

hönle group

Half-Year Report 2021/2022



Hönle Group

for the period from 1 October 2021 to 31 March 2022

Earnings development in T€	01.10.2021- 31.03.2022	01.10.2020- 31.03.2021	+/- %
Revenue	66,240	57,605	15.0
Gross profit	41,377	37,670	9.8
Operating result/EBIT	7,663	6,733	13.8
Earnings before tax/EBT	6,952	6,287	10.6
Consolidated profit for the year	5,433	4,553	19.3
Earnings per share in €	0.89	0.77	15.6
Number of shares	6,062,930	6,062,930	0.0

Development of assets in T€	31.03.2022	30.09.2021	+/- %
Non-current assets	121,515	120,350	1.0
Current assets	85,272	81,605	4.5
Equity	118,364	111,122	6.5
Non-current liabilities	57,918	64,131	-9.7
Current liabilities	30,504	27,652	10.3
Total assets	206,787	202,905	1.9
Equity ratio as a %	57.2	54.8	4.4

Liquidity development in T€	01.10.2021- 31.03.2022	01.10.2020- 31.03.2021	+/- %
Cash generated from operations	-1,676	1,495	-212.1
Cash flow from operating activities	-4,269	-1,473	-189.8
Cash flow from investing activities	-4,502	-14,948	69.9
Cash flow from financing activities	2,080	4,240	-50.9
Change in cash and cash equivalents	-6,585	-12,178	45.9

Employees	01.10.2021- 31.03.2022	01.10.2020- 31.03.2021	+/- %
Average number of employees	665	645	3.1

Group Management Report

for the period from 01 October 2021 to 31 March 2022

Overview

Market Development

Global economic expansion continued in the winter half-year despite high Covid infection rates. The global production also saw a steep rise in the last quarter of the year 2021, probably growing by 5.7% in the year as a whole and thus compensating for a large portion of the losses recorded in the preceding year. While the Corona pandemic is still having an impact on economic activity, higher incidences are meanwhile tolerated in many countries due to higher vaccination rates without containment measures being taken. One exception, of course, is China, where a No-Covid policy is still being pursued and the authorities are reacting with drastic measures even when the number of cases is low. Overall, the economic climate deteriorated only slightly in the first quarter and this, according to the Kiel Institute for the World Economy, suggests that global production also picked up substantially at the beginning of the year.

Course of Business

The economic recovery also impacted positively on the Hönle Group's course of business. Both incoming orders and order backlog were clearly above the prior year's level. As in the first quarter, sales revenues generated in the second quarter of the year were again higher in comparison with the prior year period. An even higher rise in revenue failed to realise due to long delivery times concerning electrical and electronic components, in particular. In all, sales revenues earned by the Hönle Group in the first six months of financial year 2021/2022 came to T€ 66,240, which translates into a 15.0% increase versus the prior year's value.

A changed product mix, the tense situation in the procurement markets as well as a sharp rise in the price of electricity burdened the Hönle Group's earnings power. Nevertheless, the Company succeeded in improving the operating result (EBIT) by 13.8% to T€ 7,663.

Adhesives Segment

Sales activities were hampered, in some cases considerably, by travel and visit restrictions due to the Corona pandemic in the winter half-year. The acquisition of new customers in the important sales territory of China, in particular, could not be implemented as planned. Moreover, this led to delays in the realisation of adhesives projects. At T€ 14,285, sales revenues earned by the Adhesives segment in the first half of the year remained roughly at the level of the prior-year period of T€ 14,295.

The operating result in the amount of T€ 2,285 was down from the previous year's value of T€ 3,392. Higher personnel expenses incurred in connection with the increase in personnel were the key contributing factors for the decline. The number of personnel was further increased in connection with the planned revenue growth in the areas of development and application technology, among others.

Equipment and Systems Segment

Sales in the Equipment & Systems segment once again picked up considerably, climbing from T€ 30,017 in the previous year to T€ 36,387 in the first six months of financial year 2021/2022. The demand for UV drying systems was strong in both the printing industry and the coating industry. The Hönle Group sold and delivered significantly more equipment and systems to printing press- and plant manufacturers in the coating market than just one year ago. In addition, the series equipment sector benefited from the economic upturn and produced more UV systems, which are primarily used for industrial adhesives curing. These systems are needed, in particular, in automated production processes in the electrical industry and in medicine.

