

Buy EUR 167.00 (EUR 150.00) Price EUR 129.00 Upside 29.5 %	Value Indicators: EUR DCF: 167.13 FCF-Value Potential 22e: 150.05	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: 486.9 No. of shares (m): 3.8 EV: 482.1 Freefloat MC: 486.9 Ø Trad. Vol. (30d): 384.61 th	Shareholders: Freefloat 100.0 % Thannhuber AG (Ordinary sh.) 91.0 % Others (Ordinary shares) 9.0 %	Key Figures (WRe): 2021e Beta: 1.2 Price / Book: 1.8 x Equity Ratio: 56 %

Further growth potential after record year 2020

We have increased our sales and earnings estimates following the release of Einhell's annual report and strong preliminary Q1 numbers.

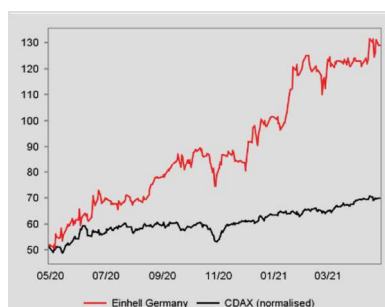
Einhell's FY 2020 was driven by a significant sales increase in all regions with accelerated growth rates in H2 (quarterly sales trend: Q1: -1.5%, Q2: +12.7%, Q3: +34.3%, Q4: +36.7%). In core markets DACH and Australia, the group even achieved above-average growth rates. The key growth driver was the Power-X-Change product series in the segment of battery-driven power tools. The share of Power-X-Change sales expanded from 24% in 2019 to 31% in 2020, which implies an increase in this category of ca. 50% to a total sales volume of ca. EUR 225m.

In Q1 2021, the dynamic growth course continued with a sales increase of around 48% to EUR 229.6m. The EBT margin improved from last year's 5.2% to ca. 7.5%, which implies an EBT increase from EUR 8m to 17m in Q1. The detailed Q1 report will be released in mid-May.

Despite the significant sales and earnings growth in Q1, the group left the FY 2021 financial outlook unchanged (slight sales increase of up to 3%, EBT of EUR 52m or full-year EBT margin ca. 7%) in light of current challenges posed by increased freight costs and raw material prices. Moreover, the outlook reflects uncertainties from extended lockdown measures for the stationary DIY retail channel.

Overall, the impressive Q1 numbers underline the dynamic sales momentum of Einhell's Power-X-Change product series for cordless power tools. Einhell is gaining market share in the growing category of battery systems for house and garden. This trend is supported by intensified marketing initiatives and additional retail listings. Besides Germany and Austria, the group has also started TV advertising in Switzerland, Hungary, Italy and Spain in the current year. The TV advertising campaign will be further expanded to additional countries in 2022. The headwind from supply-chain issues is an important issue, which will have an impact in the coming quarters. Nevertheless, with the strong Q1 profit improvement, Einhell has a significant cushion for the remainder of the year. Therefore, the confirmed guidance seems to be very cautious in our view. With a strong focus on product development and its position in the field of battery-driven power tools and garden tools, Einhell has provided the basis for further growth in the coming years. The Power-X-Change platform will be further extended. Not least, with its strong financials the group can flexibly react to potential growth opportunities and continue its international expansion. Based on our new estimates **we increase the DCF-based PT from EUR 150 to 167 and confirm the Buy recommendation.**

Changes in Estimates:							Comment on Changes:
FY End: 31.12. in EUR m	2021e (old)	+ / -	2022e (old)	+ / -	2023e (old)	+ / -	
Sales	737.0	4.2 %	781.0	5.2 %	n.a.	n.m.	<ul style="list-style-type: none"> We have increased our sales and earnings estimates for 2021/22 following Einhell's final 2020 numbers. The final 2020 EPS of EUR 10.92 was better than assumed (WRe: EUR 10.40) due to a low tax rate of ca. 26%. Our sales and EBT forecast for the current year is ca. 3% above the current management outlook. For 2021 and the two following years we expect EBT margins of around 7.0%.
EBT	49.8	7.5 %	54.7	4.9 %	n.a.	n.m.	
Net income	34.5	10.7 %	38.0	8.0 %	n.a.	n.m.	
EPS	9.15	10.7 %	10.07	7.9 %	n.a.	n.m.	

