

Einhell Germany AG

Germany - Consumer Goods



HAUCK
AUFHÄUSER
INVESTMENT BANKING

Buy (old: Buy)

Price target: EUR 300.00 (old: EUR 300.00)

Price: EUR 196.80 **Next result:** Q1 22 tba
Bloomberg: EIN3 GR **Market cap:** EUR 739.8 m
Reuters: EING_p.DE **Enterprise Value:** EUR 900.5 m

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Encouraging feedback from management roadshow

We had a reassuring roadshow with Einhell's CFO Teichert, which underpinned our view that the company looks well positioned to gain further market share, driven by its leading Power-X-Change battery platform. Key takeaways:

- **Einhell continues to win market share driven by its Power-X-Change platform**, which accounted for 37% of sales in FY 21 (+7pp yoy). In the German cordless power tool market, **Einhell's share rose by 2.9pp yoy to 13.9% while market leader Bosch lost 2pp yoy to 39%**. In the German cordless garden tool market, Einhell expanded its leading position with its share rising by 4.2pp yoy to 26.7% in FY 21.
- **Wise procurement strategy is paying-off**. Having intentionally ramped-up significant inventory in FY 21 (131% yoy to € 450m), Einhell is now able to deliver on strong demand. Notably, this should further accelerate market share gains as competitors face supply-chain disruptions as illustrated by profit warnings of competitors such as Husqvarna in March and Stanley Black & Decker yesterday.
- **Well positioned to cope with inflation**. While Einhell has not recorded any slowdown in consumer demand, even assuming negative spill over effects from rising inflation should be a limited threat for Einhell. In fact, with its leading PXC battery platform, Einhell offers similar product quality to premium brands such as Bosch and Makita, while being priced at a 20-25% discount. This should make **Einhell a key beneficiary of potential 'down-trading'** among DIY consumers especially as lower tier brands cannot keep up due to a lack of battery know-how.
- While **Chinese lockdowns** have a negative impact on Einhell's supply-chain, as sourcing is heavily focused on the region, the CFO confirmed that the **impact has not been significant**, especially considering Einhell's comfortable inventory level. This also explains why the company was confident enough to raise its FY 22 EBT guidance to 8.5-9.0% EBT margin (eHAIB: 9.0%, eCons: 8.8%) as early in the year (April 7), which is impressive considering the challenging macro environment.

Against this backdrop, valuation continues to look attractive with the stock trading at only **10x PER 22E despite sound growth and return generation (26% ROCE in FY 21)**. Recent director's dealings underpin the investment case as **CEO Andreas Kroiss bought shares worth c. € 77k this week**.

BUY, PT € 300.00, based on DCF (8.5% TY EBIT margin, 2% long-term growth).

| Y/E 31.12 (EUR m) | 2018 | 2019 | 2020 | 2021 | 2022E | 2023E | 2024E |
|---------------------|--------|--------|--------|--------|---------|---------|---------|
| Sales | 577.9 | 605.7 | 724.7 | 927.4 | 1,091.5 | 1,178.8 | 1,249.6 |
| Sales growth | 4 % | 5 % | 20 % | 28 % | 18 % | 8 % | 6 % |
| EBITDA | 43.5 | 43.5 | 68.6 | 94.4 | 113.5 | 123.4 | 133.3 |
| EBIT | 38.7 | 35.0 | 59.0 | 82.4 | 99.0 | 106.6 | 115.5 |
| Net income | 25.9 | 24.3 | 41.2 | 58.6 | 70.4 | 75.8 | 82.2 |
| Net debt | 35.2 | 1.2 | 7.3 | 211.1 | 149.4 | 81.9 | -25.1 |
| Net gearing | 18.2 % | 0.6 % | 3.0 % | 61.9 % | 37.0 % | 17.6 % | -4.7 % |
| Net Debt/EBITDA | 0.8 | 0.0 | 0.1 | 2.2 | 1.3 | 0.7 | 0.0 |
| EPS pro forma | 15.40 | 6.44 | 10.92 | 15.53 | 18.66 | 20.10 | 21.79 |
| CPS | -12.49 | 19.73 | 9.02 | -80.65 | 42.93 | 50.08 | 45.42 |
| DPS | 1.40 | 1.40 | 2.20 | 2.20 | 3.00 | 3.30 | 3.30 |
| Dividend yield | 0.7 % | 0.7 % | 1.1 % | 1.1 % | 1.5 % | 1.7 % | 1.7 % |
| Gross profit margin | 34.2 % | 34.1 % | 35.9 % | 36.0 % | 36.2 % | 36.3 % | 36.5 % |
| EBITDA margin | 7.5 % | 7.2 % | 9.5 % | 10.2 % | 10.4 % | 10.5 % | 10.7 % |
| EBIT margin | 6.7 % | 5.8 % | 8.1 % | 8.9 % | 9.1 % | 9.0 % | 9.2 % |
| ROCE | 14.9 % | 13.3 % | 21.8 % | 18.9 % | 16.9 % | 17.6 % | 17.9 % |
| EV/sales | 1.2 | 1.2 | 1.0 | 1.0 | 0.8 | 0.7 | 0.6 |
| EV/EBITDA | 16.3 | 17.2 | 11.0 | 10.2 | 7.9 | 6.8 | 5.5 |
| EV/EBIT | 18.3 | 21.3 | 12.8 | 11.7 | 9.1 | 7.8 | 6.3 |
| PER | 12.7 | 30.4 | 18.0 | 12.6 | 10.5 | 9.8 | 9.0 |
| Adjusted FCF yield | 3.7 % | 2.8 % | 4.8 % | 5.7 % | 7.7 % | 9.1 % | 12.1 % |