Another growth driver was provided by the air disinfection market: The Hönle Group sold significantly more UVC disinfection equipment in the current financial year than in the previous year. Apart from firms that have equipped their offices and meeting rooms with air sterilisation devices, public institutions such as schools and daycare centres were the main customers for the devices.

The segment's operating result also saw clear improvement from T€ 2,450 in the prior year to T€ 5,199 in the current financial year.

Glass & Lamps Segment

The Glass & Lamps segment also grew strongly in the first six months of the year, climbing from T€ 13,293 in the previous year to T€ 15,568 in the current financial year. As in the previous year, uv-technik Speziallampen GmbH also increased its sale of lamps and components in the current financial year.

Raesch Quarz (Germany) GmbH also recorded a strong rise in sales. In the semi-conductor market, in particular, sales were significantly above the level reached in the prior year period. However, despite the revenue growth, Raesch Quarz (Germany) GmbH's operating result was negative, largely as a consequence of the steep rise in energy costs in the second quarter of the current financial year.

Overall, the operating result dropped in the Glass & Lamps segment from T€ 891 to T€ 179 in the first half-year.

Sales by Regions

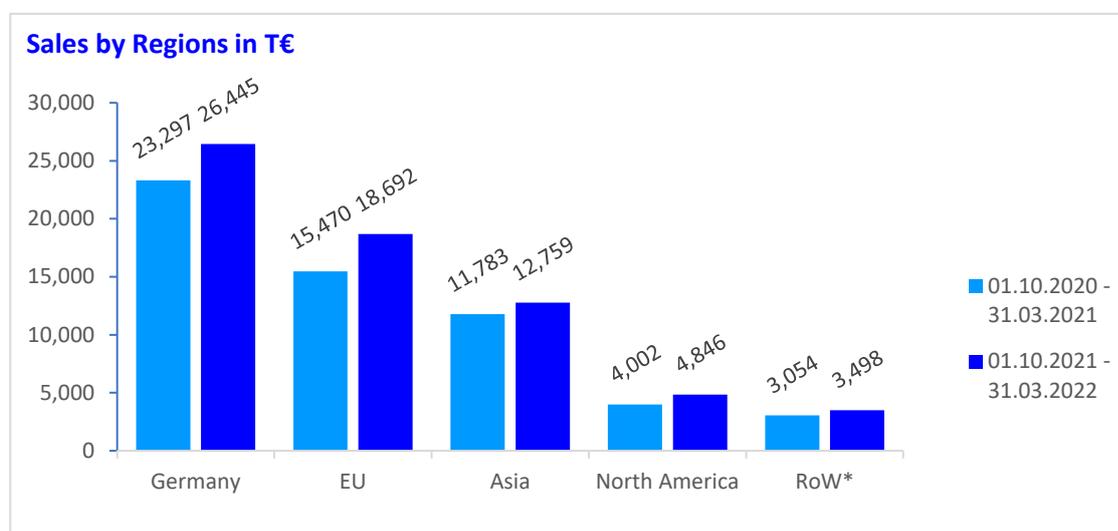
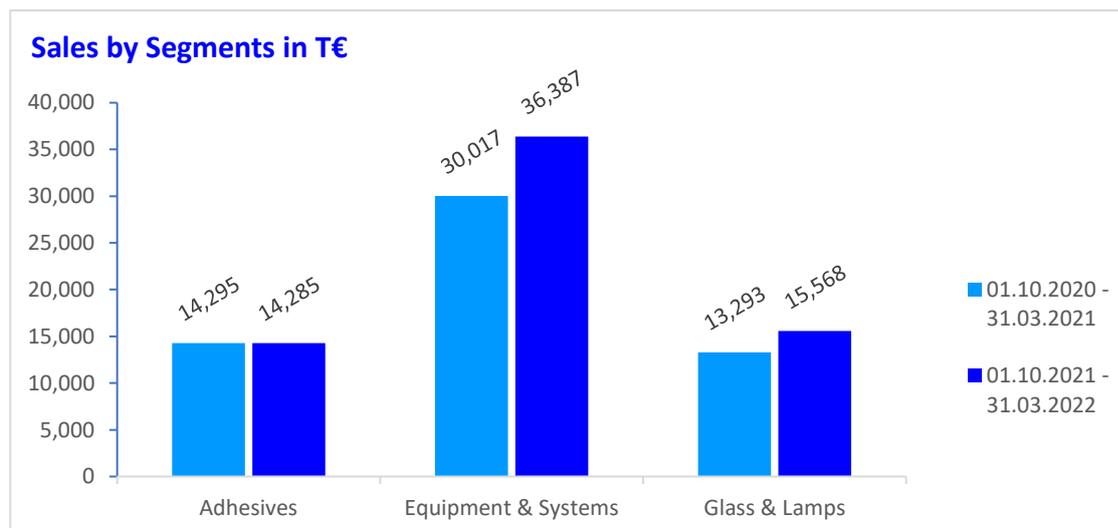
At T€ 26,445 in revenues, Germany continues to be the Höhle Group's most important sales market. The development of sales, which saw a 13.5 % increase in comparison with the prior year, is largely due to the sales increase in the area of air disinfection. European sales outside Germany climbed by 20.8% to T€ 18,692, mainly due to a large-scale French order in the air disinfection sector. Sales generated in Asia amounted to T€ 12,759 and were 8.3% above the prior year value. Sales also rose perceptibly in North America and the rest of the world, with a 21.1% increase to T€ 4,846 and 14.5% to T€ 3,498, respectively.