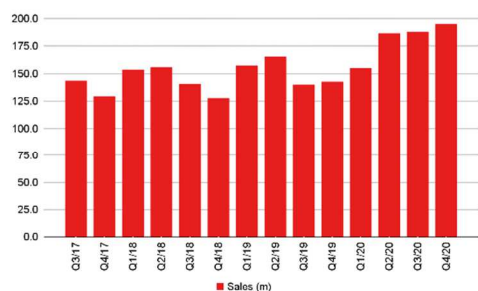


Rel. Performance vs CDAX:	
1 month:	3.0 %
6 months:	41.8 %
Year to date:	16.8 %
Trailing 12 months:	133.2 %

Company events:	
18.06.21	AGM

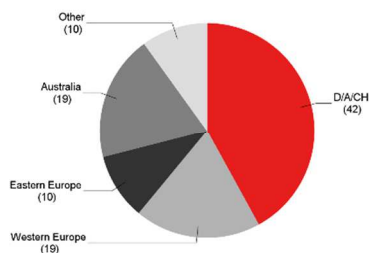
FY End: 31.12. in EUR m	CAGR (20-23e)	2017	2018	2019	2020	2021e	2022e	2023e
Sales	6.6 %	553.4	577.9	605.7	724.7	768.0	822.0	877.0
Change Sales yoy		13.6 %	4.4 %	4.8 %	19.6 %	6.0 %	7.0 %	6.7 %
Gross profit margin		34.6 %	34.2 %	34.1 %	35.9 %	35.0 %	35.0 %	35.0 %
EBITDA	3.3 %	43.8	43.7	43.5	67.6	65.7	69.9	74.4
Margin		7.9 %	7.6 %	7.2 %	9.3 %	8.6 %	8.5 %	8.5 %
EBIT	3.4 %	38.5	38.9	35.0	58.0	55.9	59.8	64.1
Margin		7.0 %	6.7 %	5.8 %	8.0 %	7.3 %	7.3 %	7.3 %
EBT	3.7 %	35.7	36.2	32.5	55.3	53.5	57.4	61.7
Margin		6.5 %	6.3 %	5.4 %	7.6 %	7.0 %	7.0 %	7.0 %
Net income	3.2 %	21.2	26.0	24.3	40.2	38.2	41.0	44.2
EPS	2.3 %	5.63	6.90	6.44	10.92	10.13	10.87	11.70
DPS	4.4 %	1.20	1.40	1.40	2.20	2.20	2.20	2.50
Dividend Yield		1.9 %	1.6 %	2.2 %	3.2 %	1.7 %	1.7 %	1.9 %
FCFPS		-5.65	-3.64	8.62	2.67	6.56	6.66	6.24
FCF / Market cap		-9.1 %	-4.1 %	13.6 %	3.9 %	5.1 %	5.2 %	4.8 %
EV / Sales		0.4 x	0.6 x	0.4 x	0.4 x	0.6 x	0.6 x	0.5 x
EV / EBITDA		5.6 x	8.5 x	5.9 x	4.0 x	7.3 x	6.7 x	6.1 x
EV / EBIT		6.4 x	9.5 x	7.3 x	4.7 x	8.6 x	7.8 x	7.0 x
P / E		11.1 x	12.8 x	9.8 x	6.3 x	12.7 x	11.9 x	11.0 x
FCF Potential Yield		9.3 %	6.9 %	10.0 %	14.9 %	7.6 %	8.6 %	9.6 %
Net Debt		11.1	35.9	16.4	11.6	-4.8	-21.1	-35.9
ROCE (NOPAT)		13.7 %	13.2 %	11.4 %	17.6 %	15.3 %	15.5 %	15.6 %
Guidance:	2021: sales between EUR 739-746m, EBT margin ca. 7.0%							

