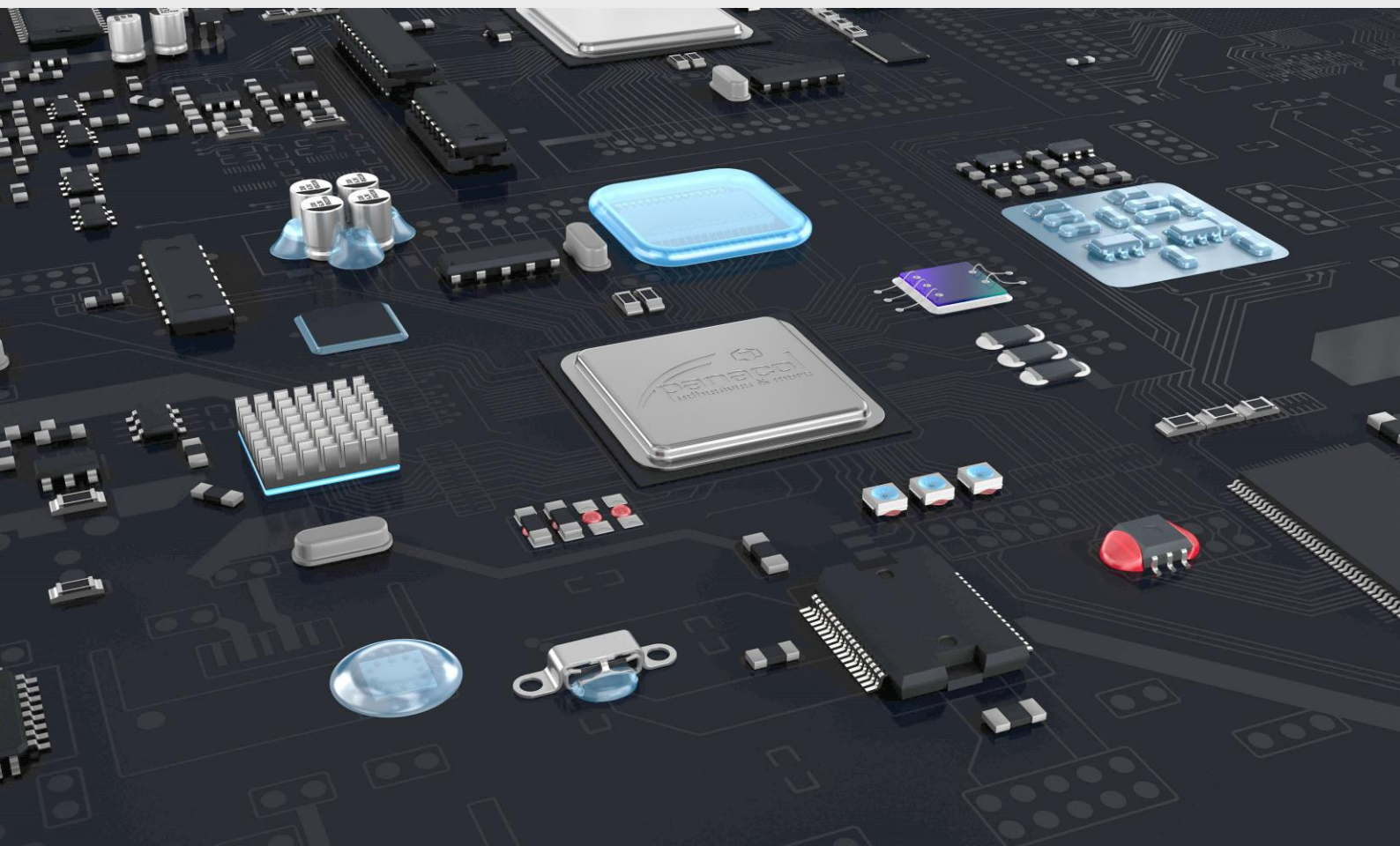


hönle group

Half-Year Report 2022/2023



Hönle Group

Earnings development	01.10.2022-	01.10.2021-	
in T€	31.03.2023	31.03.2022	+/- %
Revenue	53,520	60,807	-12.0
Gross profit	33,904	39,227	-13.6
Operating result/EBIT	3,685	9,280	-60.3
Earnings before tax/EBT from continued operations	3,050	8,573	-64.4
Consolidated net income from continued operations	2,357	6,495	-63.7
Result from discontinued operations	327	-1,062	130.8
Consolidated profit for the year	2,684	5,433	-50.6
Earnings per share in €	0.43	0.89	-51.7
Number of shares	6,062,930	6,062,930	0.0
Development of assets			
in T€	31.03.2023	30.09.2022	+/- %
Non-current assets	112,133	114,810	-2.3
Current assets	74,485	80,652	-7.6
Equity	109,146	107,239	1.8
Non-current liabilities	48,216	37,202	29.6
Current liabilities	29,257	51,021	-42.7
Total assets	186,618	195,462	-4.5
Equity ratio as a %	58.5	54.9	6.6
Liquidity development			
in T€	01.10.2022-	01.10.2021-	
	31.03.2023	31.03.2022	+/- %
Cash generated from operations	3,229	-4,451	172.5
Cash flow from operating activities	201	-7,043	102.9
Cash flow from investing activities	3,586	-1,728	307.5
Cash flow from financing activities	-3,966	2,080	-290.7
Change in cash and cash equivalents	-376	-6,585	94.3
Employees			
	01.10.2022-	01.10.2021-	
	31.03.2023	31.03.2022	+/- %
Average number of employees	577	592	-2.5