Results of Operations

At T€ 66,240, sales revenues earned by the Höhle Group in the period from 1 October 2021 to 31 March 2022 exceeded the comparable prior-year period by 15.0%. Gross profit grew by 9.8% to T€ 41,377 while the cost of materials ratio increased from 37.0% to 43.7% due to a changed product mix and rising energy prices. Mainly as a result of the acquisition-related increase in personnel within the Höhle Group, personnel expenses grew by 11.2% to T€ 21,170, corresponding to a personnel expense ratio of 30.7% (PY: 32.5%). The ratio of other operating expenses dropped from 13.2% in the previous year to 12.9% in the current financial year.

The operating result (EBIT) climbed by 13.8% to T€ 7,663. This corresponds to an EBIT margin of 11.1% after 11.5% in the previous year. The pre-tax result (EBT) amounted to T€ 6,952, thus exceeding the value reached in the prior year period by 10.6%. The consolidated result after income taxes came to T€ 5,433, an increase of 19.3%. Earnings per share improved from € 0.77 to € 0.89. The net profit on sales was 8.2% in the first half of the year (PY: 7.9%).

Earnings development in T€	01.10.2021- 31.03.2022	01.10.2020- 31.03.2021	+/- %
Revenue	66,240	57,605	15.0
Gross profit	41,377	37,670	9.8
Operating result (EBIT)	7,663	6,733	13.8
Earnings before tax (EBT)	6,952	6,287	10.6
Consolidated profit for the year	5,433	4,553	19.3
Earnings per share in €	0.89	0.77	15.6
Number of shares of stock	6,062,930	6,062,930	0.0



Financial Position

The increase in inventory by T€ 6,156 contributed significantly to the cash flow from operating activities of -T€ 4,269 in the first half-year (PY: T€ -1,473). The higher inventory level is mainly due to the increase in stock in connection with the SteriWhite Air product line.

Capital expenditure in the amount of T€ 4,502 was clearly below the prior year level of T€ 14,948. While the previous year was still marked by a substantial amount paid for the new corporate buildings, these costs declined noticeably in the current fiscal year. The cash flow from investing activities also included plant and business equipment investments concerning Dr. Hönle AG, Panacol-Elosol GmbH and Raesch Quarz (Germany) GmbH, among others.

The cash flow from financing activities amounted to T€ 2,080 (PY: T€ 4,240) and mainly concerns borrowings and bank liabilities as well as the payment of lease liabilities. Moreover, dividends were paid in the amount of T€ 1,212 (PY: T€ 4,800).