Source: Company data, Hauck Aufhäuser Investment Banking Close price as of: 28.04.2022



Source: Company data, Hauck Aufhäuser Investment Banking

High/low 52 weeks: 227.00 / 126.50

Price/Book Ratio: 1.8

Relative performance (SDAX):

3 months 1.3 %

6 months 33.4 %

12 months 63.6 %

Changes in estimates

| | | Sales | EBIT | EPS |
|------|------|---------|-------|-------|
| 2022 | old: | 1,091.5 | 99.0 | 18.67 |
| | Δ | - | - | - |
| 2023 | old: | 1,178.8 | 106.6 | 20.10 |
| | Δ | - | - | - |

Key share data:

Number of shares: (in m pcs) 3.8

Authorised capital: (in € m) -

Book value per share: (in €) 106.9

Ø trading volume: (12 months) 2,600

Major shareholders:

Free float (Preference shares) 100.0 %

Thannhuber AG (Ordinary shares) 93.0 %

Others (Ordinary shares) 7.0 %

Company description:

Leading provider of power tools in the DIY and semi-professional market

Financials

| Profit and loss (EUR m) | 2018 | 2019 | 2020 | 2021 | 2022E | 2023E | 2024E |
|---|--------------|--------------|--------------|--------------|----------------|----------------|----------------|
| Net sales | 577.9 | 605.7 | 724.7 | 927.4 | 1,091.5 | 1,178.8 | 1,249.6 |
| <i>Sales growth</i> | 4.4 % | 4.8 % | 19.6 % | 28.0 % | 17.7 % | 8.0 % | 6.0 % |
| Increase/decrease in finished goods and work-in-process | 0.3 | 0.2 | 1.0 | 0.4 | 0.5 | 0.5 | 0.6 |
| Total sales | 578.2 | 605.9 | 725.7 | 927.8 | 1,092.0 | 1,179.4 | 1,250.1 |
| Other operating income | 11.0 | 6.9 | 8.9 | 9.3 | 13.1 | 14.1 | 15.0 |
| Material expenses | 380.2 | 399.3 | 464.8 | 594.2 | 696.4 | 750.9 | 793.5 |
| Personnel expenses | 76.5 | 78.5 | 92.1 | 107.8 | 127.2 | 137.3 | 145.6 |
| Other operating expenses | 88.9 | 91.5 | 109.1 | 140.7 | 168.1 | 181.8 | 192.7 |
| Total operating expenses | 534.7 | 562.4 | 657.1 | 833.4 | 978.5 | 1,055.9 | 1,116.8 |
| EBITDA | 43.5 | 43.5 | 68.6 | 94.4 | 113.5 | 123.4 | 133.3 |
| Depreciation | 4.8 | 8.4 | 9.6 | 12.0 | 14.5 | 16.8 | 17.8 |
| EBITA | 38.7 | 35.0 | 59.0 | 82.4 | 99.0 | 106.6 | 115.5 |
| Amortisation of goodwill | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Amortisation of intangible assets | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Impairment charges | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| EBIT (inc revaluation net) | 38.7 | 35.0 | 59.0 | 82.4 | 99.0 | 106.6 | 115.5 |
| Interest income | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Interest expenses | 2.7 | 2.5 | 2.6 | 0.5 | 3.8 | 4.1 | 4.3 |
| Other financial result | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Financial result | -2.7 | -2.5 | -2.6 | -0.5 | -3.8 | -4.1 | -4.3 |
| Recurring pretax income from continuing operations | 36.0 | 32.5 | 56.4 | 81.8 | 95.2 | 102.5 | 111.1 |
| Extraordinary income/loss | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Earnings before taxes | 36.0 | 32.5 | 56.4 | 81.8 | 95.2 | 102.5 | 111.1 |
| Taxes | 9.8 | 7.9 | 14.6 | 21.7 | 24.7 | 26.6 | 28.9 |
| Net income from continuing operations | 26.1 | 24.6 | 41.8 | 60.2 | 70.4 | 75.8 | 82.2 |
| Result from discontinued operations (net of tax) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net income | 26.1 | 24.6 | 41.8 | 60.2 | 70.4 | 75.8 | 82.2 |
| Minority interest | 0.3 | 0.3 | 0.6 | 1.5 | 0.0 | 0.0 | 0.0 |
| Net profit (reported) | 25.9 | 24.3 | 41.2 | 58.6 | 70.4 | 75.8 | 82.2 |
| Average number of shares | 1.7 | 3.8 | 3.8 | 3.8 | 3.8 | 3.8 | 3.8 |
| EPS reported | 15.40 | 6.44 | 10.92 | 15.53 | 18.66 | 20.10 | 21.79 |