Group Management Report

for the period from 01.10.2022 to 31.03.2023

Overview

Market Development

The global economy enters the year 2023 in a rather weak state. The Russian attack on Ukraine as well as a mix of high inflation rates and sharply rising interest rates led to a deterioration in the general economic conditions. While Germany experienced a mild recession in the winter half-year, the recovery of indicators suggests an economic improvement in spring. The US-labour market continues to be robust while economic indicators show mixed development. The easing of measures to contain the spread of COVID-19 in China is raising hopes for a recovery in growth and a reduction in supply chain problems. Inflationary pressures are slowly receding, but they are still high. In addition to higher energy prices, food and services have also become significantly more expensive. Inflation has probably reached its peak both in the USA and the eurozone.

Course of Business

Following the sale of all shares in Raesch Quarz (Germany) GmbH in the first quarter of financial year 2022/2023, the income statement and the cash flow statement contain information on continued and discontinued operations in the financial year under review and in the prior year.

At T€ 53,520 sales revenues generated by the Hönle Group in the first six months of financial year 2022/2023 were below the prior year's figure of T€ 60,807. The decline in revenue is, in particular, due to the air disinfection business. Sales of air disinfection equipment decreased by € 6.3 million year-on-year as the pandemic eased off. Total output dropped by 15.8% to T€ 54,205 in the first half of the year. The operating result from continued operations (EBIT) stood at T€ 3,685 (PY: T€ 9,280). It should be noted in this context that the previous year's operating result included non-recurring items from the sale of business premises in the amount of T€ 1,825.

Adhesives Segment

Revenues in the Adhesives segment came to T€ 14,435 in the first six months of the year, which is slightly up on the figure for the prior-year period of T€ 14,285. Both the French and the US sales companies were able to increase revenues in their respective sales markets. Sales generated by Panacol-Elosol GmbH, the largest Group company in the Adhesives segment, was below the prior year's level and thus fell short of the Management Board's expectations.

A changed product mix in combination with higher personnel costs as well as exchange rate effects were largely responsible for the fact that the operating result in the Adhesives segment, which came to T€ 1,001 in the first half of the year, was below the prior year's figure of T€ 2,285.

Equipment and Systems Segment

In the Equipment & Systems segment, the second quarter was, as expected, characterized by difficulties on the procurement markets and postponed delivery dates. Additionally the segment was marked by the decline in sales of air disinfection systems in the amount of € 6.3 million. In the first six months of the year, segment sales fell from T€ 36,387 in the prior year to T€ 30,139 in the reporting year, whereas sales generated with UV systems used for the drying of industrial adhesives improved in the period under review. The systems are primarily used in automated production processes in the medical engineering industry.

The segment's operating result amounted to T€ 1,472. The operating result generated in the previous year in the amount of T€ 5,199 included other operating income from the sale of a property in the amount of T€ 1,825 and earnings contributions from the sale of air disinfection systems.

Glass and Lamps Segment

Sales revenues generated in the Glass & Lamps segment in the amount of T€ 8,946 were down on the prior year's value of T€ 10,135. As in the Equipment & Systems segment, the end of the COVID-19 pandemic also made itself felt in the Glass & Lamps segment. Revenues earned with UV lamps in the air disinfection business

dropped significantly. At uv-technik Speziallampen GmbH, in particular, sales revenues were below those generated in the previous year.

The Glass & Lamps segment's operating result contracted from T€ 1,796 in the previous year to T€ 1,213 in the current financial year.

Sales by Regions

At T€ 20,999 in revenues, Germany continues to be the Hönlle Group's most important sales market. Sales generated in Germany fell by 18.8% in comparison with the prior-year period. This development is largely due to the sales decline in the area of air disinfection. In Europe outside Germany, sales declined by 9.9% to T€ 16,520, largely due to a large-scale order in the area of air disinfection reported in the previous year. At T€ 8,577 sales in Asia were down 16.2% on the previous year's figure. Sales in North America and the rest of the world, by contrast, rose perceptibly, climbing by 14.8% to T€ 4,248 or 18.8% to T€ 3,177, respectively, in comparison with the prior-year period.

