

Buy EUR 150.00	Value Indicators: EUR DCF: 150.13 FCF-Value Potential 22e: 141.44	Warburg ESG Risk Score: 2.3 ESG Score (MSCI based): 2.0 Balance Sheet Score: 4.0 Market Liquidity Score: 1.0	Description: Supplier of power tools and garden equipment for private household use.
	Market Snapshot: EUR m Market cap: 383.1 No. of shares (m): 3.8 EV: 363.5 Freefloat MC: 383.1 Ø Trad. Vol. (30d): 267.09 th	Shareholders: Freefloat 100.0 % Thannhuber AG (Ordinary sh.) 91.0 % Others (Ordinary shares) 9.0 %	Key Figures (WRE): 2020e Beta: 1.2 Price / Book: 1.6 x Equity Ratio: 55 %
Price EUR 101.50 Upside 47.8 %			

Best Ideas 2021: Power-X-Change and international expansion should drive growth

We expect Einhell to further benefit in 2021 from its **strong position in the category of battery-driven power tools and garden tools**. With the early focus on this category, Einhell has built up a good basis for further growth. So far, the group has sold more than 10 million of its Power-X-Change battery. With this battery system, Einhell significantly expanded its market share and presence at the point-of-sale in the DIY and e-commerce channels in core markets. The recent result of a product test by Germany's highly reputable "Stiftung Warentest" institute underpins the leading position as Einhell was named as the best, ahead of Bosch, Makita, and others. This test result underpins the A-brand position and is likely to be an additional driver for the promotion of the Power-X-Change system in core markets in Western Europe in 2021.

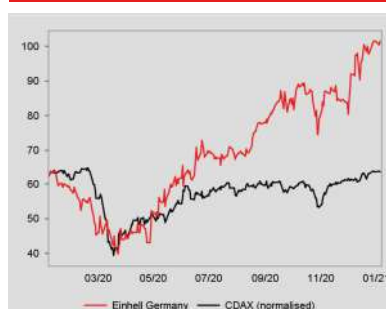
The **Power-X-Change series will remain the important growth driver for the coming years**. With almost 180 different devices for house and garden, Einhell currently offers one of the widest product ranges in this category. Power-X-Change product sales will probably account for 37% of total sales in the current year (2018: 19%, 2019: 24%, 2020: 30%). We assume that the target of 40-50% will be achieved in 2022. Management plans an extension of the Power-X-Change programme to around 350 products. The roll-out of the battery system offers significant potential for customer loyalty and recurring sales.

Following average annual top-line growth of almost 10% from 2016 to 2020, the group is clearly focussed on further growth. We assume that the sales level of EUR 750m can be exceeded in 2022. Originally, the management was planning for this in 2023/24. The **long-term sales target of EUR 1bn** underpins the significant growth potential.

The growth course is supported by **further international expansion**, which is one of the top priorities on the strategic agenda. Einhell has a long-standing track record in international growth. Currently, the products are sold across Europe, Australia and South America. For the US market entry, the group has entered a partnership. A new distribution alliance has been established for Scandinavia and Einhell recently announced a takeover in South Africa. Overall, we assume that the international expansion will be an important long-term driver with the opportunity to develop a strong global brand.

In the current "stay-at-home"-environment, we are assuming that the high consumer demand in the DIY and gardening categories will continue in early FY 2021. After the strong profit improvement in 2020, we also expect a **dividend increase**, which should underpin the positive news-flow. Moreover, with **strong financials** (equity ratio around 55%, no structural net debt) the group can flexibly react to potential acquisition opportunities.

Einhell's stronger market position, the increased brand awareness and the higher profitability level are not yet reflected in the current share price valuation. Key multiples are significantly below peers in the power-tools or consumer-goods sector. Our price target of EUR 150 is based on the DCF model and reflects the mid to long-term growth potential. **We confirm our Buy recommendation with a PT of EUR 150.**

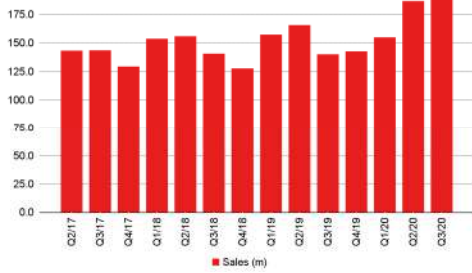


Rel. Performance vs CDAX:	
1 month:	6.8 %
6 months:	39.6 %
Year to date:	n/a
Trailing 12 months:	62.3 %