| Profit and loss (common size) | 2018 | 2019 | 2020 | 2021 | 2022E | 2023E | 2024E |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Net sales | 100.0 % | 100.0 % | 100.0 % | 100.0 % | 100.0 % | 100.0 % | 100.0 % |
| Increase/decrease in finished goods and work-in-process | 0.0 % | 0.0 % | 0.1 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % |
| Total sales | 100.0 % | 100.0 % | 100.1 % | 100.0 % | 100.0 % | 100.0 % | 100.0 % |
| Other operating income | 1.9 % | 1.1 % | 1.2 % | 1.0 % | 1.2 % | 1.2 % | 1.2 % |
| Material expenses | 65.8 % | 65.9 % | 64.1 % | 64.1 % | 63.8 % | 63.7 % | 63.5 % |
| Personnel expenses | 13.2 % | 13.0 % | 12.7 % | 11.6 % | 11.7 % | 11.7 % | 11.7 % |
| Other operating expenses | 15.4 % | 15.1 % | 15.1 % | 15.2 % | 15.4 % | 15.4 % | 15.4 % |
| Total operating expenses | 92.5 % | 92.9 % | 90.7 % | 89.9 % | 89.7 % | 89.6 % | 89.4 % |
| EBITDA | 7.5 % | 7.2 % | 9.5 % | 10.2 % | 10.4 % | 10.5 % | 10.7 % |
| Depreciation | 0.8 % | 1.4 % | 1.3 % | 1.3 % | 1.3 % | 1.4 % | 1.4 % |
| EBITA | 6.7 % | 5.8 % | 8.1 % | 8.9 % | 9.1 % | 9.0 % | 9.2 % |
| Amortisation of goodwill | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % |
| Amortisation of intangible assets | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % |
| Impairment charges | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % |
| EBIT (inc revaluation net) | 6.7 % | 5.8 % | 8.1 % | 8.9 % | 9.1 % | 9.0 % | 9.2 % |
| Interest income | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % |
| Interest expenses | 0.5 % | 0.4 % | 0.4 % | 0.1 % | 0.3 % | 0.3 % | 0.3 % |
| Other financial result | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % |
| Financial result | neg. | neg. | neg. | neg. | neg. | neg. | neg. |
| Recurring pretax income from continuing operations | 6.2 % | 5.4 % | 7.8 % | 8.8 % | 8.7 % | 8.7 % | 8.9 % |
| Extraordinary income/loss | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % |
| Earnings before taxes | 6.2 % | 5.4 % | 7.8 % | 8.8 % | 8.7 % | 8.7 % | 8.9 % |
| Tax rate | 27.3 % | 24.4 % | 25.8 % | 26.5 % | 26.0 % | 26.0 % | 26.0 % |
| Net income from continuing operations | 4.5 % | 4.1 % | 5.8 % | 6.5 % | 6.5 % | 6.4 % | 6.6 % |
| Income from discontinued operations (net of tax) | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % |
| Net income | 4.5 % | 4.1 % | 5.8 % | 6.5 % | 6.5 % | 6.4 % | 6.6 % |
| Minority interest | 0.0 % | 0.0 % | 0.1 % | 0.2 % | 0.0 % | 0.0 % | 0.0 % |
| Net profit (reported) | 4.5 % | 4.0 % | 5.7 % | 6.3 % | 6.5 % | 6.4 % | 6.6 % |