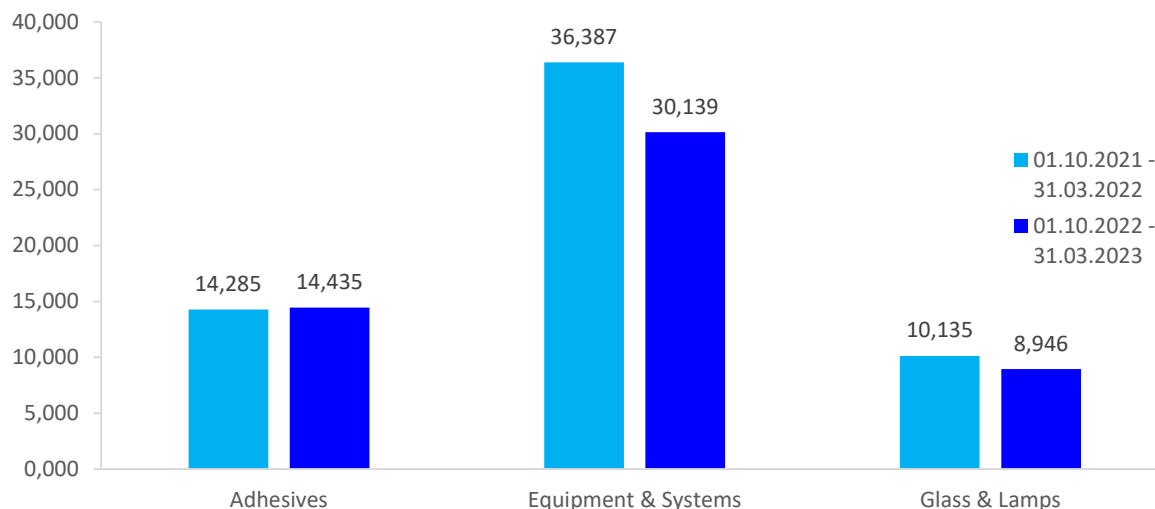
Results of Operations

At T€ 53,520 sales revenues earned by the Hönlle Group in the period from 01.10.2022 to 31.03.2023 were down 12.0% from the prior-year period. Gross profit dropped by 13.6% to T€ 33,904. The cost of materials ratio could be lowered to 39.6% in the reporting year, however, following a noticeable increase in the previous year (43.0%). The improved cost of materials ratio is associated with a lower share of sales with air disinfection equipment and the implemented increase in sales prices. The Hönlle Group's personnel expenses dropped slightly by 0.5% to T€ 19,369, corresponding to a personnel expense ratio of 35.7% (PY: 30.2%). The other operating expenses ratio rose from 11.5 % in the previous year to 14.5% in the current financial year.

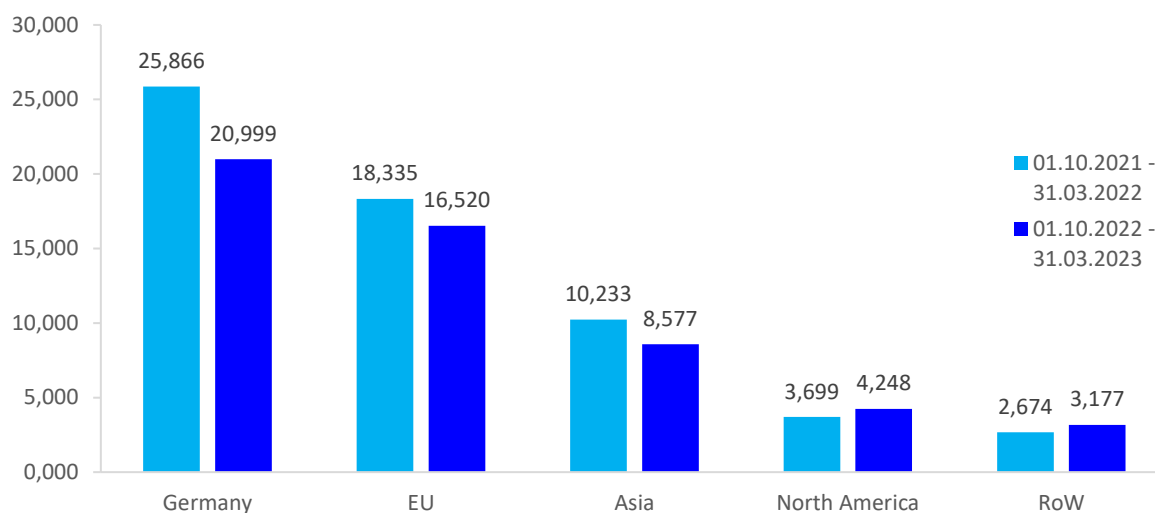
At T€ 3,685, the operating result (EBIT) was down 60.3% from the prior-year value, corresponding to an EBIT margin of 6.8% after 14.4% in the previous year. The pre-tax result (EBT) amounted to T€ 3,050, which is 64.4% lower than in the comparable prior-year period. The consolidated result after income taxes came to T€ 2,684 (-50.6%). Earnings per share fell from 0.89 € to 0.43 €.