Company events:	
14.01.21	RS Calls
15.01.21	RS Calls

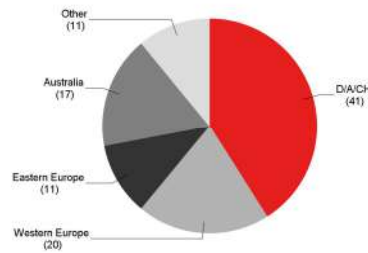
FY End: 31.12. in EUR m	CAGR (19-22e)	2016	2017	2018	2019	2020e	2021e	2022e
Sales	8.8 %	487.2	553.4	577.9	605.7	702.0	737.0	781.0
Change Sales yoy		9.8 %	13.6 %	4.4 %	4.8 %	15.9 %	5.0 %	6.0 %
Gross profit margin		32.2 %	34.6 %	34.2 %	34.1 %	34.2 %	34.2 %	34.2 %
EBITDA	15.6 %	27.0	43.8	43.7	43.5	60.3	61.8	67.1
Margin		5.5 %	7.9 %	7.6 %	7.2 %	8.6 %	8.4 %	8.6 %
EBIT	17.7 %	20.5	38.5	38.9	35.0	51.2	52.3	57.2
Margin		4.2 %	7.0 %	6.7 %	5.8 %	7.3 %	7.1 %	7.3 %
EBT	19.0 %	17.0	35.7	36.2	32.5	48.9	49.8	54.7
Margin		3.5 %	6.5 %	6.3 %	5.4 %	7.0 %	6.8 %	7.0 %
Net income	16.0 %	9.3	21.2	26.0	24.3	33.7	34.5	38.0
EPS	16.1 %	2.48	5.63	6.90	6.44	8.92	9.15	10.07
DPS	16.3 %	0.80	1.20	1.40	1.40	1.90	1.90	2.20
Dividend Yield		2.2 %	1.9 %	1.6 %	2.2 %	1.9 %	1.9 %	2.2 %
FCFPS		8.25	-5.65	-3.64	8.62	7.87	3.85	5.08
FCF / Market cap		23.1 %	-9.1 %	-4.1 %	13.6 %	7.7 %	3.8 %	5.0 %
EV / Sales		0.2 x	0.4 x	0.6 x	0.4 x	0.5 x	0.5 x	0.5 x
EV / EBITDA		4.3 x	5.6 x	8.5 x	5.9 x	6.1 x	5.9 x	5.2 x
EV / EBIT		5.7 x	6.4 x	9.5 x	7.3 x	7.2 x	7.0 x	6.1 x
P / E		14.4 x	11.1 x	12.8 x	9.8 x	11.4 x	11.1 x	10.1 x
FCF Potential Yield		12.6 %	9.3 %	6.9 %	10.0 %	8.5 %	9.0 %	10.4 %
Net Debt		-18.3	11.1	35.9	16.4	-12.4	-19.6	-31.6
ROCE (NOPAT)		7.4 %	13.7 %	13.2 %	11.4 %	15.5 %	15.2 %	15.4 %
Guidance:		2020: Sales EUR 700m, EBT margin ca. 7.0%						

Sales development
in EUR m



Source: Warburg Research

Sales by regions
2019; in %



Source: Warburg Research

Gross margin development
in %



Source: Warburg Research

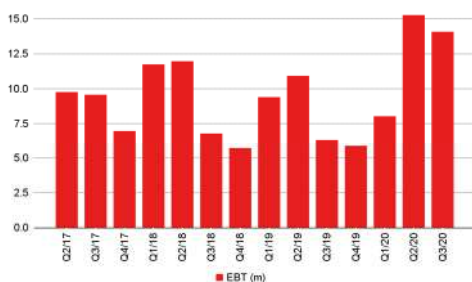
Company Background

- Einhell is a leading provider of power tools and garden equipment for household use. With around 40 subsidiaries, the products are sold globally.
- Particularly in the category of cordless battery-driven products, Einhell has built up a strong position. With the Power-X-Change series the company offers one of the leading systems in the market.
- Einhell's main customers are large DIY chains (58% of sales in 2019), e-commerce (16%) and specialised trade (14%). The share of business with discounters is less than 10%.
- Einhell has long-standing expertise in product development, quality control, international distribution and after-sales services. The production is outsourced and supervised by Einhell's own unit in Asia.
- The company was founded in 1964 by Josef Thannhuber. In 1987 Einhell was listed at the stock exchange. The Thannhuber family holds the majority of the non-listed ordinary shares.

Competitive Quality

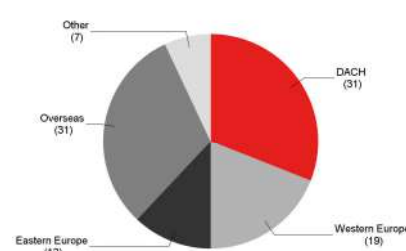
- Einhell has a high brand awareness in key markets, which will be further strengthened by marketing initiatives and presentation at the point-of-sale (including e-commerce) in the course of a long-term brand strategy.
- With its focus on innovative product development, the group can benefit from dynamic growth in the segment of cordless battery systems and gain market share.
- Under the Power-X-Change battery system, the group offers a broad assortment of around 180 devices for house and garden, which can be further expanded also by cooperation with other manufacturers.
- Einhell shows a strong balance sheet as well as a high level of cost flexibility and generated clearly positive earnings even in economically challenging years.
- Continued international expansion (for example in North America, Scandinavia and South East Asia) offers additional growth potential and economies of scale.