Sales development
in EUR m



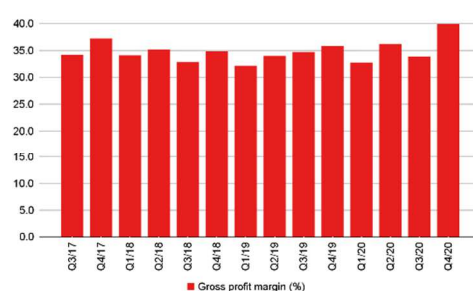
Source: Warburg Research

Sales by regions
2020; in %



Source: Warburg Research

Gross margin development
in %



Source: Warburg Research

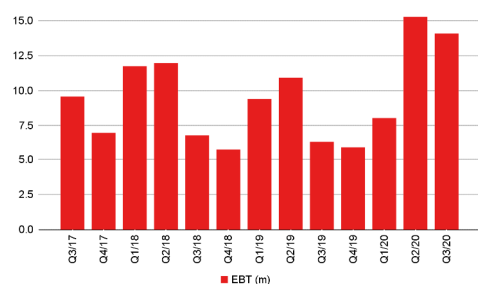
Company Background

- 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

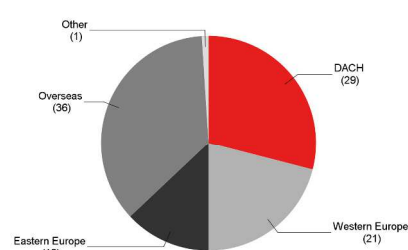
- Einhell has a high brand awareness in key markets, which will be further strengthened by marketing initiatives and presentation at the point-of-sale (including e-commerce) in the course of a long-term brand strategy.
- With its focus on innovative product development, the group can benefit from dynamic 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 more than 200 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 and South East Asia) offers additional growth potential and economies of scale.

EBT development
in EUR m



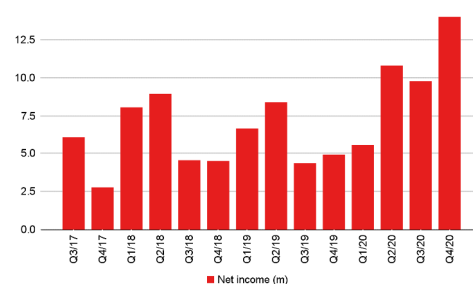
Source: Warburg Research

EBT by regions
2020; 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
	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	
Sales	768.0	822.0	877.0	929.6	985.4	1,039.6	1,096.8	1,151.6	1,209.2	1,263.6	1,307.8	1,347.1	1,380.7	2.0 %
Sales change	6.0 %	7.0 %	6.7 %	6.0 %	6.0 %	5.5 %	5.5 %	5.0 %	5.0 %	4.5 %	3.5 %	3.0 %	2.5 %	
EBIT	55.9	59.8	64.1	65.1	69.0	72.8	71.3	74.9	78.6	75.8	78.5	74.1	75.3	2.0 %
EBIT-margin	7.3 %	7.3 %	7.3 %	7.0 %	7.0 %	7.0 %	6.5 %	6.5 %	6.5 %	6.0 %	6.0 %	5.5 %	5.5 %	
Tax rate (EBT)	28.0 %	28.0 %	28.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	2.0 %
NOPAT	40.2	43.1	46.2	45.6	48.3	50.9	49.9	52.4	55.0	53.1	54.9	51.9	52.7	
Depreciation	9.8	10.1	10.3	12.1	12.8	13.5	14.3	15.0	15.7	16.4	17.0	17.5	17.9	2.0 %
in % of Sales	1.3 %	1.2 %	1.2 %	1.3 %	1.3 %	1.3 %	1.3 %	1.3 %	1.3 %	1.3 %	1.3 %	1.3 %	1.3 %	
Changes in provisions	0.1	0.5	0.5	-4.8	0.3	0.2	0.3	0.2	0.3	0.2	0.2	0.2	0.2	2.0 %
Change in Liquidity from														
- Working Capital	5.8	9.0	14.0	14.3	15.6	15.2	16.0	15.4	16.1	15.2	12.4	11.0	9.4	2.0 %
- Capex	14.0	14.0	14.0	14.9	14.8	14.6	14.3	15.0	15.7	16.4	17.0	17.5	17.9	
Capex in % of Sales	1.8 %	1.7 %	1.6 %	1.6 %	1.5 %	1.4 %	1.3 %	1.3 %	1.3 %	1.3 %	1.3 %	1.3 %	1.3 %	2.0 %
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)	26.3	26.7	25.0	23.7	30.9	35.0	34.2	37.3	39.2	38.1	42.7	41.1	43.4	45
PV of FCF	25.4	24.0	21.0	18.5	22.6	23.8	21.6	22.0	21.5	19.5	20.4	18.3	18.0	355
share of PVs	11.15 %			32.64 %										56.21 %