In all, cash and cash equivalents contracted by T€ 6,585 (PY: decrease by T€ 12,178) in the first six months of the current financial year.

Liquidity development in T€	01.10.2021- 31.03.2022	01.10.2020- 31.03.2021	+/- %
Cash generated from operations	-1,676	1,495	-212.1
Cash flow from operating activities	-4,269	-1,473	-189.8
Cash flow from investing activities	-4,502	-14,948	69.9
Cash flow from financing activities	2,080	4,240	-50.9
Change in cash and cash equivalents	-6,585	-12,178	45.9

Net Assets

On the assets side of the statement of financial position, investments in machinery and equipment contributed to an increase in property, plant and equipment in the first six months of financial year 2021/2022. The value of inventories increased by T€ 6,486 to T€ 53,211 as at 31 March 2022, mainly as a result of the production of UVC air disinfection systems at Dr. Höhle AG. The inventory build-up played a major role in the reduction of cash and cash equivalents from T€ 12,073 to T€ 5,487.

While the amount of long-term loans declined by T€ 1,697 to T€ 43,823, current liabilities to banks increased by T€ 5,934 to T€ 9,824.

Within equity capital, revenue reserves grew by T€ 7,181 to T€ 69,864. Based on an equity ratio of 57.2%, the Höhle Group continues to be solidly financed.

Development of assets in T€	31.03.2022	30.09.2021	+/- %
Non-current assets	121,515	120,350	1.0
Current assets	85,272	81,605	4.5
Equity	118,364	111,122	6.5
Non-current liabilities	57,918	64,131	-9.7
Current liabilities	30,504	27,652	10.3
Total assets	206,787	202,905	1.9
Equity ratio as a percentage (%)	57.2	54.8	4.4

Research and Development

Research and development expenses increased from T€ 3,154 in the previous year to T€ 3,644 in the reporting year. As in the previous year, this corresponds to an R&D ratio of 5.5 % of sales. The Höhle Group employed an average of 99 people in the Research and Development departments, seven more than in the previous year. The following development projects were realised, among others:

The Adhesives segment developed a new two-component adhesive system which is convincing due to its high level of resistance to environmental influences. Sensitive electronic components as well as bonded housings can thus be permanently protected against environmental damage. The epoxy adhesive is characterised by high temperature stability and excellent adhesion to metals such as aluminium, stainless steel, and many plastics. Its high resistance to vibration and shock and its good resistance to liquids such as gear oil, biodiesel and alcohol broaden the adhesive's application area to include the automotive industry.

The Equipment and Systems segment developed the LightGuide pureUV drying system. Thanks to the product's unique reflector geometry, the UV lamp portion achieves, in peak, an intensity that is well over 50 % higher in comparison with other curing devices. The easy use of LightGuide pureUV is due, in particular, to its "quick-change" technology, a plug-in base integrated into the housing for quick UV lamp replacement. The device is suitable for use in UV inert chamber systems that are also developed and produced by Höhle. A special feature

is provided by the installation of the UV inert chamber by means of a cooled roll. In addition to the advantages of inerting, this combination enables easier temperature management of the web and an estimated 10% reduction in nitrogen consumption. The LightGuide pureUV UV system was presented at the ICE 2022 trade show.

Following the acquisition of uv-technik meyer GmbH by uv-technik Speziallampen GmbH, the UV specialist presented innovations from its extended product range at the Aquatech trade fair in Amsterdam. The innovations include products relating to the areas of UV low-pressure and UV medium-pressure technology for the treatment of drinking-, process- and wastewater. The company is part of the Hönle Group and belongs to the Glass & Lamps segment.

At the four-day Aquatech trade fair, more than 550 international exhibitors presented their latest products and services concerning the issue of drinking water, industrial wastewater and wastewater. The treatment of water using UV technology is playing an increasingly important role. The perfect interaction of various components, from high-performance medium-pressure and low-pressure UV lamps, reliable sensor technology to efficiency-increasing electronic ballasts, makes a significant contribution to safe water disinfection.