EBT development
in EUR m



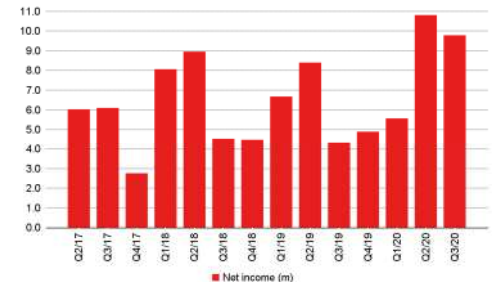
Source: Warburg Research

EBT by regions
2019; in %



Source: Warburg Research

Net income development
in EUR m



Source: Warburg Research

DCF model

Figures in EUR m	Detailed forecast period			Transitional period										Term. Value
	2020e	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	
Sales	702.0	737.0	781.0	827.9	877.5	925.8	976.7	1,025.6	1,076.8	1,125.3	1,164.7	1,199.6	1,229.6	
Sales change	15.9 %	5.0 %	6.0 %	6.0 %	6.0 %	5.5 %	5.5 %	5.0 %	5.0 %	4.5 %	3.5 %	3.0 %	2.5 %	2.0 %
EBIT	51.2	52.3	57.2	58.0	61.4	60.2	63.5	66.7	64.6	67.5	69.9	66.0	67.0	
EBIT-margin	7.3 %	7.1 %	7.3 %	7.0 %	7.0 %	6.5 %	6.5 %	6.5 %	6.0 %	6.0 %	6.0 %	5.5 %	5.5 %	
Tax rate (EBT)	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	
NOPAT	35.8	36.6	40.0	40.6	43.0	42.1	44.4	46.7	45.2	47.3	48.9	46.2	46.9	
Depreciation	9.1	9.5	9.9	10.8	11.4	12.0	12.7	13.3	14.0	14.6	15.1	15.6	16.0	
in % of Sales	1.3 %	1.3 %	1.3 %	1.3 %	1.3 %	1.3 %	1.3 %	1.3 %	1.3 %	1.3 %	1.3 %	1.3 %	1.3 %	
Changes in provisions	-0.4	0.2	0.0	-0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	
Change in Liquidity from														
- Working Capital	-3.0	14.0	12.0	16.7	14.5	14.2	15.1	14.6	15.4	13.6	11.0	9.8	8.4	
- Capex	14.0	13.0	13.0	13.2	13.2	13.0	12.7	13.3	14.0	14.6	15.1	15.6	16.0	
Capex in % of Sales	2.0 %	1.8 %	1.7 %	1.6 %	1.5 %	1.4 %	1.3 %	1.3 %	1.3 %	1.3 %	1.3 %	1.3 %	1.3 %	
Other	4.0	4.0	4.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Free Cash Flow (WACC Model)	29.5	15.3	20.9	21.1	26.9	27.2	29.6	32.3	30.1	33.9	38.1	36.6	38.6	40
PV of FCF	29.5	14.2	18.2	17.1	20.3	19.1	19.4	19.7	17.1	18.0	18.8	16.8	16.6	327
share of PVs	10.83 %			31.98 %										57.19 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	15.00 %	Financial Strength	1.00
Cost of debt (after tax)	2.8 %	Liquidity (share)	1.50
Market return	7.00 %	Cyclicality	1.00
Risk free rate	1.50 %	Transparency	1.00
		Others	1.50
WACC	7.30 %	Beta	1.20

Valuation (m)

Present values 2032e	245		
Terminal Value	327		
Financial liabilities	25		
Pension liabilities	4		
Hybrid capital	0		
Minority interest	2		
Market val. of investments	0		
Liquidity	26	No. of shares (m)	3.8
Equity Value	567	Value per share (EUR)	150.13

Sensitivity Value per Share (EUR)