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 2033e	277		
Terminal Value	355		
Financial liabilities	23		
Pension liabilities	8		
Hybrid capital	0		
Minority interest	2		
Market val. of investments	0		
Liquidity	32	No. of shares (m)	3.8
Equity Value	631	Value per share (EUR)	167.13

Sensitivity Value per Share (EUR)

		Terminal Growth									Delta EBIT-margin						
Beta	WACC	1.25 %	1.50 %	1.75 %	2.00 %	2.25 %	2.50 %	2.75 %	Beta	WACC	-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 %	131.99	134.31	136.80	139.49	142.40	145.57	149.01	1.41	8.3 %	93.06	108.54	124.01	139.49	154.96	170.44	185.91
1.31	7.8 %	142.82	145.67	148.75	152.10	155.76	159.75	164.15	1.31	7.8 %	101.55	118.40	135.25	152.10	168.95	185.80	202.66
1.25	7.6 %	148.89	152.06	155.51	159.27	163.39	167.91	172.90	1.25	7.6 %	106.37	124.01	141.64	159.27	176.91	194.54	212.17
1.20	7.3 %	155.47	159.02	162.89	167.13	171.78	176.92	182.63	1.20	7.3 %	111.66	130.15	148.64	167.13	185.62	204.11	222.60
1.15	7.1 %	162.63	166.62	170.98	175.77	181.06	186.93	193.49	1.15	7.1 %	117.48	136.91	156.34	175.77	195.20	214.63	234.06
1.09	6.8 %	170.45	174.94	179.87	185.32	191.37	198.12	205.70	1.09	6.8 %	123.91	144.38	164.85	185.32	205.79	226.26	246.74
0.99	6.3 %	188.45	194.23	200.64	207.79	215.83	224.92	235.29	0.99	6.3 %	139.04	161.96	184.87	207.79	230.71	253.63	276.54

- Mid to long-term EBIT margin assumption in line with management target and average EBIT margin of 6.3% 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	2017	2018	2019	2020	2021e	2022e	2023e	
Net Income before minorities	21.6	26.3	24.6	41.8	38.5	41.3	44.5	
+ Depreciation + Amortisation	5.2	4.8	8.4	9.6	9.8	10.1	10.3	
- Net Interest Income	-2.8	-2.7	-2.5	-2.6	-2.4	-2.4	-2.4	
- Maintenance Capex	6.7	8.4	10.0	14.0	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	22.9	25.4	25.5	40.1	36.7	39.8	43.2	
FCF Potential Yield (on market EV)	9.3 %	6.9 %	10.0 %	14.9 %	7.6 %	8.6 %	9.6 %	
WACC	7.30 %	7.30 %	7.30 %	7.30 %	7.30 %	7.30 %	7.30 %	
= Enterprise Value (EV)	246.2	369.7	254.9	269.6	482.1	465.8	451.0	
= Fair Enterprise Value	313.4	348.2	349.7	548.5	502.7	545.2	590.8	
- Net Debt (Cash)	3.6	3.6	3.6	3.6	-12.8	-29.6	-44.9	
- Pension Liabilities	7.9	7.9	7.9	7.9	8.0	8.5	9.0	
- 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	301.8	336.7	338.1	537.0	507.5	566.3	626.7	
Number of shares, average	3.8	3.8	3.8	3.8	3.8	3.8	3.8	
= Fair value per share (EUR)	79.96	89.20	89.58	142.27	134.45	150.05	166.04	
premium (-) / discount (+) in %					4.2 %	16.3 %	28.7 %	
Sensitivity Fair value per Share (EUR)								
WACC	10.30 %	55.79	62.34	62.61	99.96	95.68	108.00	120.47
	9.31 %	62.12	69.37	69.67	111.03	105.83	119.00	132.40
	8.30 %	69.96	78.09	78.42	124.77	118.41	132.65	147.19
	7.30 %	79.96	89.20	89.58	142.27	134.45	150.05	166.04
	6.31 %	93.13	103.84	104.27	165.32	155.57	172.96	190.87
	5.30 %	111.26	123.99	124.51	197.06	184.66	204.51	225.06
	4.30 %	137.82	153.50	154.14	243.54	227.26	250.71	275.13