Source: Company data, Hauck Aufhäuser Investment Banking

| Balance sheet (EUR m) | 2018 | 2019 | 2020 | 2021 | 2022E | 2023E | 2024E |
|---|--------------|--------------|--------------|--------------|--------------|--------------|----------------|
| Intangible assets | 16.5 | 17.7 | 19.8 | 19.6 | 23.1 | 24.9 | 26.4 |
| Property, plant and equipment | 25.9 | 36.2 | 46.2 | 57.2 | 67.3 | 72.7 | 77.0 |
| Financial assets | 1.0 | 0.8 | 0.9 | 15.5 | 18.3 | 19.7 | 20.9 |
| FIXED ASSETS | 43.4 | 54.7 | 66.9 | 92.3 | 108.6 | 117.3 | 124.4 |
| Inventories | 188.5 | 173.3 | 194.8 | 450.0 | 426.2 | 385.1 | 367.5 |
| Accounts receivable | 88.1 | 92.9 | 119.2 | 135.9 | 161.5 | 177.6 | 191.7 |
| Other current assets | 28.5 | 40.5 | 52.5 | 124.8 | 146.9 | 158.6 | 158.6 |
| Liquid assets | 14.1 | 25.7 | 32.1 | 11.5 | 28.7 | 60.5 | 139.1 |
| Deferred taxes | 10.4 | 10.2 | 13.0 | 17.4 | 20.5 | 22.2 | 22.2 |
| Deferred charges and prepaid expenses | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| CURRENT ASSETS | 329.7 | 342.7 | 411.5 | 739.6 | 783.8 | 804.0 | 879.1 |
| TOTAL ASSETS | 373.1 | 397.4 | 478.4 | 831.9 | 892.4 | 921.4 | 1,003.5 |
| SHAREHOLDERS EQUITY | 193.4 | 213.0 | 243.0 | 340.9 | 403.6 | 466.7 | 538.5 |
| MINORITY INTEREST | 2.1 | 1.9 | 2.4 | 3.4 | 0.0 | 0.0 | 0.0 |
| Long-term debt | 27.7 | 24.6 | 36.0 | 131.7 | 105.4 | 84.3 | 67.4 |
| Provisions for pensions and similar obligations | 15.1 | 5.3 | 9.1 | 9.6 | 11.3 | 12.3 | 13.0 |
| Other provisions | 19.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Non-current liabilities | 61.9 | 29.9 | 45.1 | 141.3 | 116.7 | 96.5 | 80.4 |
| short-term liabilities to banks | 21.6 | 2.4 | 3.4 | 90.9 | 72.7 | 58.2 | 46.5 |
| Accounts payable | 68.5 | 78.2 | 96.8 | 137.5 | 164.5 | 174.4 | 181.4 |
| Advance payments received on orders | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other liabilities (incl. from lease and rental contracts) | 22.4 | 68.5 | 83.8 | 97.3 | 110.8 | 99.5 | 130.6 |
| Deferred taxes | 3.1 | 3.6 | 3.9 | 20.5 | 24.1 | 26.0 | 26.0 |
| Deferred income | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Current liabilities | 115.6 | 152.7 | 187.9 | 346.2 | 372.1 | 358.1 | 384.6 |
| TOTAL LIABILITIES AND SHAREHOLDERS EQUITY | 373.1 | 397.4 | 478.4 | 831.9 | 892.4 | 921.4 | 1,003.5 |

