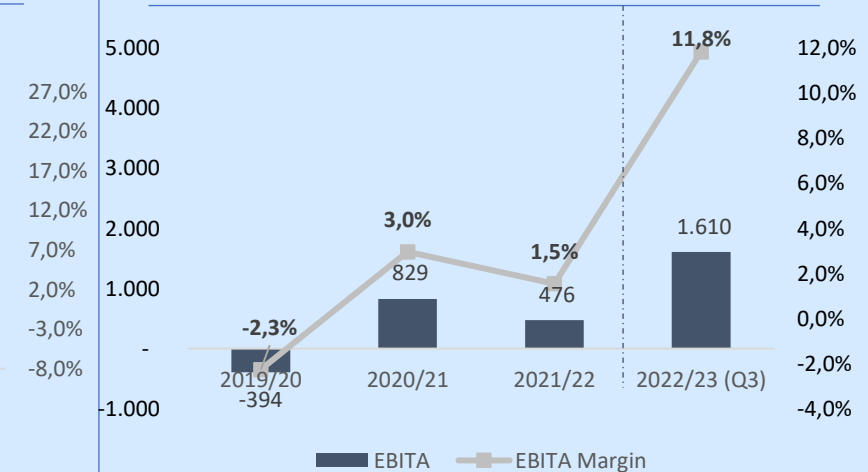
Adhesives

in k€



Glass & Lamps

in k€



SteriWhite Business // Product Mix // Operating Investments // Raesch Quarz Germany // Global Challenges // Account Losses // Board Changes

01

Delivery

We will build trust through delivering what we promised (Guidance)

02

Growth

Key metrics (Revenue, EBIT, FCF) are on focus for reshaping and steering the Group

03

ESG

Sustainable Approach Development // corporate responsibility reporting // impact measurement

Today's Capital Markets Day as the starting point of a series of events – stay tuned!



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