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28 October 2026

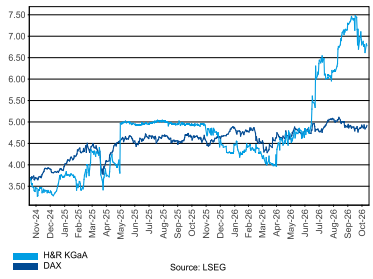
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H&R KGaA

Germany

Chemicals	
Reuters: 2HR.DE	Bloomberg: 2HRA GY
Buy	
Closing price as of 27-Oct-26	EUR 6.78
Target price	**EUR 7.90**
High/Low (12M)	EUR 7.48/3.97
Market cap.	EUR mn 252
Enterprise value	EUR mn 564
Free float	22.5%
Avg. daily turnover	EUR mn 0.05

Price relative to Index



Performance (%)	1M	3M	6M
Absolute	-8.6	4.6	47.4
rel. DAX	-9.3	3.7	41.1
rel. STOXX Europe 600	-9.4	4.8	41.7
rel. SXXP Chemicals	-14.1	-2.3	37.9

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Preliminary 3Q26 numbers above our expectations confirm our positive view on the stock

Our conclusion

- H&R KGaA published in an ad hoc news its preliminary 3Q26 numbers which were >6% above our forecasts. The 9M26 EBITDA of EUR 132.3mn nearly reaches our FY26 EBITDA forecast. As our FY26 EBITDA forecast of EUR 140.5mn is 4% above consensus estimates, but no quality consensus for 3Q26 available we think that consensus expectations for 3Q26 have been below our estimates and consequently the earnings beat on consensus estimates for 3Q26 was even higher compared to Baader Helvea estimates. As H&R's business continues its strong revenue and earnings growth trajectory, we see our positive view on the stock reiterated (for more information on H&R's investment case and our view on it, please have a look into our detailed company update of 22 October 2026 "Very favorable environment should continue in 2027 – We raise our TP to EUR 7.90 – Buy rating reiterated").

Facts & Analysis

- **H&R KGaA continued the strong recovery in sales volumes and earnings that began in March 2026 through the end of 3Q26,** according to the company. According to preliminary calculations, 3Q26 EBITDA amounted to EUR 47.9mn (9M26: EUR 132.2mn) and therefore more than doubled yoy (3Q25: EUR 20.3mn). 3Q26 EBIT came in at EUR 33.4mn (9M26: EUR 92.8mn), 3Q26 EBT was at EUR 30.1mn (9M26: EUR 83.6mn) and 3Q26 net income reached EUR 19.9mn (9M26: EUR 61.5mn – (3Q25: EUR -0.7mn)) which 3Q26 sales was up 33% at EUR 412mn (in our view mainly due to price effects).
- The **ChemPharm REFINING segment once again made the largest contribution to earnings.** EBITDA of EUR 36.7mn was, as expected, significantly higher than in the comparable prior-year quarter. The same applies to the first nine months as a whole: At EUR 98.9mn (9M25: EUR 40.7mn). The Group's international activities within the **ChemPharm SALES** segment reported improved EBITDA of EUR 12.6mn in 3Q26 and EUR 38.3mn for 9M26. The **PLASTICS** segment once again recorded significant losses due to difficult conditions in the automotive industry. For 9M26, it generated a slightly lower negative EBITDA of EUR -2.4mn, of which EUR -0.7mn was attributable to 3Q26.
- 9M26 operating cash flow amounted to EUR 58.3mn (9M25: EUR 48.9mn), despite a significantly higher group result, operating cash flow was affected by a substantial increase in net working capital during the period, primarily reflecting higher trade receivables, resulting from the conflict in the Persian Gulf involving Israel, the United States and Iran. In 3Q26, H&R's operating cash flow improved significantly to EUR 55.8mn (3Q25: EUR 24.3mn), while 3Q26 FCF reached EUR 42.4mn (3Q25: EUR 3.8mn). **9M26 FCF** stood at EUR 22.9mn compared with EUR 8.8mn in 9M25 and was therefore **significantly better than forecasted by us.**
- **Outlook:** Overall, H&Rs positive business and earnings performance continued since the summer, although with less momentum than in 2Q26, according to H&R KGaA. H&R therefore remains on track to achieve the recently adjusted EBITDA guidance range of EUR 120.0mn to EUR 145.0mn, according to the company. Further refinements to the outlook may be provided during the course of the financial year.

Key financials

EUR mn	2025	2026E	2027E	2028E	CAGR (%)
Sales	1,242.2	1,474.4	1,444.9	1,416.0	4.5
EBIT adj.	-14.1	87.5	49.4	41.0	-
EPS adj. (EUR)	-1.04	1.32	0.64	0.49	-

Valuation ratios

x	2025	2026E	2027E	2028E
EV/Sales	0.5	0.4	0.4	0.4
EV/EBIT adj.	-40.1	6.4	11.0	12.6
P/E adj.	-	5.1	10.6	13.8