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

Valuation	2017	2018	2019	2020	2021e	2022e	2023e
Price / Book	1.3 x	1.7 x	1.1 x	1.1 x	1.8 x	1.6 x	1.4 x
Book value per share ex intangibles	42.83	47.69	51.76	59.11	67.02	75.56	84.92
EV / Sales	0.4 x	0.6 x	0.4 x	0.4 x	0.6 x	0.6 x	0.5 x
EV / EBITDA	5.6 x	8.5 x	5.9 x	4.0 x	7.3 x	6.7 x	6.1 x
EV / EBIT	6.4 x	9.5 x	7.3 x	4.7 x	8.6 x	7.8 x	7.0 x
EV / EBIT adj.*	6.1 x	9.3 x	7.3 x	4.7 x	8.6 x	7.8 x	7.0 x
P / FCF	n.a.	n.a.	7.3 x	25.6 x	19.7 x	19.4 x	20.7 x
P / E	11.1 x	12.8 x	9.8 x	6.3 x	12.7 x	11.9 x	11.0 x
P / E adj.*	11.1 x	12.8 x	9.8 x	6.3 x	12.7 x	11.9 x	11.0 x
Dividend Yield	1.9 %	1.6 %	2.2 %	3.2 %	1.7 %	1.7 %	1.9 %
FCF Potential Yield (on market EV)	9.3 %	6.9 %	10.0 %	14.9 %	7.6 %	8.6 %	9.6 %
*Adjustments made for: -							