Earnings development in T€	01.10.2022- 31.03.2023	01.10.2021- 31.03.2022	+/- %
Revenue	53,520	60,807	-12.0
Gross profit	33,904	39,227	-13.6
Operating result (EBIT)	3,685	9,280	-60.3
Earnings before tax (EBT) from continued operations	3,050	8,573	-64.4
Consolidated net income from continued operations	2,357	6,495	-63.7
Result from discontinued operations	327	-1,062	130.8
Consolidated profit	2,684	5,433	-50.6
Earnings per share in €	0.43	0.89	-51.7
Number of shares of stock	6,062,930	6,062,930	0.0

Sales by Segment in T€



Sales by Region in T€



Financial Position

In the first six months of the 2022/2023 financial year, the Höhle Group generated cash flow from operations in the amount of T€ 3,229 (PY: T€ -4,451). After payment of interest and income taxes, the cash flow from operating activities attributable to continued and discontinued operations came to T€ 201 (PY: T€ -7,043).

The cash flow from investing activities reflects proceeds from the sale of the Raesch Quarz (Germany) GmbH business unit and payments made for the acquisition of property, plant and equipment. As a result, the cash flow from investing activities attributable to continued and discontinued operations was overall positive at T€ 3,586 (PY: T€ -1,728).

The cash flow from financing activities came to T€ -3,966 (PY: T€ 2,080) and is largely due to the repayment of liabilities to banks.

Overall, cash and cash equivalents declined by T€ 376 in the first six months of the current financial year (PY: decrease of T€ 6,585).

Liquidity development	01.10.2022-	01.10.2021-	
in T€	31.03.2023	31.03.2022	+/- %
Cash generated from operations	3,229	-4,451	172.5
Cash flow from operating activities	201	-7,043	102.9
Cash flow from investing activities	3,586	-1,728	307.5
Cash flow from financing activities	-3,966	2,080	-290.7
Change in cash and cash equivalents	-376	-6,585	94.3

Net Assets

Raesch Quarz (Germany) GmbH was sold as of 1 December 2022. On the assets side of the statement of financial position, property, plant and equipment contracted by T€ 3,035 to T€ 76,532 mainly as a result of Raesch Quarz (Germany) GmbH's deconsolidation. The decrease of other current assets from 4,139 T€ as at 31.12.2022 to T€ 1,694 as at 31.03.2023 is largely due to the payment of the last purchase price instalment in the amount of T€ 2,500 for the sale of Raesch Quarz (Germany) GmbH in the second quarter.

Cash and cash equivalents stood at T€ 6,755 (PY: T€ 7,131) as at 31 March 2023.

Liabilities to banks, which comprise non-current loans of T€ 41,528 and current liabilities to banks of T€ 12,148, were reduced by T€ 2,559 in the first six months of the current financial year. Owing to adjusted loan terms and conditions, current liabilities to banks were again reported as non-current loans in the second quarter of the financial year. As a result, current liabilities to banks decreased by T€ 14,235 to T€ 12,148 in the reporting year. Revenue reserves climbed by T€ 1,821 to T€ 60,669. Based on an equity capital ratio of 58.5%, the Höhle Group continues to be solidly financed.

Development of assets

in T€	31.03.2023	30.09.2022	+/- %
Non-current assets	112,133	114,810	-2.3
Current assets	74,485	80,652	-7.6
Equity	109,146	107,239	1.8
Non-current liabilities	48,216	37,202	29.6
Current liabilities	29,257	51,021	-42.7
Total assets	186,618	195,462	-4.5
Equity ratio as a percentage (%)	58.5	54.9	6.6

Research and Development

Research and development expenses rose from T€ 3,254 in the previous year to T€ 3,344 in the financial year under review, which, relative to sales, equates to an R&D ratio of 6.2% (PY: 5.4%). The Höhle Group employed an average staff of 89 in the Research and Development departments (PY: 94). The following development initiatives were started and projects realised, among others:

Adhesives segment: Panacol-Elosol GmbH has been a member of the ACOP (Aachen Center for Optics Production) since December 2022. The ACOP is an initiative of the Fraunhofer Institute for Production Technology (IPT) that aims to promote collaboration between researchers and the industry in the optical sector. Panacol can help in developing sustainable solutions thanks to its expertise in the industrial adhesives segment. This includes conceptual design, mould construction, metrology and all development steps from the creation of initial prototypes to series production and the pertaining documentation requirements. Particularly in the area of free-form optics with liquid polymers, Panacol sees an enormous variety of possibilities for production and product variants, where increasingly smaller designs and more precise signal pickup contribute to increased

performance potential. Together with the other ACOP members, Panacol is planning to submit proposals in the coming years to establish new polymer optics in the market that are suitable for mass production.