Beta	WACC	Terminal Growth							Beta	WACC	Delta EBIT-margin						
		1.25 %	1.50 %	1.75 %	2.00 %	2.25 %	2.50 %	2.75 %			-1.5 pp	-1.0 pp	-0.5 pp	+0.0 pp	+0.5 pp	+1.0 pp	+1.5 pp
1.41	8.3 %	118.44	120.58	122.89	125.37	128.07	130.99	134.18	1.41	8.3 %	82.53	96.81	111.09	125.37	139.65	153.94	168.22
1.31	7.8 %	128.09	130.72	133.57	136.67	140.04	143.73	147.78	1.31	7.8 %	90.11	105.63	121.15	136.67	152.18	167.70	183.22
1.25	7.6 %	133.51	136.44	139.62	143.09	146.88	151.05	155.65	1.25	7.6 %	94.42	110.64	126.87	143.09	159.31	175.53	191.75
1.20	7.3 %	139.39	142.66	146.22	150.13	154.41	159.14	164.40	1.20	7.3 %	99.15	116.14	133.13	150.13	167.12	184.11	201.10
1.15	7.1 %	145.78	149.45	153.46	157.87	162.74	168.14	174.17	1.15	7.1 %	104.35	122.19	140.03	157.87	175.71	193.55	211.39
1.09	6.8 %	152.77	156.89	161.43	166.43	171.99	178.19	185.15	1.09	6.8 %	110.10	128.88	147.66	166.43	185.21	203.98	222.76
0.99	6.3 %	168.85	174.14	180.02	186.58	193.95	202.28	211.79	0.99	6.3 %	123.65	144.63	165.60	186.58	207.56	228.53	249.51

- Mid to long-term EBIT margin assumption in line with management target and average EBIT margin of 6.2% from 2016/20.
- Sales growth assumption in line with Einhell's long-standing target range of +5-10% p.a.
- Beta of 1.2 due to non-voting preference share with limited liquidity.

Free Cash Flow Value Potential

Warburg Research's valuation tool "FCF Value Potential" reflects the ability of the company to generate sustainable free cash flows. It is based on the "FCF potential" - a FCF "ex growth" figure - which assumes unchanged working capital and pure maintenance capex. A value indication is derived via the perpetuity of a given year's "FCF potential" with consideration of the weighted costs of capital. The fluctuating value indications over time add a timing element to the DCF model (our preferred valuation tool).

in EUR m	2016	2017	2018	2019	2020e	2021e	2022e	
Net Income before minorities	9.6	21.6	26.3	24.6	34.2	34.8	38.3	
+ Depreciation + Amortisation	6.5	5.2	4.8	8.4	9.1	9.5	9.9	
- Net Interest Income	-3.5	-2.8	-2.7	-2.5	-2.3	-2.5	-2.5	
- Maintenance Capex	5.0	6.7	8.4	10.0	14.0	14.0	14.0	
+ Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
= Free Cash Flow Potential	14.6	22.9	25.4	25.5	31.6	32.8	36.7	
FCF Potential Yield (on market EV)	12.6 %	9.3 %	6.9 %	10.0 %	8.5 %	9.0 %	10.4 %	
WACC	7.30 %	7.30 %	7.30 %	7.30 %	7.30 %	7.30 %	7.30 %	
= Enterprise Value (EV)	116.7	246.2	369.7	254.9	370.7	363.5	351.5	
= Fair Enterprise Value	200.5	313.4	348.2	349.7	432.8	449.4	502.3	
- Net Debt (Cash)	12.2	12.2	12.2	12.2	-16.2	-23.6	-35.6	
- Pension Liabilities	4.2	4.2	4.2	4.2	3.8	4.0	4.0	
- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Market value of minorities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
+ Market value of investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
= Fair Market Capitalisation	184.1	296.9	331.8	333.2	445.2	468.9	533.9	
Number of shares, average	3.8	3.8	3.8	3.8	3.8	3.8	3.8	
= Fair value per share (EUR)	48.76	78.67	87.91	88.29	117.96	124.24	141.44	
premium (-) / discount (+) in %					16.2 %	22.4 %	39.3 %	
Sensitivity Fair value per Share (EUR)								
	10.30 %	33.30	54.50	61.05	61.32	84.58	89.58	102.70
	9.31 %	37.35	60.83	68.08	68.38	93.31	98.65	112.84
	8.30 %	42.37	68.67	76.80	77.13	104.15	109.91	125.42
WACC	7.30 %	48.76	78.67	87.91	88.29	117.96	124.24	141.44
	6.31 %	57.19	91.84	102.55	102.98	136.15	143.13	162.55
	5.30 %	68.79	109.97	122.70	123.22	161.20	169.13	191.61
	4.30 %	85.78	136.53	152.21	152.85	197.88	207.21	234.17

▪ Increase in net cash position expected in the coming years.