| Balance sheet (common size) | 2018 | 2019 | 2020 | 2021 | 2022E | 2023E | 2024E |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Intangible assets | 4.4 % | 4.4 % | 4.1 % | 2.4 % | 2.6 % | 2.7 % | 2.6 % |
| Property, plant and equipment | 7.0 % | 9.1 % | 9.6 % | 6.9 % | 7.5 % | 7.9 % | 7.7 % |
| Financial assets | 0.3 % | 0.2 % | 0.2 % | 1.9 % | 2.0 % | 2.1 % | 2.1 % |
| FIXED ASSETS | 11.6 % | 13.8 % | 14.0 % | 11.1 % | 12.2 % | 12.7 % | 12.4 % |
| Inventories | 50.5 % | 43.6 % | 40.7 % | 54.1 % | 47.8 % | 41.8 % | 36.6 % |
| Accounts receivable | 23.6 % | 23.4 % | 24.9 % | 16.3 % | 18.1 % | 19.3 % | 19.1 % |
| Other current assets | 7.6 % | 10.2 % | 11.0 % | 15.0 % | 16.5 % | 17.2 % | 15.8 % |
| Liquid assets | 3.8 % | 6.5 % | 6.7 % | 1.4 % | 3.2 % | 6.6 % | 13.9 % |
| Deferred taxes | 2.8 % | 2.6 % | 2.7 % | 2.1 % | 2.3 % | 2.4 % | 2.2 % |
| Deferred charges and prepaid expenses | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % |
| CURRENT ASSETS | 88.4 % | 86.2 % | 86.0 % | 88.9 % | 87.8 % | 87.3 % | 87.6 % |
| TOTAL ASSETS | 100.0 % | 100.0 % | 100.0 % | 100.0 % | 100.0 % | 100.0 % | 100.0 % |
| SHAREHOLDERS EQUITY | 51.8 % | 53.6 % | 50.8 % | 41.0 % | 45.2 % | 50.7 % | 53.7 % |
| MINORITY INTEREST | 0.6 % | 0.5 % | 0.5 % | 0.4 % | 0.0 % | 0.0 % | 0.0 % |
| Long-term debt | 7.4 % | 6.2 % | 7.5 % | 15.8 % | 11.8 % | 9.1 % | 6.7 % |
| Provisions for pensions and similar obligations | 4.0 % | 1.3 % | 1.9 % | 1.2 % | 1.3 % | 1.3 % | 1.3 % |
| Other provisions | 5.1 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % |
| Non-current liabilities | 16.6 % | 7.5 % | 9.4 % | 17.0 % | 13.1 % | 10.5 % | 8.0 % |
| short-term liabilities to banks | 5.8 % | 0.6 % | 0.7 % | 10.9 % | 8.1 % | 6.3 % | 4.6 % |
| Accounts payable | 18.4 % | 19.7 % | 20.2 % | 16.5 % | 18.4 % | 18.9 % | 18.1 % |
| Advance payments received on orders | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % |
| Other liabilities (incl. from lease and rental contracts) | 6.0 % | 17.2 % | 17.5 % | 11.7 % | 12.4 % | 10.8 % | 13.0 % |
| Deferred taxes | 0.8 % | 0.9 % | 0.8 % | 2.5 % | 2.7 % | 2.8 % | 2.6 % |
| Deferred income | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % |
| Current liabilities | 31.0 % | 38.4 % | 39.3 % | 41.6 % | 41.7 % | 38.9 % | 38.3 % |
| TOTAL LIABILITIES AND SHAREHOLDERS EQUITY | 100.0 % | 100.0 % | 100.0 % | 100.0 % | 100.0 % | 100.0 % | 100.0 % |