In the Equipment & Systems segment, Dr. Hönle AG presented a broad range of ultraviolet drying systems for inks, coatings, adhesives, and silicones at the European Coatings Show 2023. The UV specialist also offers conveyors for laboratory applications and UV measurement devices to ensure consistent conditions. The conveyor system can be equipped with various technologies. Depending on the respective application, UV systems with discharge lamps, UV-LEDs or infrared systems can be integrated into the conveyor systems. The jetCURE high-performance dryer was also showcased. The high performance of the UV dryer enables effective and safe drying of the processed surface even at high production speeds.

Research projects for photocatalytic processes were commenced in the Glass & Lamps segment. Chemical reactions are triggered by light or ultraviolet radiation in the context of photocatalysis. The emission range of the lamps can be modified by a targeted changing of the doping of lamps, for example by adding metals. The spectral adjustment triggers a photocatalysis process as an exergonic reaction. Photocatalytic processes offer a broad spectrum of applications that range from the treatment of water, air and surfaces through to pharmaceutical applications.

Personnel

In the first six months of 2022/2023 the Hönle Group had an average of 577 employees, which corresponds to a decrease of 15 employees or 2.5% in comparison with the previous year.

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

Functional areas – Reporting date	31/03/2023	31/03/2022	+/- %
Sales & Marketing	97	101	-4.0
Research & Development	89	94	-5.3
Production, Service	246	255	-3.5
Logistics	67	68	-1.5
Administration	78	79	-1.3
Total	577	597	-3.4
	01.10.2022-	01.10.2021-	
	31.03.2023	31.03.2022	+/- %
Sales & Marketing	97	100	-3.0
Research & Development	89	94	-5.3
Production, Service	248	253	-2.0
Logistics	66	66	0.0
Administration	77	79	-2.5
Total	577	592	-2.5

Personnel expenses in T€	01.10.2022- 31.03.2023	01.10.2021- 31.03.2022	+/- %
Wages and salaries	16,021	15,965	0.4
Social security and pension costs	3,348	3,498	-4.3
Total	19,369	19,464	-0.5

Personnel expenses dropped slightly in the first six months from T€ 19,464 in the previous year to T€ 19,369 in the reporting year.

In order to ensure a high qualification level, Höhle invests continuously in employee training and qualification measures. To this end, Höhle uses the services of internal experts from the respective departments as well as services provided by external institutions. In the first six months of the financial year, expenses incurred for staff training and qualifications amounted to T€ 328 (PY: T€ 247).

The Höhle Group offers various vocational training measures and apprenticeships so that the future demand for qualified staff can be met: The respective vocational training measures cover the fields of business, technology, chemistry and logistics. As at 31 March, 25 young people were undergoing occupational training at the Höhle Group (PY: 29).

Outlook

Overall Market

The recovery of the global economy came to a halt under the influence of high energy prices and major uncertainties. Monetary policy, which was tightened rapidly and is likely to remain unchanged in view of continuing high inflationary pressure, is also having a dampening effect. The German economy is in a phase of stagflation. Global production will expand only moderately in the current year despite a noticeable upturn in China. The Institute for the World Economy is forecasting an increase of only 2.5%, following growth of 3.2% last year. The economic experts have thus raised their forecast again by 0.4 percentage points, as the situation on the energy markets has eased and the economy in the United States has proved more robust than initially expected. Although inflation is expected to fall in the coming months thanks to a drop in commodity prices, the underlying inflationary pressure is likely to remain high for the time being.

Höhle Group

Adhesives Segment

The Management Board expects high-volume adhesives projects in the photovoltaics and electromobility sectors to be realized in the final quarter of the 2022/2023 financial year. These projects will be of great importance for the medium- and long-term performance of the Adhesives segment. The realization of these projects has been delayed due to extensive testing by customers. Promising projects also exist in the areas of consumer electronics and 5G mobile communications networks.

The Management Board has revised the sales strategy in the Adhesives segment. In the future, greater focus will be placed on business areas in which the Company sees its strengths, and which offer corresponding growth potential.

The local staff in application technology is being strengthened for systematically making further inroads into the interesting Chinese market. The lifting of travel restrictions to China, together with the expansion of application technology, will enable more intensive local customer support and a significant increase in sales in this region.

Equipment & Systems Segment

Eltosch Grafix GmbH was merged into Dr. Höhle AG. The merger, which took place retroactively as at 1 October 2022, has several effects: The fusion of the two companies will enable the establishment of a high-performance, uniform service and sales network. In addition, the streamlining of the Group structure is to be driven forward.

To strengthen competitiveness, extensive new developments are being carried out in the current fiscal year, particularly with respect to equipment for adhesive curing. The focus of product development is on performance, operation and design in this context.

In order to be able to identify market developments at an early stage and open up new sales opportunities, the sales team and business development will also be further expanded.

Overall, the Management Board expects business performance in the Equipment & Systems segment to be good in the second half of the year due to a continuing strong order backlog and stable demand. Additional stimulus will be provided in the second half of the financial year with the launch of a new product line for the printing machinery industry.

