

Letter to the shareholders Q4 2024



VALUE-HOLDINGS
International AG

Value-Holdings International AG ● Bahnhofstr. 30 ● 86150 Augsburg

To the shareholders of

Value-Holdings International AG

Dear Leadis and Gentleman,

the net asset value (NAV) of Value-Holdings International AG was € 2.92 per share as at December 31, 2024. Taking into account the dividend payment of € 0.09 per share in June, the NAV hardly changed. In the same period, the major benchmark indices DAX and EuroStoxx 50 rose by 18.8 % and 8.3 % respectively, while the SDAX, which includes the smaller companies, fell by 1.8 %. The trend continues to show a strong divergence between the share price performance of large and small companies in Europe. This is also confirmed by the fourth quarter. In the last quarter, the NAV fell by 4.9 %, as did the SDAX by 3.2 % and the EuroStoxx50 by 2.1 %. Only the DAX was able to gain 3%. A look at our top performers such as Porr (+41.3 %), Traton (+31.1 %) and Fresenius (+19.5 %) also shows that these are among the larger stocks, while the weaker performers such as PolyTec (-41.7 %) tend to be among the smaller companies. We are confident that this gap will close again and we feel well positioned. The VHI share price (WKN: 756 362) on the Berlin stock exchange ranged between € 2.50 and € 3.20 in 2024. At the end of December, the share price was € 2.90, up 5.1 % on the previous year's figure of € 2.76.

A look at the portfolio: We want to do everything we can to increase the NAV per share in the long term and thus also maintain and increase the dividend per share in the long term. In doing so, we concentrate on rational decisions: We look for good companies at an attractive price that offer us a double-digit return in the long term if possible. In the third quarter, we again saw how quickly things can move on the stock market. If you make rational decisions on the stock market based on good analysis, success can come faster than you think.

CompuGroup Medical, the new investment we bought in October, has very quickly proved to be a good investment. CompuGroup is one of the world's leading e-health companies with over 9,000 employees and locations in 20 countries. The company's software products support all medical and organizational activities in hospitals, medical practices, pharmacies, laboratories and social institutions. Another focus is the digitalization of doctor-patient interaction by means of digital health records, e-prescriptions and information services for health insurance companies and pharmaceutical companies. CompuGroup is one of the technology leaders with the highest security standards and is certified by the German Federal Office for Information Security.

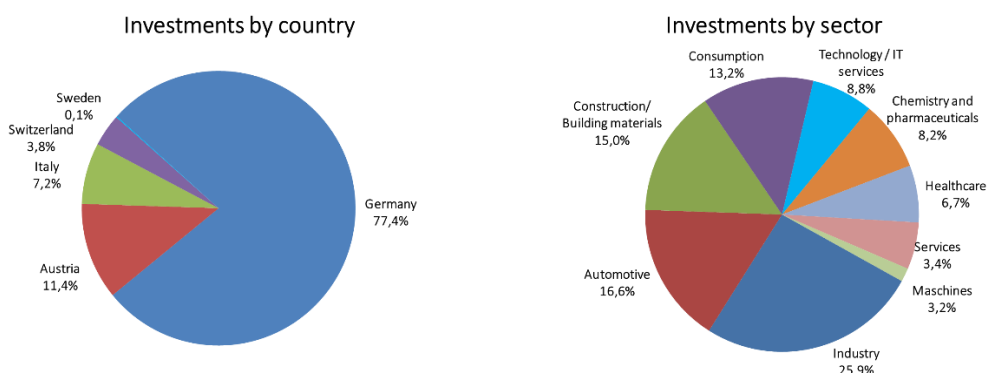
We had increased our stake in the company after the Q3 figures and at the beginning of December it became known that the founding family Gotthardt had concluded an investor agreement with companies of CVC Capital Partners plc, according to which CVC will make a voluntary public offer to the shareholders of CompuGroup to acquire their shares at € 22. Following completion of the offer, CompuGroup will be delisted from the stock exchange. As the offer price is only marginally below our calculated fair value of € 23 and we normally assume an investment horizon of 3-4 years, we sold the entire position at € 21.60. This meant that we made a good profit in a very short time.

We have also used the subdued economic mood in Germany to further increase our Hermle position. Hermle is a manufacturer of milling machines, an absolute hidden champion. We are convinced that the company can grow in the long term thanks to increasing automation in production. The third quarter also developed much better

than we had expected. Hermle achieved a 1.8 % increase in turnover in the third quarter. Demand for automation solutions, particularly from North America, had a stabilizing effect. In the first nine months, however, sales fell by 4.5 % to € 363.8 million, with earnings falling more sharply than sales due to lower capacity utilization. Unfortunately, detailed figures are not provided in Q3. However, a comparison with the VDW's industry data is positive. According to the VDW, the German machine tool industry recorded a fall in sales of 8 % in the same period and incoming orders also fell by 23 % across the industry in the first nine months and by 9.9 % at Hermle (after -6 % in the first half of the year). With net liquidity and a high equity ratio of 72.4 %, the company remains solidly financed and is consistently continuing its investments. These amounted to € 32.9 million after € 19.9 million in the previous year. In recent years, Hermle's management has generated returns of between 18 % and 43 % on the capital employed (equity and borrowed capital), which shows the value that can be created for us shareholders.

The portfolio changes described above resulted in a liquidity ratio of around 12.2 % at the end of the fourth quarter of 2024, meaning that our company was invested at a good 87.8 % (December 31, 2023: 91 %). The top 10 of the total of 34 (end of 2023: 35) core positions were the following securities in order of portfolio size as at December 31, 2024:

1) KSB AG Vz.	5,9 %	6) Neodecortech SpA	3,6 %
2) Porr AG	5,1 %	7) Hugo Boss	3,5 %
3) Traton SE	4,4 %	8) SAF-Holland SE	3,5 %
4) Fresenius SE & Co. KGaA	3,7 %	9) Hornbach Holding AG	3,4 %
5) Mercedes-Benz AG	3,6 %	10) Sto SE & Co. KGaA	3,4 %



The transactions carried out last year led to capital gains amounting to a good k€ 725. Overall, VHI generated income from securities of k€ 445, which represents a slight decline on the previous year's record figure (k€ 465). By contrast, the interest income of k€ 33 was significantly higher than the level for 2023 as a whole (k€ 12), meaning that we almost reached the cumulative figure from dividend and interest income for 2023 (k€ 477).

Taking into account the capital gains realized and the dividend and interest income already received, we should also be able to achieve a positive annual result in 2024, subject to the write-downs to be carried out at the end of the year. Provided no unforeseen events occur, we intend to maintain our current dividend policy in the future. This would then also mean distributing a dividend per share (at least) at the previous year's level for the 2024 financial year.

Expectations: We cannot say exactly when the economy in Europe will pick up again or when the gap between small and large caps will close, but we believe our portfolio is well prepared for all scenarios. We will continue to make decisions with a sense of proportion in order to sustainably improve the portfolio and long-term performance.

Thank you for your trust!

Florian König
CEO of Value-Holdings International AG