Valuation	2016	2017	2018	2019	2020e	2021e	2022e
Price / Book	0.8 x	1.3 x	1.7 x	1.1 x	1.6 x	1.4 x	1.3 x
Book value per share ex intangibles	37.74	42.83	47.69	51.76	59.15	66.11	74.01
EV / Sales	0.2 x	0.4 x	0.6 x	0.4 x	0.5 x	0.5 x	0.5 x
EV / EBITDA	4.3 x	5.6 x	8.5 x	5.9 x	6.1 x	5.9 x	5.2 x
EV / EBIT	5.7 x	6.4 x	9.5 x	7.3 x	7.2 x	7.0 x	6.1 x
EV / EBIT adj.*	5.2 x	6.1 x	9.3 x	7.3 x	7.2 x	7.0 x	6.1 x
P / FCF	4.3 x	n.a.	n.a.	7.3 x	12.9 x	26.4 x	20.0 x
P / E	14.4 x	11.1 x	12.8 x	9.8 x	11.4 x	11.1 x	10.1 x
P / E adj.*	14.4 x	11.1 x	12.8 x	9.8 x	11.4 x	11.1 x	10.1 x
Dividend Yield	2.2 %	1.9 %	1.6 %	2.2 %	1.9 %	1.9 %	2.2 %
FCF Potential Yield (on market EV)	12.6 %	9.3 %	6.9 %	10.0 %	8.5 %	9.0 %	10.4 %

*Adjustments made for: -

Consolidated profit & loss

In EUR m	2016	2017	2018	2019	2020e	2021e	2022e
Sales	487.2	553.4	577.9	605.7	702.0	737.0	781.0
Change Sales yoy	9.8 %	13.6 %	4.4 %	4.8 %	15.9 %	5.0 %	6.0 %
Increase / decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Own work capitalised	0.0	0.0	0.3	0.2	0.0	0.0	0.0
Total Sales	487.2	553.4	578.2	605.9	702.0	737.0	781.0
Material expenses	330.1	361.9	380.2	399.3	461.9	484.9	513.9
Gross profit	157.1	191.4	197.9	206.6	240.1	252.1	267.1
<i>Gross profit margin</i>	<i>32.2 %</i>	<i>34.6 %</i>	<i>34.2 %</i>	<i>34.1 %</i>	<i>34.2 %</i>	<i>34.2 %</i>	<i>34.2 %</i>
Personnel expenses	63.2	72.4	76.2	78.5	86.3	91.1	95.8
Other operating income	6.2	7.8	11.0	6.9	7.0	7.2	7.3
Other operating expenses	73.1	83.1	88.9	91.5	100.5	106.4	111.5
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	27.0	43.8	43.7	43.5	60.3	61.8	67.1
<i>Margin</i>	<i>5.5 %</i>	<i>7.9 %</i>	<i>7.6 %</i>	<i>7.2 %</i>	<i>8.6 %</i>	<i>8.4 %</i>	<i>8.6 %</i>
Depreciation of fixed assets	3.9	3.1	3.4	7.9	8.6	8.9	9.2
EBITA	23.1	40.6	40.3	35.6	51.7	52.9	57.9
Amortisation of intangible assets	2.6	2.1	1.4	0.5	0.5	0.6	0.7
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	20.5	38.5	38.9	35.0	51.2	52.3	57.2
<i>Margin</i>	<i>4.2 %</i>	<i>7.0 %</i>	<i>6.7 %</i>	<i>5.8 %</i>	<i>7.3 %</i>	<i>7.1 %</i>	<i>7.3 %</i>
EBIT adj.	22.3	40.3	39.8	35.0	51.2	52.3	57.2
Interest income	0.1	0.2	0.2	0.2	0.0	0.0	0.0
Interest expenses	2.1	2.2	1.5	1.0	1.3	1.3	1.3
Other financial income (loss)	-1.5	-0.8	-1.4	-1.8	-1.0	-1.2	-1.2
EBT	17.0	35.7	36.2	32.5	48.9	49.8	54.7
<i>Margin</i>	<i>3.5 %</i>	<i>6.5 %</i>	<i>6.3 %</i>	<i>5.4 %</i>	<i>7.0 %</i>	<i>6.8 %</i>	<i>7.0 %</i>
Total taxes	7.3	14.2	9.9	7.9	14.7	14.9	16.4
Net income from continuing operations	9.6	21.6	26.3	24.6	34.2	34.8	38.3
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income before minorities	9.6	21.6	26.3	24.6	34.2	34.8	38.3
Minority interest	0.3	0.3	0.3	0.3	0.6	0.3	0.3
Net income	9.3	21.2	26.0	24.3	33.7	34.5	38.0
<i>Margin</i>	<i>1.9 %</i>	<i>3.8 %</i>	<i>4.5 %</i>	<i>4.0 %</i>	<i>4.8 %</i>	<i>4.7 %</i>	<i>4.9 %</i>
Number of shares, average	3.8	3.8	3.8	3.8	3.8	3.8	3.8
EPS	2.48	5.63	6.90	6.44	8.92	9.15	10.07
EPS adj.	2.48	5.63	6.90	6.44	8.92	9.15	10.07

*Adjustments made for:

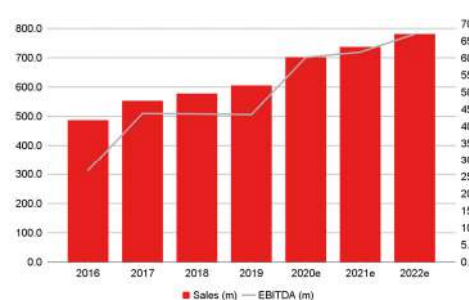
Guidance: 2020: Sales EUR 700m, EBT margin ca. 7.0%