Glass & Lamps Segment

The disinfection of water using UV technology is a sustainable growth market. The environmentally-friendly process is increasingly used in the treatment of ballast, drinking, process, and wastewater. The Hönle Group supplies leading manufacturers of water treatment systems with lamps and components. The Management Board expects further increases in sales and operating results in this application area for financial year 2022/2023.

In order to further tap into the interesting market for the treatment of process water, the development and sales capacities are being expanded. Process water is water used in industrial plants to manufacture products. The end of the COVID-19 pandemic will be felt in the air disinfection sector. Sales at uv-technik Speziallampen GmbH in particular are therefore expected to be lower than in the previous year.

Raesch Quarz (Germany) GmbH was sold in December 2022. The sale of this company will lead to sustained positive earnings and liquidity effects at Group level. Overall, the Management Board expects a significant improvement in the segment's annual results in the Glass & Lamps segment, especially due to the sale of Raesch Quarz (Germany) GmbH.

Overall Assessment of Future Business Development

Promising customer projects in all of the three business segments and a strong order backlog provide the basis for positive business development of the Hönle Group. The adjustment of sales prices will contribute to a further improvement in gross profit margins in the course of financial year 2022/2023. In addition, the sale of Raesch Quarz (Germany) GmbH will lead to positive earnings and liquidity effects at Group level.

Based on current knowledge, the Management Board expects sales revenues for the Hönle Group in financial year 2022/2023 to be below the previous year's sales revenues (€ 126.5 million), and the operating result to be significantly above the adjusted operating result of the previous year (€ 8.9 million).

Consolidated Income Statement

for the period from 01.10.2022 to 31.03.2023 (IFRS)

in T€	01.01.2023- 31.03.2023	01.10.2022- 31.03.2023	01.01.2022- 31.03.2022	01.10.2021- 31.03.2022
Revenue	25,903	53,520	30,036	60,807
Changes in inventories of finished goods and work in progress	717	676	2,335	3,527
Other work performed by entity and capitalised	9	9	9	48
Other operating income	638	1,139	283	2,510
Cost of purchased materials and services	10,595	21,439	13,392	27,664
Personnel expenses	10,011	19,369	10,097	19,464
Depreciation and amortisation of property, plant and equipment and intangible assets	1,066	2,164	1,103	2,250
Amortisation of rights of use IFRS 16	414	811	405	817
Other operating expenses	3,792	7,834	3,297	7,406
Impairment pursuant to IFRS 9	49	40	-6	10
Operating result/EBIT	1,338	3,685	4,394	9,280
Profit/loss from investments accounted for using the equity method	25	66	0	0
Financial income	34	79	7	13
Financial expenses	375	780	380	720
Financial result	-316	-635	-373	-707
Earnings before tax and non-controlling interests/EBT from continued operations	1,022	3,050	4,021	8,573
Income taxes	262	693	944	2,078
Consolidated net income from continued operations	760	2,357	3,077	6,495
Result from discontinued operations	0	327	-841	-1,062
Consolidated profit	760	2,684	2,235	5,433
Share of earnings attributable to non-controlling interests	81	86	59	61
Share of earnings attributable to Dr. Hönle AG shareholders	680	2,598	2,176	5,372
Earnings per share (basic) from continued operations in €		0.37		1.06
Earnings per share (basic) from discontinued operations in €		0.05		-0.17
Earnings per share (basic) from continued operations in €		0.37		1.06
Earnings per share (basic) from discontinued operations in €		0.05		-0.17
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 01.10.2022 to 31.03.2023 (IFRS)

in T€	01.10.2022- 31.03.2023	01.10.2021- 31.03.2022
Consolidated profit	2,684	5,433
Other comprehensive income:		
Positions that may be subsequently reclassified to profit or loss		
Currency translation differences	-432	171
Other comprehensive income from hedge accounting	-463	3,973
Income tax effects	131	-1,123
Positions not reclassified to profit or loss		
Change in actuarial gains/losses from pensions	0	0
Deferred tax from change to actuarial gains/losses from pensions	0	0
Total other comprehensive income	-764	3,022
Total comprehensive income	1,921	8,455
Thereof:		
Comprehensive income attributable to non-controlling interests	86	61
Comprehensive income of Dr. Hönle AG shareholders	1,834	8,394