Consolidated profit & loss

In EUR m	2017	2018	2019	2020	2021e	2022e	2023e
Sales	553.4	577.9	605.7	724.7	768.0	822.0	877.0
Change Sales yoy	13.6 %	4.4 %	4.8 %	19.6 %	6.0 %	7.0 %	6.7 %
Increase / decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Own work capitalised	0.0	0.3	0.2	0.0	0.0	0.0	0.0
Total Sales	553.4	578.2	605.9	724.7	768.0	822.0	877.0
Material expenses	361.9	380.2	399.3	464.8	499.2	534.3	570.1
Gross profit	191.4	197.9	206.6	259.9	268.8	287.7	307.0
Gross profit margin	34.6 %	34.2 %	34.1 %	35.9 %	35.0 %	35.0 %	35.0 %
Personnel expenses	72.4	76.2	78.5	92.1	96.1	101.6	108.0
Other operating income	7.8	11.0	6.9	8.9	8.0	7.0	7.5
Other operating expenses	83.1	88.9	91.5	109.1	115.0	123.2	132.0
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	43.8	43.7	43.5	67.6	65.7	69.9	74.4
Margin	7.9 %	7.6 %	7.2 %	9.3 %	8.6 %	8.5 %	8.5 %
Depreciation of fixed assets	3.1	3.4	7.9	9.1	9.2	9.4	9.6
EBITA	40.6	40.3	35.6	58.5	56.5	60.5	64.8
Amortisation of intangible assets	2.1	1.4	0.5	0.5	0.6	0.7	0.7
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	38.5	38.9	35.0	58.0	55.9	59.8	64.1
Margin	7.0 %	6.7 %	5.8 %	8.0 %	7.3 %	7.3 %	7.3 %
EBIT adj.	40.3	39.8	35.0	58.0	55.9	59.8	64.1
Interest income	0.2	0.2	0.2	0.1	0.0	0.0	0.0
Interest expenses	2.2	1.5	1.0	0.9	1.2	1.2	1.2
Other financial income (loss)	-0.8	-1.4	-1.8	-1.9	-1.2	-1.2	-1.2
EBT	35.7	36.2	32.5	55.3	53.5	57.4	61.7
Margin	6.5 %	6.3 %	5.4 %	7.6 %	7.0 %	7.0 %	7.0 %
Total taxes	14.2	9.9	7.9	14.6	15.0	16.1	17.3
Net income from continuing operations	21.6	26.3	24.6	40.8	38.5	41.3	44.5
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	21.6	26.3	24.6	40.8	38.5	41.3	44.5
Minority interest	0.3	0.3	0.3	0.6	0.3	0.3	0.3
Net income	21.2	26.0	24.3	40.2	38.2	41.0	44.2
Margin	3.8 %	4.5 %	4.0 %	5.5 %	5.0 %	5.0 %	5.0 %
Number of shares, average	3.8	3.8	3.8	3.8	3.8	3.8	3.8
EPS	5.63	6.90	6.44	10.92	10.13	10.87	11.70
EPS adj.	5.63	6.90	6.44	10.92	10.13	10.87	11.70

*Adjustments made for:

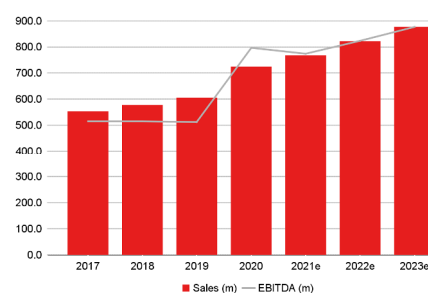
Guidance: 2021: sales between EUR 739-746m, EBT margin ca. 7.0%

Financial Ratios

	2017	2018	2019	2020	2021e	2022e	2023e
Total Operating Costs / Sales	93.5 %	94.4 %	94.0 %	91.9 %	92.5 %	92.3 %	92.4 %
Operating Leverage	6.5 x	0.2 x	-2.1 x	3.3 x	-0.6 x	1.0 x	1.1 x
EBITDA / Interest expenses	19.8 x	29.2 x	44.6 x	74.8 x	54.8 x	58.3 x	62.0 x
Tax rate (EBT)	39.6 %	27.3 %	24.4 %	25.8 %	28.0 %	28.0 %	28.0 %
Dividend Payout Ratio	21.0 %	20.1 %	21.5 %	20.4 %	21.6 %	20.1 %	21.2 %
Sales per Employee	374,392	368,326	384,323	437,606	454,438	475,145	495,480