Personal

In the first six months of 2021/2022 the Hönle Group had an average of 665 employees, which means an increase by 20 employees or 3.1 % in comparison with the previous year.

61 staff members or 9.2% of the total number of staff worked part-time. In the first half of the current financial year employees were active in the following functional areas:

Functional areas			
Reporting date	31.03.2022	31.03.2021	+/- %
Sales & Marketing	106	101	5.0
Research & Development	98	94	4.3
Production, Service	313	304	3.0
Logistics	71	72	-1.4
Administration	80	75	6.7
Total	668	646	3.4
Functional areas	01.10.2021-	01.10.2020-	
average	31.03.2022	31.03.2021	+/- %
Sales & Marketing	105	101	4.0
Research & Development	99	92	7.6
Production, Service	312	306	2.0
Logistics	69	71	-2.8
Administration	80	75	6.7
Total	665	645	3.1

Personnel expenses in T€	01.10.2021- 31.03.2022	01.10.2020- 31.03.2021	+/- %
Wages and salaries	17,365	15,433	12.5
Social security and pension costs	3,805	3,602	5.6
Total	21,170	19,035	11.2

Personnel expenses rose in the first six months from T€ 19,035 in the previous year to T€ 21,170 in the reporting year largely as a consequence of a growth-based increase in the number of staff and the discontinuation of short-time working arrangements that were still in place at some entities in the previous 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 year, expenses for staff training and qualification amounted to T€ 278 (PY: T€ 284).

The Höhle Group offers various vocational training measures and apprenticeships so that the future demand for qualified staff can be met: The respective measures cover the fields of business economy, technology, chemistry and logistics. As at 31 March, 29 young people were undergoing vocational training at the Höhle Group (PY: 26).

Outlook

Overall Market

The war in Ukraine is hitting the global economy at a time when inflation has already risen sharply and the U.S. Federal Reserve has signalled the end of its extremely expansionary monetary policy. Higher commodity prices are triggering inflation. In combination with the impact of the sanctions, this is expected to result in another rise in supply bottlenecks in the coming months.

Consequently, the Institute for the World Economy significantly lowered its forecast for the expansion of the world economy by one percentage point in the current year and 0.4 percentage points next year.

Experts predict global growth of 3.5% in the current year and of 3.6% in the coming year. The driving forces in the economy are considerable, in particular due to the fact that the former tight grip of the Corona pandemic will affect the global economy to an ever-lesser extent.

Höhle Group

Adhesives Segment

Sales generated by the Adhesives segment were on par with the previous year's level in the first six months of the current financial year. A restraining effect on sales was provided by the existing travel restrictions in China. The situation in this region, which is of major importance for the Höhle Group, is expected to normalise in the next months, however.

The high-volume adhesives projects, which are of major importance for the Company's further course of business, are expected to realise in the fourth quarter of the financial year at the earliest.

Given the large number of high-potential adhesive projects, the Management Board anticipates strong business development over the medium- to long term. A further managing director, responsible for international adhesives sales, is to further develop the sales territories of China and the USA, in particular.

Equipment & Systems Segment

The Management Board expects a favourable course of business with drying systems for the drying and coating market and with drying systems for adhesives. These positive expectations are underpinned by the current high order backlog in these application areas. Höhle sees a strong demand for UV based drying solutions for industrial applications. In addition to the printing- and coating industries, relevant target markets are also provided by the medical technology industry.

The order backlog in the Equipment & Systems segment at the half-year end was about 65% above the previous year's level. In all, the segment is expected to see very favourable business development due to the excellent order position and the large number of customer projects.

Furthermore, the Management Board assumes that, over the medium to long term, the UV-based disinfection business will develop into an important pillar of the Höhle Group and will generate significant sales and earnings contributions.

Moreover, a new product line for the printing industry will probably contribute substantially to the planned growth in sales revenues from the new financial year onwards.

Glass & Lamps Segment

The high demand for UV-lamps used in air and water disinfection contributed to the excellent sales development at uv-technik Speziallampen GmbH. Prospects in the disinfection and drying business are likewise excellent, not least due to the high order backlog and the large number of ongoing customer projects. Therefore, good business development is expected in the UV lamps segment in the future also.