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 31.03.2023

in T€	31.03.2023	30.09.2022
ASSETS		
NON-CURRENT ASSETS		
Goodwill	21,119	21,119
Intangible assets	2,715	2,135
Property, plant and equipment	76,532	79,567
Investment property	1,034	1,054
Investments accounted for using the equity method	390	327
Financial assets	26	26
Other non-current assets	6,959	7,535
Deferred tax assets	3,358	3,048
Total non-current assets	112,133	114,810
CURRENT ASSETS		
Inventories	46,884	46,371
Trade accounts receivable	14,508	19,659
Receivables from companies in which an equity interest is held	118	132
Finance lease receivables	71	84
Other current assets	1,694	3,622
Tax refund claims	4,456	3,653
Cash and cash equivalents	6,755	7,131
Total current assets	74,485	80,652
Non-current assets held for sale	0	0
TOTAL ASSETS	186,618	195,462
EQUITY AND LIABILITIES		
EQUITY		
Subscribed capital	6,063	6,063
Own shares	-8	-8
Capital reserves	41,979	41,979
Retained earnings	60,669	58,848
Equity attributable to Dr. Höhle AG shareholders	108,703	106,881
Non-controlling interests	444	357
Total equity	109,146	107,239
NON-CURRENT LIABILITIES		
Non-current loans (less current portion)	41,528	29,852
Non-current finance lease liabilities	1,553	1,808
Other non-current liabilities	276	415
Pension provisions	3,877	4,011
Accrued public investment grants	65	115
Deferred income tax liabilities	917	1,001
Total non-current liabilities	48,216	37,202
CURRENT LIABILITIES		
Trade accounts payable	6,457	10,296
Liabilities to companies in which an equity investment is held	6	1
Contract liabilities	2,845	2,628
Current liabilities from finance leasing	1,340	1,399
Current liabilities to banks and current portion of non-current loans	12,148	26,383
Other current liabilities	4,886	8,121
Other provisions	640	708
Income tax liabilities	936	1,486
Current liabilities, total	29,257	51,021
TOTAL EQUITY AND LIABILITIES	186,618	195,462

Statement of Consolidated Cash Flows

for the period from 01.10.2022 to 31.03.2023

in T€	01.10.2022- 31.03.2023	01.10.2021- 31.03.2022
Cash flow from operating activities		
Consolidated profit before non-controlling interests and taxes	3,379	6,952
Adjustments for:		
Depreciation of intangible assets, property, plant and equipment and investment property	3,176	3,622
Gains/losses from disposal of intangible assets, property, plant and equipment and investment property	2	-1,802
Financial income	-145	-13
Financial expenses	780	724
Other non-cash expenses and income	-2,489	-457
Operating result before changes to net current assets	4,703	9,026
Increase/decrease in provision	-213	-117
Increase/decrease in trade accounts receivable	1,861	-3,848
Increase/decrease in receivables from companies in which an equity investment is held	16	-35
Increase/decrease in assets held for sale	0	0
Increase/decrease in other assets	582	516
Increase/decrease in reinsurance	-104	-93
Increase/decrease in inventories	-546	-6,156
Increase/decrease in trade accounts payable	-1,309	-1,721
Increase/decrease in liabilities to companies in which an equity investment is held	4	26
Increase/decrease in contract liabilities	217	-816
Increase/decrease in other liabilities	-1,981	-1,233
Cash generated from operations	3,229	-4,451
Interest paid	-654	-661
Income taxes paid	-2,374	-1,931
Cash flow from operating activities	201	-7,043
Cash flow from investing activities		
Payments received from the disposal of intangible assets, property, plant and equipment and investment property	13	2,775
Acquisition of subsidiaries less acquired net cash	0	0
Payments for the acquisition of property, plant and equipment and intangible assets	-1,701	-4,556
Payments received from non-current receivables	530	342
Payments for non-current receivables	-313	-300
Interest received	81	12
Payments from sale of consolidated companies and other business units	4,977	0
Cash flow from investing activities	3,586	-1,728
Cash flow from financing activities		
Payments received from loans and liabilities to banks	650	6,296
Payments for loans and liabilities to banks	-3,222	-2,071
Payments for the repayment portion of leasing liabilities	-1,394	-933
Equity contributions by minority shareholders	0	0
Dividend payments made	0	-1,212
Cash flow from financing activities	-3,966	2,080
Currency-related change in cash and cash equivalents	-197	104
Net change in cash and cash equivalents	-376	-6,585
Cash and cash equivalents at the beginning of the reporting period	7,131	12,073
Cash and cash equivalents at the end of the reporting period	6,755	5,487

Consolidated Statement of Changes in Equity

for the period from 01.10.2022 to 31.03.2023 (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. Hönle AG shareholders	Non-controlling interest	
As at											
01.10.2021	6,063	-8	41,979	66,812	341	-3,386	-2,950	1,865	110,716	406	111,122
Consolidated net income for the year	-	-	-	5,372	-	-	-	-	5,372	61	5,433
Other comprehensive income	-	-	-	-	-	2,851	-	171	3,022	-	3,022
Total comprehensive income	-	-	-	5,372	-	2,851	-	171	8,394	61	8,455
Change due to the acquisition of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-
Dividend distribution	-	-	-	-1,212	-	-	-	-	-1,212	-	-1,212
As at											
31.03.2022	6,063	-8	41,979	70,971	341	-535	-2,950	2,036	117,897	467	118,364
Stand											
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	-	-	-	-	-	-	-	-	-	-	-
Stand											
31.03.2023	6,063	-8	41,979	54,837	327	3,148	299	2,058	108,703	444	109,146

Explanatory Notes

for the Half-Year Report 2022/2023

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 2021/2022.