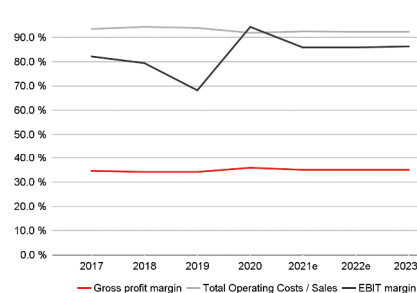
Sales, EBITDA

in EUR m

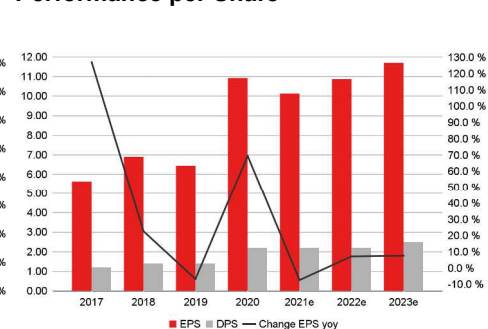


Operating Performance

in %



Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

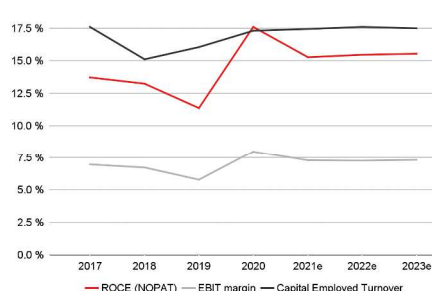
Consolidated balance sheet

In EUR m	2017	2018	2019	2020	2021e	2022e	2023e
Assets							
Goodwill and other intangible assets	17.9	16.5	17.7	19.8	19.9	20.4	20.9
thereof other intangible assets	5.5	4.8	5.9	7.0	7.0	7.5	8.0
thereof Goodwill	12.3	11.7	11.7	11.6	11.6	11.6	11.6
Property, plant and equipment	22.1	26.0	48.9	58.7	61.5	64.1	66.5
Financial assets	0.7	0.7	0.4	0.3	0.3	0.3	0.3
Other long-term assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fixed assets	40.7	43.2	66.9	78.9	81.7	84.8	87.7
Inventories	180.1	188.5	173.3	194.8	208.0	219.0	234.0
Accounts receivable	82.3	88.1	92.9	119.2	120.0	128.0	135.0
Liquid assets	14.4	14.1	25.7	32.1	45.6	62.4	77.7
Other short-term assets	35.2	37.8	38.5	53.5	39.0	39.0	39.0
Current assets	312.1	328.6	330.5	399.6	412.6	448.4	485.7
Total Assets	352.8	371.8	397.4	478.4	494.3	533.2	573.4
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	151.9	173.4	189.6	224.4	198.3	228.2	260.9
Other equity components	-8.7	-13.2	-12.9	-17.8	38.2	41.0	44.2
Shareholders' equity	179.5	196.5	213.0	242.9	272.8	305.6	341.4
Minority interest	2.0	2.1	1.9	2.4	2.0	2.0	2.0
Total equity	181.6	198.6	214.9	245.3	274.8	307.6	343.4
Provisions	31.9	26.6	25.9	35.7	36.0	36.7	37.5
thereof provisions for pensions and similar obligations	3.1	3.4	4.2	7.9	8.0	8.5	9.0
Financial liabilities (total)	22.4	46.7	37.9	35.7	32.8	32.8	32.8
thereof short-term financial liabilities	22.4	21.6	2.4	3.4	0.0	0.0	0.0
Accounts payable	85.4	68.5	78.2	96.8	105.0	115.0	123.0
Other liabilities	31.4	31.4	40.6	64.8	45.7	41.1	36.7
Liabilities	171.2	173.1	182.5	233.1	219.5	225.6	230.0
Total liabilities and shareholders' equity	352.8	371.8	397.4	478.4	494.3	533.2	573.4