Source: Company data, Hauck Aufhäuser Investment Banking

| Cash flow statement (EUR m) | 2018 | 2019 | 2020 | 2021 | 2022E | 2023E | 2024E |
|--|--------------|--------------|--------------|---------------|--------------|--------------|--------------|
| Net profit/loss | 26.1 | 24.6 | 41.8 | 60.2 | 70.4 | 75.8 | 82.2 |
| Depreciation of fixed assets (incl. leases) | 4.8 | 8.4 | 9.6 | 12.0 | 14.5 | 16.8 | 17.8 |
| Amortisation of goodwill | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Amortisation of intangible assets | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Others | -13.5 | 2.8 | 14.0 | 7.5 | 1.7 | 0.9 | 4.7 |
| Cash flow from operations before changes in w/c | 17.4 | 35.8 | 65.5 | 79.7 | 86.6 | 93.6 | 104.8 |
| Increase/decrease in inventory | -8.4 | 15.2 | -21.4 | -255.2 | 23.8 | 41.1 | 17.6 |
| Increase/decrease in accounts receivable | -5.8 | -4.7 | -26.3 | -16.7 | -25.6 | -16.1 | -14.1 |
| Increase/decrease in accounts payable | -17.0 | 9.7 | 18.6 | 40.7 | 27.0 | 9.9 | 7.0 |
| Increase/decrease in other working capital positions | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Increase/decrease in working capital | -31.2 | 20.2 | -29.2 | -231.2 | 25.1 | 34.9 | 10.5 |
| Cash flow from operating activities | -13.8 | 56.0 | 36.3 | -151.4 | 111.8 | 128.5 | 115.4 |
| CAPEX | 8.0 | 14.7 | 17.4 | 17.5 | 21.8 | 23.6 | 22.5 |
| Payments for acquisitions | 0.7 | 0.0 | 0.3 | 0.0 | 20.0 | 0.0 | 0.0 |
| Financial investments | 0.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Income from asset disposals | 0.6 | 0.8 | 0.0 | 0.1 | 0.0 | 0.0 | 0.0 |
| Cash flow from investing activities | -8.3 | -13.8 | -17.7 | -17.4 | -41.8 | -23.6 | -22.5 |
| Cash flow before financing | -22.1 | 42.2 | 18.6 | -168.8 | 69.9 | 104.9 | 92.9 |
| Increase/decrease in debt position | 25.8 | -22.4 | 12.4 | 183.2 | -44.5 | -35.6 | -28.5 |
| Purchase of own shares | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Capital measures | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Dividends paid | 4.6 | 5.8 | 5.5 | 8.6 | 8.2 | 11.2 | 12.1 |
| Others | 0.8 | -3.1 | -17.5 | -28.1 | 0.0 | 0.0 | 0.0 |
| Effects of exchange rate changes on cash | -0.2 | 0.7 | -1.6 | 1.7 | 0.0 | 0.0 | 0.0 |
| Cash flow from financing activities | 22.0 | -31.3 | -10.6 | 146.5 | -52.7 | -46.8 | -40.6 |
| Increase/decrease in liquid assets | -0.3 | 11.6 | 6.4 | -20.6 | 17.2 | 58.1 | 52.3 |
| Liquid assets at end of period | 14.1 | 25.7 | 32.1 | 11.5 | 28.7 | 86.8 | 139.1 |

Source: Company data, Hauck Aufhäuser Investment Banking

| Regional split (EUR m) | 2018 | 2019 | 2020 | 2021 | 2022E | 2023E | 2024E |
|------------------------|------------|------------|------------|------------|------------|------------|------------|
| Domestic | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| yoy change | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Rest of Europe | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| yoy change | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| NAFTA | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| yoy change | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Asia Pacific | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| yoy change | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Rest of world | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| yoy change | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| TTL | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| yoy change | n/a | n/a | n/a | n/a | n/a | n/a | n/a |