A powerful quartz glass market, an high order backlog and the fact that all quartz glass melting furnaces are in operation, producing glass with low rejection rates, will lead to a further continuous rise in sales in the next quarters. The earnings development at Raesch Quarz (Germany) GmbH will depend, to a great extent, on the development of electricity prices or and on subsidies granted by the government, respectively. According to current information, the latter will be granted to energy-intensive companies.

Overall Assessment of Future Business Development

Given the high order backlog, business is expected to develop well in the current financial year also. Overall, the Management Board expects the Höhle Group to generate sales revenues of € 130 million to 140 million and an operating result (EBIT) of € 14 million to 17 million in financial year 2021/2022.

Consolidated Income Statement

for the period from 1 October 2021 to 31 March 2022 (IFRS)

in T€	01.01.2022- 31.03.2022	01.10.2021- 31.03.2022	01.01.2021- 31.03.2021	01.10.2020- 31.03.2021
Revenue	32,822	66,240	30,932	57,605
Changes in inventories of finished goods and work in progress	2,014	2,750	798	885
Other work performed by entity and capitalised	9	48	13	34
Other operating income	272	2,526	385	797
Cost of purchased materials and services	15,212	30,187	11,751	21,651
Personnel expenses	10,958	21,170	9,859	19,035
Depreciation and amortisation of property, plant and equipment and intangible assets	1,328	2,714	1,176	2,278
Amortisation of rights of use IFRS 16	451	908	979	2,021
Other operating expenses	4,037	8,912	3,743	7,697
Impairment pursuant to IFRS 9	-6	10	4	-94
Operating result/EBIT	3,138	7,663	4,615	6,733
Financial income	7	13	35	41
Financial expenses	382	724	336	487
Financial result	-375	-712	-301	-447
Earnings before tax and non-controlling interests/EBT	2,762	6,952	4,313	6,287
Income taxes	527	1,518	1,385	1,733
Consolidated profit	2,235	5,433	2,928	4,553
Share of earnings attributable to non-controlling interests	59	61	-68	-95
Share of earnings attributable to Dr. Hönle AG shareholders	2,176	5,372	2,996	4,648
Earnings per share (basic) in €		0.89		0.77
Earnings per share (diluted) in €		0.89		0.77
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 1 October 2021 to 31 March 2022 (IFRS)

in T€	01.10.2021- 31.03.2022	01.10.2020- 31.03.2021
Consolidated profit	5,433	4,553
Other comprehensive income:		
Positions that may be subsequently reclassified to profit or loss		
Currency translation differences	171	11
Other comprehensive income from hedge accounting	3,973	990
Income tax effects	-1,123	-261
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	3,022	740
Total comprehensive income	8,455	5,293
Thereof:		
Comprehensive income attributable to non-controlling interests	61	-95
Comprehensive income of Dr. Hönle AG shareholders	8,394	5,388

Consolidated Statement of Financial Position

as at 31 March 2022

in T€	31.03.2022	30.09.2021
ASSETS		
NON-CURRENT ASSETS		
Goodwill	21,119	21,119
Intangible assets	2,570	2,889
Property, plant and equipment	89,588	87,801
Investment property	1,073	1,093
Investments accounted for using the equity method	287	282
Financial assets	26	26
Other non-current assets	2,323	2,272
Deferred tax assets	4,528	4,870
Total non-current assets	121,515	120,350
CURRENT ASSETS		
Inventories	53,211	46,725
Trade accounts receivable	20,897	17,057
Receivables from companies in which an equity interest is held	135	98
Finance lease receivables	98	112
Other current assets	2,726	3,228
Tax refund claims	2,717	2,311
Cash and cash equivalents	5,487	12,073
Total current assets	85,272	81,605
Non-current assets held for sale	0	950
TOTAL ASSETS	206,787	202,905
EQUITY AND LIABILITIES		
EQUITY		
Subscribed capital	6,063	6,063
Own shares	-8	-8
Capital reserves	41,979	41,979
Retained earnings	69,864	62,683
Equity attributable to Dr. Höhle AG shareholders	117,897	110,716
Non-controlling interests	467	406
Total equity	118,364	111,122
NON-CURRENT LIABILITIES		
Non-current loans (less current portion)	43,823	45,520
Non-current finance lease liabilities	2,188	2,548
Other non-current liabilities	2,661	6,667
Pension provisions	8,508	8,603
Accrued public investment grants	124	137
Deferred income tax liabilities	615	656
Total non-current liabilities	57,918	64,131
CURRENT LIABILITIES		
Trade accounts payable	7,658	9,431
Liabilities to companies in which an equity investment is held	3	-23
Contract liabilities	2,290	3,106
Current liabilities from finance leasing	1,500	1,588
Current liabilities to banks and current portion of non-current loans	9,824	3,890
Other current liabilities	5,381	6,645
Other provisions	693	663
Income tax liabilities	3,155	2,352
Current liabilities, total	30,504	27,652
TOTAL EQUITY AND LIABILITIES	206,787	202,905