Financial Ratios

	2016	2017	2018	2019	2020e	2021e	2022e
Total Operating Costs / Sales	95.7 %	93.5 %	94.4 %	94.0 %	92.4 %	92.6 %	92.3 %
Operating Leverage	4.9 x	6.5 x	0.2 x	-2.1 x	2.9 x	0.4 x	1.6 x
EBITDA / Interest expenses	12.8 x	19.8 x	29.2 x	44.6 x	46.4 x	47.5 x	51.6 x
Tax rate (EBT)	43.2 %	39.6 %	27.3 %	24.4 %	30.0 %	30.0 %	30.0 %
Dividend Payout Ratio	31.3 %	21.0 %	20.1 %	21.5 %	21.0 %	20.6 %	21.7 %
Sales per Employee	357,193	374,392	368,326	384,323	438,750	449,390	46,240

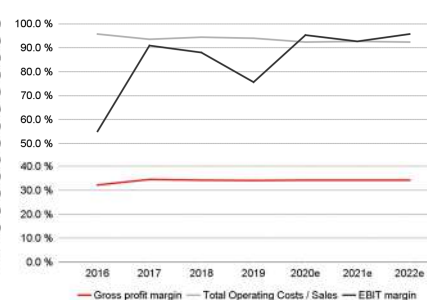
Sales, EBITDA

in EUR m

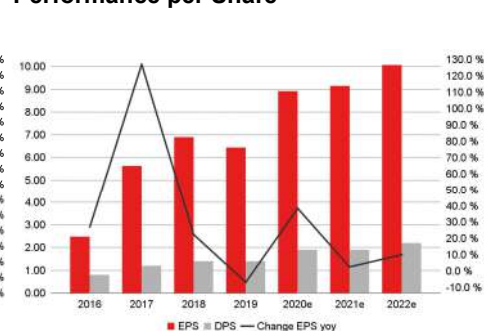


Operating Performance

in %



Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

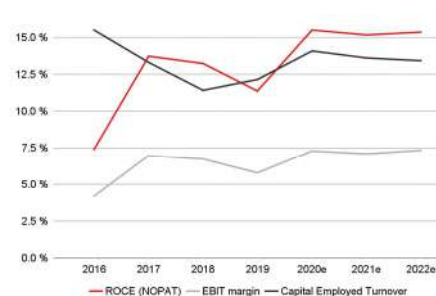
Consolidated balance sheet

In EUR m	2016	2017	2018	2019	2020e	2021e	2022e
Assets							
Goodwill and other intangible assets	19.8	17.9	16.5	17.7	18.1	19.2	20.2
thereof other intangible assets	7.0	5.5	4.8	5.9	6.4	7.5	8.5
thereof Goodwill	12.8	12.3	11.7	11.7	11.7	11.7	11.7
Property, plant and equipment	19.9	22.1	26.0	48.9	52.3	54.4	56.2
Financial assets	0.4	0.7	0.7	0.4	0.4	0.4	0.4
Other long-term assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fixed assets	40.0	40.7	43.2	66.9	70.8	74.0	76.8
Inventories	127.7	180.1	188.5	173.3	173.0	189.0	200.0
Accounts receivable	67.9	82.3	88.1	92.9	108.0	113.0	120.0
Liquid assets	54.7	14.4	14.1	25.7	49.1	56.4	68.5
Other short-term assets	32.9	35.2	37.8	38.5	39.0	39.0	39.0
Current assets	283.2	312.1	328.6	330.5	369.1	397.4	427.5
Total Assets	323.3	352.8	371.8	397.4	439.9	471.5	504.3
Liabilities and shareholders' equity							
Subscribed capital	9.7	9.7	9.7	9.7	9.7	9.7	9.7
Capital reserve	26.7	26.7	26.7	26.7	26.7	26.7	26.7
Retained earnings	132.9	151.9	173.4	189.6	171.4	197.9	225.3
Other equity components	-7.0	-8.7	-13.2	-12.9	33.7	34.5	38.0
Shareholders' equity	162.2	179.5	196.5	213.0	241.4	268.8	299.6
Minority interest	1.9	2.0	2.1	1.9	2.0	2.0	2.0
Total equity	164.1	181.6	198.6	214.9	243.4	270.8	301.6
Provisions	21.9	31.9	26.6	25.9	27.2	28.4	28.4
thereof provisions for pensions and similar obligations	3.2	3.1	3.4	4.2	3.8	4.0	4.0
Financial liabilities (total)	33.2	22.4	46.7	37.9	32.9	32.9	32.9
thereof short-term financial liabilities	3.2	22.4	21.6	2.4	0.0	0.0	0.0
Accounts payable	70.3	85.4	68.5	78.2	96.0	103.0	109.0
Other liabilities	33.8	31.4	31.4	40.6	40.4	36.4	32.4
Liabilities	159.2	171.2	173.1	182.5	196.5	200.7	202.7
Total liabilities and shareholders' equity	323.3	352.8	371.8	397.4	439.9	471.5	504.3