Source: Company data, Hauck Aufhäuser Investment Banking

| Key ratios (EUR m) | 2018 | 2019 | 2020 | 2021 | 2022E | 2023E | 2024E |
|--------------------------------------|---------|---------|---------|---------|---------|---------|---------|
| P&L growth analysis | | | | | | | |
| Sales growth | 4.4 % | 4.8 % | 19.6 % | 28.0 % | 17.7 % | 8.0 % | 6.0 % |
| EBITDA growth | -0.6 % | -0.1 % | 57.9 % | 37.6 % | 20.2 % | 8.8 % | 8.0 % |
| EBIT growth | 0.4 % | -9.4 % | 68.4 % | 39.6 % | 20.1 % | 7.7 % | 8.3 % |
| EPS growth | 21.8 % | -58.2 % | 69.4 % | 42.3 % | 20.1 % | 7.7 % | 8.4 % |
| Efficiency | | | | | | | |
| Total operating costs / sales | 92.5 % | 92.9 % | 90.7 % | 89.9 % | 89.7 % | 89.6 % | 89.4 % |
| Sales per employee | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| EBITDA per employee | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Balance sheet analysis | | | | | | | |
| Avg. working capital / sales | 33.3 % | 32.7 % | 28.0 % | 35.9 % | 39.9 % | 34.4 % | 30.7 % |
| Inventory turnover (sales/inventory) | 3.1 | 3.5 | 3.7 | 2.1 | 2.6 | 3.1 | 3.4 |
| Trade debtors in days of sales | 55.7 | 56.0 | 60.0 | 53.5 | 54.0 | 55.0 | 56.0 |
| A/P turnover [(A/P*365)/sales] | 43.3 | 47.1 | 48.8 | 54.1 | 55.0 | 54.0 | 53.0 |
| Cash conversion cycle (days) | 170.9 | 142.9 | 137.0 | 245.4 | 191.2 | 157.4 | 141.6 |
| Cash flow analysis | | | | | | | |
| Free cash flow | -21.8 | 41.3 | 18.9 | -168.9 | 89.9 | 104.9 | 92.9 |
| Free cash flow/sales | -3.8 % | 6.8 % | 2.6 % | -18.2 % | 8.2 % | 8.9 % | 7.4 % |
| FCF / net profit | neg. | 170.0 % | 45.9 % | neg. | 127.7 % | 138.3 % | 112.9 % |
| Capex / depre | 169.4 % | 174.3 % | 181.0 % | 145.2 % | 150.6 % | 140.1 % | 126.1 % |
| Capex / maintenance capex | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % |
| Capex / sales | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Security | | | | | | | |
| Net debt | 35.2 | 1.2 | 7.3 | 211.1 | 149.4 | 81.9 | -25.1 |
| Net Debt/EBITDA | 0.8 | 0.0 | 0.1 | 2.2 | 1.3 | 0.7 | 0.0 |
| Net debt / equity | 0.2 | 0.0 | 0.0 | 0.6 | 0.4 | 0.2 | neg. |
| Interest cover | 14.3 | 13.8 | 22.3 | 150.3 | 26.0 | 26.0 | 26.6 |
| Dividend payout ratio | 17.8 % | 23.8 % | 13.4 % | 14.6 % | 11.6 % | 14.7 % | 14.7 % |
| Asset utilisation | | | | | | | |
| Capital employed turnover | 2.1 | 2.5 | 2.5 | 1.6 | 1.8 | 1.9 | 1.9 |
| Operating assets turnover | 2.5 | 2.7 | 2.8 | 1.8 | 2.2 | 2.6 | 2.7 |
| Plant turnover | 22.3 | 16.7 | 15.7 | 16.2 | 16.2 | 16.2 | 16.2 |
| Inventory turnover (sales/inventory) | 3.1 | 3.5 | 3.7 | 2.1 | 2.6 | 3.1 | 3.4 |
| Returns | | | | | | | |
| ROCE | 14.9 % | 13.3 % | 21.8 % | 18.9 % | 16.9 % | 17.6 % | 17.9 % |
| ROE | 13.4 % | 11.4 % | 17.0 % | 17.2 % | 17.4 % | 16.3 % | 15.3 % |
| Other | | | | | | | |
| Interest paid / avg. debt | 7.4 % | 6.7 % | 8.0 % | 0.4 % | 1.9 % | 2.6 % | 3.4 % |
| No. employees (average) | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Number of shares | 1.7 | 3.8 | 3.8 | 3.8 | 3.8 | 3.8 | 3.8 |
| DPS | 1.4 | 1.4 | 2.2 | 2.2 | 3.0 | 3.3 | 3.3 |
| EPS reported | 15.40 | 6.44 | 10.92 | 15.53 | 18.66 | 20.10 | 21.79 |
| Valuation ratios | | | | | | | |
| P/BV | 1.7 | 3.5 | 3.0 | 2.2 | 1.8 | 1.6 | 1.4 |
| EV/sales | 1.2 | 1.2 | 1.0 | 1.0 | 0.8 | 0.7 | 0.6 |
| EV/EBITDA | 16.3 | 17.2 | 11.0 | 10.2 | 7.9 | 6.8 | 5.5 |
| EV/EBITA | 18.3 | 21.3 | 12.8 | 11.7 | 9.1 | 7.8 | 6.3 |
| EV/EBIT | 18.3 | 21.3 | 12.8 | 11.7 | 9.1 | 7.8 | 6.3 |
| EV/FCF | -32.5 | 18.1 | 40.0 | -5.7 | 10.0 | 8.0 | 7.8 |
| Adjusted FCF yield | 3.7 % | 2.8 % | 4.8 % | 5.7 % | 7.7 % | 9.1 % | 12.1 % |
| Dividend yield | 0.7 % | 0.7 % | 1.1 % | 1.1 % | 1.5 % | 1.7 % | 1.7 % |