Statement of Consolidated Cash Flows

for the period from 1 October 2021 to 31 March 2022

in T€	01.10.2021- 31.03.2022	01.10.2020- 31.03.2021
Cash flow from operating activities		
Consolidated profit before non-controlling interests and taxes	6,952	6,287
Adjustments for:		
Depreciation of intangible assets, property, plant and equipment and investment property	3,622	4,299
Gains/losses from disposal of intangible assets, property, plant and equipment and investment property	23	187
Financial income	-13	-41
Financial expenses	724	487
Other non-cash expenses and income	-457	-139
Operating result before changes to net current assets	10,851	11,080
Increase/decrease in provision	-117	182
Increase/decrease in trade accounts receivable	-3,848	-3,656
Increase/decrease in receivables from companies in which an equity investment is held	-35	7
Increase/decrease in assets held for sale	950	0
Increase/decrease in other assets	516	292
Increase/decrease in reinsurance	-93	-82
Increase/decrease in inventories	-6,156	-6,527
Increase/decrease in trade accounts payable	-1,721	-272
Increase/decrease in liabilities to companies in which an equity investment is held	26	-49
Increase/decrease in contract liabilities	-816	334
Increase/decrease in other liabilities	-1,233	186
Cash generated from operations	-1,676	1,495
Interest paid	-661	-436
Income taxes paid	-1,931	-2,533
Cash flow from operating activities	-4,269	-1,473
Cash flow from investing activities		
Payments received from the disposal of intangible assets, property, plant and equipment and investment property	0	135
Acquisition of subsidiaries less acquired net cash	0	-6,222
Payments for the acquisition of property, plant and equipment and intangible assets	-4,556	-8,946
Payments received from non-current receivables	342	44
Payments for non-current receivables	-300	0
Interest received	12	40
Cash flow from investing activities	-4,502	-14,948
Cash flow from financing activities		
Payments received from loans and liabilities to banks	6,296	9,806
Payments for loans and liabilities to banks	-2,071	538
Payments for the repayment portion of leasing liabilities	-933	-1,420
Equity contributions by minority shareholders	0	116
Dividend payments made	-1,212	-4,800
Cash flow from financing activities	2,080	4,240
Currency-related change in cash and cash equivalents	104	4
Net change in cash and cash equivalents	-6,585	-12,178
Cash and cash equivalents at the beginning of the reporting period	12,073	34,175
Cash and cash equivalents at the end of the reporting period	5,487	21,997

Consolidated Statement of Changes in Equity

for the period from 1 October 2021 to 31 March 2022 (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
	Sub- scribed capital	Own shares	Capital re- serves	Legal and other reserves	Reserve from measures acc. to IFRS 9	Reserve for hedg- ing trans- actions	Reserve actuarial for gains/ losses IAS 19	Reserve for cur- rency-dif- ferences	Equity attributa- ble to Dr. Hönle AG share- holders	Non- control- ling interest	
As at											
01.10.2020	6,063	-8	41,979	74,664	341	-4,638	-3,863	1,803	116,341	345	116,686
Consolidated net income for the year	-	-	-	4,648	-	-	-	-	4,648	- 95	4,553
Other comprehensive income	-	-	-	-	-	728	-	11	740	-	740
Total comprehensive income	-	-	-	4,648	-	728	-	11	5,388	- 95	5,293
Change due to the acquisition of non-controlling interests	-	-	-	-	-	-	-	-	-	116	116
Dividend distribution	-	-	-	- 4,800	-	-	-	-	- 4,800	-	- 4,800
As at											
31.03.2021	6,063	-8	41,979	74,512	341	-3,911	-3,863	1,814	116,928	366	117,294
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
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