The consolidated statement of financial position as of 31 March 2023, 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 2023 and 2022 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 2021/2022 consolidated financial statements.

Profit/Loss from Discontinued Operations

In the first six months of the 2022/2023 financial year, profit from discontinued operations after taxes in the amount of T€ 328 include the profit from operating activities of T€ 95 attributable to discontinued operations. Profit/loss from discontinued operations is structured as follows (net of tax):

in T€	01.10.2022- 31.03.2023	01.10.2021- 31.03.2022
Revenue	3,082	4,673
Expenses	2,752	6,294
Earnings before tax/EBT from discontinued operations	330	-1,621
Income taxes	-2	560
Profit for the year from discontinued operations	328	-1,061

Disclosures on the Statement of Consolidated Cash Flows

The statement of consolidated cash flows shows the consolidated cash flows from continued and discontinued operations for the prior-year period. The cash flows from discontinued operations in the first six months of the 2022/2023 financial year are calculated as the difference between the consolidated cash flows from continued and discontinued operations and the consolidated cash flows from continued operations, taking into account all elimination entries between continued and discontinued operations in the discontinued operations.

The individual cash flows are shown below:

in T€	01.10.2022-31.03.2023	01.10.2021-31.03.2022
Cash flow from operating activities	201	-7,043
thereof from continued operations	289	-5,662
thereof from discontinued operations	-88	-1,381
Cash flow from investing activities	3,586	-1,728
thereof from continued operations	3,761	-973
thereof from discontinued operations	-175	-755
Cash flow from financing activities	-3,966	2,080
thereof from continued operations	-3,941	2,187
thereof from discontinued operations	-25	-107

Events after the Balance Sheet Date

The Supervisory Board of Dr. Hönle AG appointed Dr. Franz Richter, who previously held the office of Chairman of the Supervisory Board of Dr. Hönle AG, as the successor of Management Board Chairman Mr. Norbert Haimerl, who stepped down from office with effect from the end of 30 April 2023. For Mr. Norbert Haimerl, who retired from the Management Board on 30 April 2023, expenses of T€ 770 allocable to other Management Board remuneration will be incurred on the occasion of the termination of his employment contract. These expenses will be included in personnel expenses in the second half of financial year 2022/2023.

The Supervisory Board has initiated the search for a Management Board Chairman or Chairwoman. Dr. Richter will perform this task until the appointment of the new Management Board Chairman or Chairwoman, at the latest, however, until 30 April 2024. During this period, his office as a member of the Supervisory Board will be suspended and Mr. Niklas Friedrichsen will assume the position of Chairman of the Supervisory Board of Dr. Hönle AG.

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

01.10.2022-31.03.2023

in T€	Adhesives	Equipment & Systems	Glass & Lamps	Total	Elimination	Consolidated
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

01.10.2021-31.03.2022

in T€	Adhesives	Equipment & Systems	Glass & Lamps	Total	Elimination	Consolidated
Sales revenues						
External customers	14,285	36,387	10,135	60,807	0	60,807
Sales with other business units	264	1,794	1,318	3,376	-3,376	0
Total sales	14,550	38,181	11,452	64,183	-3,376	60,807
RESULT						
Segment result (operating result)	2,285	5,199	1,796	9,280	0	9,280
Interest income	16	205	17	238	-225	13
Interest expenses	199	493	262	953	-233	720
Investments accounted for using the equity method				0		0
Earnings before taxes and non-controlling interests						8,573
Income taxes	633	1,162	534	2,329	0	2,329
Deferred taxes	-19	-136	-3	-158	-93	-251
Earnings before non-controlling interests						6,495
OTHER INFORMATION						
Segment assets	69,732	146,118	40,282	256,132	-58,949	197,183
Non-allocated assets						
Investments accounted for using the equity-method				287		287
Financial assets				26		26
Non-current receivables				2,046		2,046
Current tax assets				2,717		2,717
Deferred tax assets				4,528		4,528
Consolidated assets						206,787
Segment liabilities	10,772	69,614	37,094	117,479	-78,838	38,642
Non-allocated liabilities						
Deferred tax liabilities				615		615
Current income tax liabilities				3,155		3,155
Non-current loans				46,011		46,011
Consolidated liabilities (current and non-current)						88,423
Investments	540	3,326	1,149	5,015		5,015
Segment write-downs	736	1,894	992	3,622		3,622
Non-cash expenses of the segment	11	165	-230	-55		-55

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, 10 May 2023

Dr. Hönle AG
The Management Board

Disclaimer

For reasons of better readability, the masculine form is often used for personal designations and personal words. 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

12 May 2023
Present Half-Year Report 2022/2023

7 August 2023
3rd Quarterly Statement 2022/2023

18 September 2023
Berenberg/Goldman Sachs Conference, Munich

15 - 16 November 2023
GBC Munich Capital Market Conference

hönle group

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