Source: Company data, Hauck Aufhäuser Investment Banking

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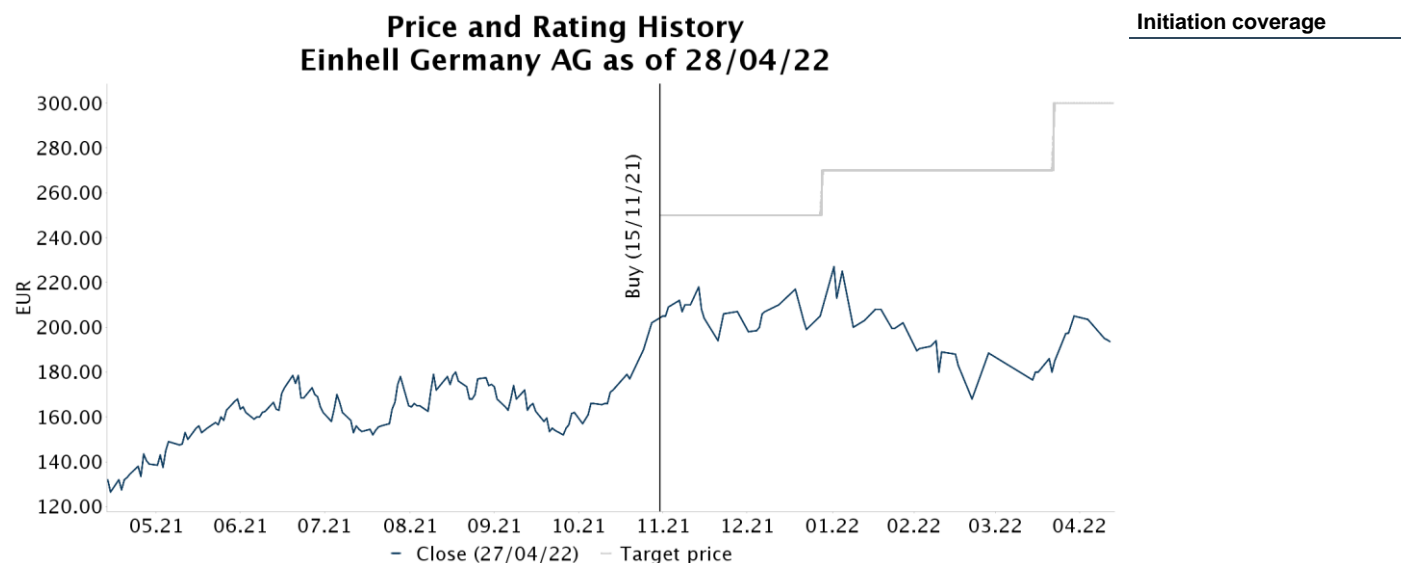
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| Company | Disclosure |
|--------------------|------------|
| Einhell Germany AG | 2, 8 |

Historical target price and rating changes for Einhell Germany AG in the last 12 months



| Company | Date | Analyst | Rating | Target price | Close |
|--------------------|------------|------------------|--------|--------------|------------|
| Einhell Germany AG | 08.04.2022 | Salis, Christian | Buy | EUR 300,00 | EUR 185,00 |
| | 21.02.2022 | Salis, Christian | Buy | EUR 270,00 | EUR 191,50 |
| | 14.01.2022 | Salis, Christian | Buy | EUR 270,00 | EUR 205,00 |
| | 19.11.2021 | Salis, Christian | Buy | EUR 250,00 | EUR 209,00 |
| | 16.11.2021 | Salis, Christian | Buy | EUR 250,00 | EUR 205,00 |
| | 16.11.2021 | Salis, Christian | Buy | EUR 250,00 | EUR 205,00 |

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| | | |
|-------------|---------|---------|
| Buy | 80.75 % | 96.77 % |
| Sell | 3.73 % | 0.00 % |
| Hold | 15.53 % | 3.23 % |

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