Explanatory Notes

for the Half-Year Report 2021/2022

Hönle prepares the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) and the pertaining interpretations as to be applied in the European Union. Hönle prepares and publishes the interim consolidated financial statements in euros. The present interim consolidated financial statements were prepared in accordance with IAS 34 „Interim financial reporting“. They should be read in the context of the consolidated financial statements published by the Company for the financial year 2020/2021.

The consolidated statement of financial position as of 31 March 2022, 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 2022 and 2021 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 2020/2021 consolidated financial statements.

In the 1st quarter of 2021/2022, the developed property in Rott am Inn (balance sheet position: Non-current assets held for sale) was sold for a purchase price of T€ 2.775.

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

01.10.2021-31.03.2022

in T€	Adhesives	Equipment & Systems	Glass & Lamps	Total	Elimination	Consolidated
Sales revenues						
External customers	14,285	36,387	15,568	66,240	0	66,240
Sales with other business units	264	1,794	1,318	3,376	-3,376	0
Total sales	14,550	38,181	47,252	69,616	-3,376	66,240
RESULT						
Segment result (operating result)	2,285	5,199	179	7,663	0	7,663
Interest income	16	205	17	238	-225	13
Interest expenses	199	493	266	958	-233	724
Investments accounted for using the equity method				0		0
Earnings before taxes and non-controlling interests						
Income taxes	633	1,162	534	2,329	0	2,329
Deferred taxes	-19	-136	-563	-718	-93	-811
Earnings before non-controlling interests						5,433
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

01.10.2020-31.03.2021

in T€	Adhesives	Equipment & Systems	Glass & Lamps	Total	Elimination	Consolidated
Sales revenues						
External customers	14,295	30,017	13,293	57,605	0	57,605
Sales with other business units	126	998	1,023	2,146	-2,146	0
Total sales	14,420	31,014	14,316	59,751	-2,146	57,605
RESULT						
Segment result (operating result)	3,392	2,450	891	6,733	0	6,733
Interest income	17	211	17	245	-204	41
Interest expenses	108	337	255	700	-212	487
Investments accounted for using the equity method				0		0
Earnings before taxes and non-controlling interests						6,287
Income taxes	1,012	878	435	2,326	0	2,326
Deferred taxes	-26	-178	-267	-471	-122	-592
Earnings before non-controlling interests						4,553
OTHER INFORMATION						
Segment assets	68,024	133,026	44,223	245,273	-42,687	202,586
Non-allocated assets						
Investments accounted for using the equity-method				262		262
Financial assets				26		26
Non-current receivables				1,787		1,787
Current tax assets				1,474		1,474
Deferred tax assets				6,566		6,566
Consolidated assets						212,701
Segment liabilities	11,232	61,477	35,333	108,042	-65,242	42,800
Non-allocated liabilities						
Deferred tax liabilities				1,204		1,204
Current income tax liabilities				1,887		1,887
Non-current loans				49,516		49,516
Consolidated liabilities (current and non-current)						95,407
Investments	3,331	5,851	1,461	10,643		10,643
Segment write-downs	534	2,723	1,042	4,299		4,299
Non-cash expenses of the segment	-14	147	66	199		199

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, 12 May 2022
Dr. Hönle AG
The Management Board

Note

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 consolidated interim financial statements are unaudited.

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

The figures and percentages contained in this report may be subject to rounding difference.

Financial Calendar

12 May 2022
Present Half Year Report 2021/2022

5 August 2022
3rd Quarterly Statement 2021/2022

15 – 16 November 2022
GBC Munich Capital Market Conference

hönle group

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