Source: Company data, Baader Helvea Equity Research

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H&R KGaA

Key data

FY 31 Dec.	2023	2024	2025	2026E	2027E	2028E
Share data						
EPS rep. (EUR)	0.28	0.28	-1.04	1.32	0.64	0.49
EPS adj. (EUR)	**0.28**	**0.28**	**-1.04**	**1.32**	**0.64**	**0.49**
Dividend (EUR)	0.10	0.10	0.00	0.30	0.20	0.20
Book value (EUR)	12.29	12.59	11.18	13.81	14.14	14.43
Free cash flow (EUR)	1.69	0.42	0.95	0.07	0.98	0.88
Avg. no. of shares (mn)	37.2	37.2	37.2	37.2	37.2	37.2
Market cap. (avg./current, EUR mn)	198.6	252.4	252.4	252.4	252.4	252.4
Enterprise value (EUR mn)	454.9	566.1	564.7	564.2	540.9	517.6
Valuation	**2023**	**2024**	**2025**	**2026E**	**2027E**	**2028E**
P/E adj. (x)	**19.0**	**24.2**	**-**	**5.1**	**10.6**	**13.8**
P/BV (x)	0.4	0.5	0.6	0.5	0.5	0.5
FCF/EV (%)	13.8	2.7	6.3	0.5	6.8	6.3
FCF yield (%), (FCF/Mcap.)	31.6	6.2	14.0	1.1	14.5	13.0
Dividend yield (%)	1.9	1.5	0.0	4.4	2.9	2.9
EV/Sales (x)	0.3	0.4	0.5	0.4	0.4	0.4
EV/EBITDA adj. (x)	4.9	6.0	6.7	4.0	4.9	5.2
EV/EBIT adj. (x)	14.8	17.6	-40.1	6.4	11.0	12.6
EV/CE (x)	0.7	0.8	0.9	0.7	0.7	0.7
ROCE/WACC adj. (x)	0.6	0.5	-0.3	1.4	0.8	0.7
Key company data	**2023**	**2024**	**2025**	**2026E**	**2027E**	**2028E**
Sales growth (%)	-14.2	-1.0	-7.2	18.7	-2.0	-2.0
EBITDA growth adj. (%)	-25.9	2.1	-11.1	66.4	-22.1	-8.2
EBITDA margin adj. (%)	6.9	7.1	6.8	9.5	7.6	7.1
EBIT margin adj. (%)	**2.3**	**2.4**	**-1.1**	**5.9**	**3.4**	**2.9**
Net margin adj. (%)	0.8	0.8	-3.1	3.3	1.6	1.3
Free cash flow margin (%)	4.6	1.2	2.9	0.2	2.5	2.3
Payout ratio (%)	35.3	35.8	0.0	22.7	31.5	41.1
Gearing (%), (net debt/equity)	29.5	41.6	44.9	36.2	30.9	26.0
Net debt/EBITDA (x)	1.4	2.1	2.2	1.3	1.5	1.4
Equity ratio (x), (equity/total assets)	50.7	46.2	45.0	48.6	49.3	49.9
Capital employed (EUR mn)	689.8	735.2	654.4	770.2	759.4	746.8
ROCE adj. (%)	4.4	4.4	-2.2	11.4	6.5	5.5
Income statement (EUR mn)	**2023**	**2024**	**2025**	**2026E**	**2027E**	**2028E**
Turnover	1,352.3	1,338.2	1,242.2	1,474.4	1,444.9	1,416.0
EBITDA	93.1	95.0	84.4	140.5	109.5	100.5
EBITDA adj.	93.1	95.0	84.4	140.5	109.5	100.5
EBIT	30.7	32.2	-14.1	87.5	49.4	41.0
EBIT adj.	30.7	32.2	-14.1	87.5	49.4	41.0
EBT	18.8	20.7	-24.7	75.2	37.1	28.7
Net profit after minorities	10.6	10.4	-38.8	49.3	23.6	18.1
Net profit adj.	10.6	10.4	-38.8	49.3	23.6	18.1
Balance sheet (EUR mn)	**2023**	**2024**	**2025**	**2026E**	**2027E**	**2028E**
Non-current assets	496	564	525	570	565	560
thereof goodwill	17	17	21	17	17	17
Current assets	407	451	399	486	502	517
Total assets	**903**	**1,015**	**924**	**1,057**	**1,067**	**1,077**
Shareholders' equity	458	469	416	514	526	537
Total equity and liabilities	**903**	**1,015**	**924**	**1,057**	**1,067**	**1,077**
Net debt	135	195	187	186	163	140
Cash flow (EUR mn)	**2023**	**2024**	**2025**	**2026E**	**2027E**	**2028E**
Cash flow from operations	119.1	70.0	94.0	59.7	91.5	86.7
of which change in working capital	42.5	10.4	29.4	-44.7	5.7	7.0
Cash flow from investments	-56.3	-54.5	-56.7	-57.0	-55.0	-53.9
of which investment in fixed assets	-53.3	-51.8	-55.6	-57.0	-55.0	-53.9
Free cash flow	**62.8**	**15.6**	**35.4**	**2.7**	**36.5**	**32.8**
Dividends paid	-3.7	-3.7	0.0	-11.2	-7.4	-7.4
Cash flow from financing activities	-46.9	-25.8	-23.6	-2.1	-13.2	-9.5
Change in cash position	**15.9**	**-10.3**	**13.7**	**0.6**	**23.3**	**23.3**

Source: Company data, Baader Helvea Equity Research

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Company	Date	Rating	Currency	Target price	Closing price	as of	Analyst
H&R KGaA	22-Oct-26	Buy	EUR	7.90	6.78	21-Oct-26	Volker Bosse, CEFA
H&R KGaA	30-Jul-26	Buy	EUR	7.50	6.12	29-Jul-26	Volker Bosse, CEFA
H&R KGaA	05-May-26	Add	EUR	5.00	4.56	04-May-26	Volker Bosse, CEFA

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