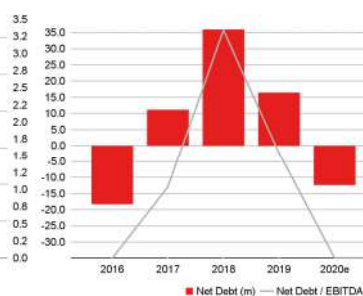
Financial Ratios

	2016	2017	2018	2019	2020e	2021e	2022e
Efficiency of Capital Employment							
Operating Assets Turnover	3.4 x	2.8 x	2.5 x	2.6 x	3.0 x	2.9 x	2.9 x
Capital Employed Turnover	3.3 x	2.9 x	2.5 x	2.6 x	3.0 x	2.9 x	2.9 x
ROA	23.3 %	52.3 %	60.3 %	36.3 %	47.5 %	46.6 %	49.4 %
Return on Capital							
ROCE (NOPAT)	7.4 %	13.7 %	13.2 %	11.4 %	15.5 %	15.2 %	15.4 %
ROE	5.9 %	12.4 %	13.8 %	11.9 %	14.8 %	13.5 %	13.4 %
Adj. ROE	5.9 %	12.4 %	13.8 %	11.9 %	14.8 %	13.5 %	13.4 %
Balance sheet quality							
Net Debt	-18.3	11.1	35.9	16.4	-12.4	-19.6	-31.6
Net Financial Debt	-21.5	8.0	32.6	12.2	-16.2	-23.6	-35.6
Net Gearing	-11.2 %	6.1 %	18.1 %	7.6 %	-5.1 %	-7.2 %	-10.5 %
Net Fin. Debt / EBITDA	n.a.	18.3 %	74.4 %	28.1 %	n.a.	n.a.	n.a.
Book Value / Share	43.0	47.6	52.1	56.4	64.0	71.2	79.4
Book value per share ex intangibles	37.7	42.8	47.7	51.8	59.2	66.1	74.0

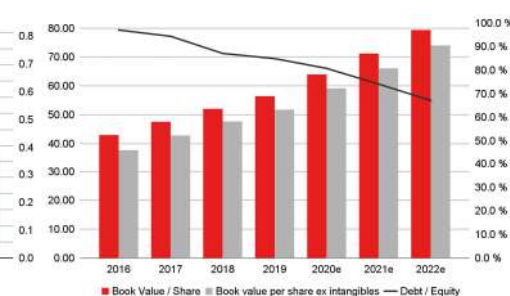
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

Consolidated cash flow statement

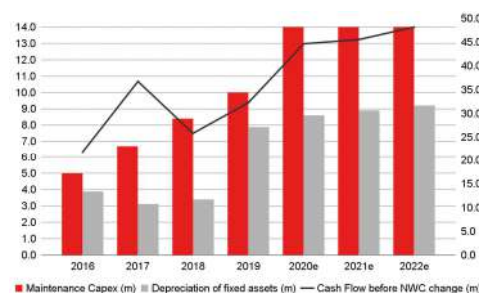
In EUR m	2016	2017	2018	2019	2020e	2021e	2022e
Net income	17.0	35.7	36.2	32.5	48.9	49.8	54.7
Depreciation of fixed assets	3.9	3.1	3.4	7.9	8.6	8.9	9.2
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	2.6	2.1	1.4	0.5	0.5	0.6	0.7
Increase/decrease in long-term provisions	5.7	10.0	-5.3	-0.7	1.4	1.2	0.0
Other non-cash income and expenses	-7.3	-14.2	-9.9	-7.9	-14.7	-14.9	-16.4
Cash Flow before NWC change	21.9	36.8	25.8	32.3	44.7	45.5	48.2
Increase / decrease in inventory	11.4	-52.4	-8.4	15.2	0.3	-16.0	-11.0
Increase / decrease in accounts receivable	-5.2	-14.4	-5.8	-4.7	-15.1	-5.0	-7.0
Increase / decrease in accounts payable	7.8	15.1	-17.0	9.7	17.8	7.0	6.0
Increase / decrease in other working capital positions	0.0	0.0	0.0	-4.0	-4.0	-4.0	-4.0
Increase / decrease in working capital (total)	14.0	-51.7	-31.2	16.2	-1.0	-18.0	-16.0
Net cash provided by operating activities [1]	35.9	-15.0	-5.4	48.5	43.7	27.5	32.2
Investments in intangible assets	-0.5	-0.7	-0.7	-1.7	-2.0	-2.0	-2.0
Investments in property, plant and equipment	-4.2	-5.6	-7.7	-14.2	-12.0	-11.0	-11.0
Payments for acquisitions	0.0	0.3	0.4	0.0	0.0	0.0	0.0
Financial investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net cash provided by investing activities [2]	-4.7	-6.0	-8.0	-15.9	-14.0	-13.0	-13.0
Change in financial liabilities	0.6	-10.7	24.2	-8.7	-5.0	0.0	0.0
Dividends paid	-2.3	-3.0	-4.5	-5.3	-5.3	-7.2	-7.2
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
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net cash provided by financing activities [3]	-1.6	-13.8	19.7	-14.0	-10.3	-7.2	-7.2
Change in liquid funds [1]+[2]+[3]	29.5	-34.8	6.4	18.5	19.4	7.4	12.0
Effects of exchange-rate changes on cash	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash and cash equivalent at end of period	53.8	19.9	20.8	32.6	45.1	56.4	68.5

Financial Ratios

	2016	2017	2018	2019	2020e	2021e	2022e
Cash Flow							
FCF	31.1	-21.3	-13.7	32.5	29.7	14.5	19.2
Free Cash Flow / Sales	6.4 %	-3.9 %	-2.4 %	5.4 %	4.2 %	2.0 %	2.5 %
Free Cash Flow Potential	14.6	22.9	25.4	25.5	31.6	32.8	36.7
Free Cash Flow / Net Profit	333.3 %	-100.4 %	-52.7 %	133.7 %	88.2 %	42.1 %	50.5 %
Interest Received / Avg. Cash	0.3 %	0.6 %	1.2 %	1.1 %	0.0 %	0.0 %	0.0 %
Interest Paid / Avg. Debt	6.4 %	7.9 %	4.3 %	2.3 %	3.7 %	4.0 %	4.0 %
Management of Funds							
Investment ratio	1.0 %	1.1 %	1.4 %	2.6 %	2.0 %	1.8 %	1.7 %
Maint. Capex / Sales	1.0 %	1.2 %	1.5 %	1.7 %	2.0 %	1.9 %	1.8 %
Capex / Dep	73.4 %	120.8 %	173.1 %	189.3 %	153.8 %	136.8 %	131.3 %
Avg. Working Capital / Sales	27.1 %	27.3 %	33.3 %	32.7 %	26.6 %	26.1 %	26.2 %
Trade Debtors / Trade Creditors	96.5 %	96.3 %	128.7 %	118.8 %	112.5 %	109.7 %	110.1 %
Inventory Turnover	2.6 x	2.0 x	2.0 x	2.3 x	2.7 x	2.6 x	2.6 x
Receivables collection period (days)	51	54	56	56	56	56	56
Payables payment period (days)	78	86	66	71	76	78	77
Cash conversion cycle (Days)	114	150	171	143	117	121	121

CAPEX and Cash Flow

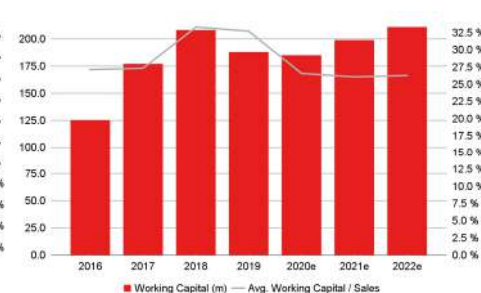
in EUR m



Free Cash Flow Generation



Working Capital



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

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Company	Disclosure	Link to the historical price targets and rating changes (last 12 months)
Einhell Pref.	3, 5	http://www.mmwarburg.com/disclaimer/disclaimer_en/DE0005654933.htm

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Investment recommendation: expected direction of the share price development of the financial instrument up to the given price target in the opinion of the analyst who covers this financial instrument.

-B-	Buy:	The price of the analysed financial instrument is expected to rise over the next 12 months.
-H-	Hold:	The price of the analysed financial instrument is expected to remain mostly flat over the next 12 months.
-S-	Sell:	The price of the analysed financial instrument is expected to fall over the next 12 months.
“-“	Rating suspended:	The available information currently does not permit an evaluation of the company.

WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING

Rating	Number of stocks	% of Universe
Buy	131	65
Hold	59	29
Sell	7	3
Rating suspended	6	3
Total	203	100

WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING ...

... taking into account only those companies which were provided with major investment services in the last twelve months.

Rating	Number of stocks	% of Universe
Buy	38	83
Hold	6	13
Sell	0	0
Rating suspended	2	4
Total	46	100

PRICE AND RATING HISTORY EINHELL PREF. AS OF 06.01.2021


Markings in the chart show rating changes by Warburg Research GmbH in the last 12 months. Every marking details the date and closing price on the day of the rating change.

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