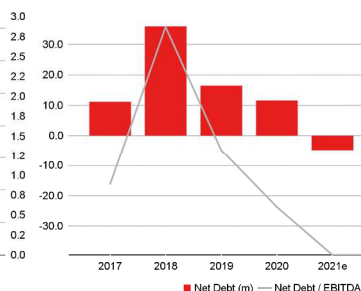
Financial Ratios

	2017	2018	2019	2020	2021e	2022e	2023e
Efficiency of Capital Employment							
Operating Assets Turnover	2.8 x	2.5 x	2.6 x	2.6 x	2.7 x	2.8 x	2.8 x
Capital Employed Turnover	2.9 x	2.5 x	2.6 x	2.8 x	2.8 x	2.9 x	2.9 x
ROA	52.3 %	60.3 %	36.3 %	50.9 %	46.8 %	48.4 %	50.4 %
Return on Capital							
ROCE (NOPAT)	13.7 %	13.2 %	11.4 %	17.6 %	15.3 %	15.5 %	15.6 %
ROE	12.4 %	13.8 %	11.9 %	17.6 %	14.8 %	14.2 %	13.7 %
Adj. ROE	12.4 %	13.8 %	11.9 %	17.6 %	14.8 %	14.2 %	13.7 %
Balance sheet quality							
Net Debt	11.1	35.9	16.4	11.6	-4.8	-21.1	-35.9
Net Financial Debt	8.0	32.6	12.2	3.6	-12.8	-29.6	-44.9
Net Gearing	6.1 %	18.1 %	7.6 %	4.7 %	-1.7 %	-6.9 %	-10.4 %
Net Fin. Debt / EBITDA	18.3 %	74.4 %	28.1 %	5.4 %	n.a.	n.a.	n.a.
Book Value / Share	47.6	52.1	56.4	64.4	72.3	81.0	90.5
Book value per share ex intangibles	42.8	47.7	51.8	59.1	67.0	75.6	84.9

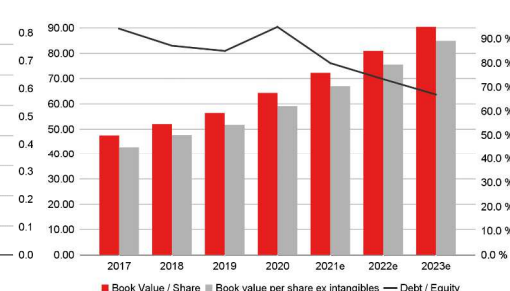
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

Consolidated cash flow statement

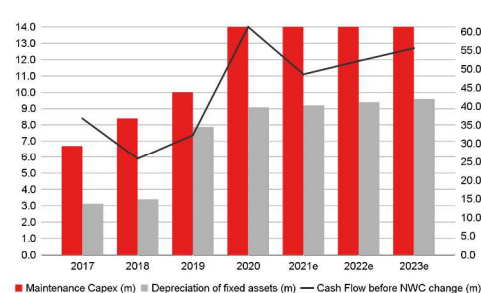
In EUR m	2017	2018	2019	2020	2021e	2022e	2023e
Net income	35.7	36.2	32.5	56.4	53.5	57.4	61.7
Depreciation of fixed assets	3.1	3.4	7.9	9.1	9.2	9.4	9.6
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	2.1	1.4	0.5	0.5	0.6	0.7	0.7
Increase/decrease in long-term provisions	10.0	-5.3	-0.7	9.9	0.3	0.7	0.8
Other non-cash income and expenses	-14.2	-9.9	-7.9	-14.6	-15.0	-16.1	-17.3
Cash Flow before NWC change	36.8	25.8	32.3	61.3	48.6	52.1	55.6
Increase / decrease in inventory	-52.4	-8.4	15.2	-21.4	-13.2	-11.0	-15.0
Increase / decrease in accounts receivable	-14.4	-5.8	-4.7	-26.3	-0.8	-8.0	-7.0
Increase / decrease in accounts payable	15.1	-17.0	9.7	18.6	8.2	10.0	8.0
Increase / decrease in other working capital positions	0.0	0.0	-4.0	0.0	-4.0	-4.0	-4.0
Increase / decrease in working capital (total)	-51.7	-31.2	16.2	-29.2	-9.8	-13.0	-18.0
Net cash provided by operating activities [1]	-15.0	-5.4	48.5	32.1	38.7	39.1	37.6
Investments in intangible assets	-0.7	-0.7	-1.7	-2.8	-2.0	-2.0	-2.0
Investments in property, plant and equipment	-5.6	-7.7	-14.2	-19.2	-12.0	-12.0	-12.0
Payments for acquisitions	0.3	0.4	0.0	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]	-6.0	-8.0	-15.9	-22.1	-14.0	-14.0	-14.0
Change in financial liabilities	-10.7	24.2	-8.7	-2.2	-2.9	0.0	0.0
Dividends paid	-3.0	-4.5	-5.3	-5.3	-8.3	-8.3	-8.3
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]	-13.8	19.7	-14.0	-7.5	-11.2	-8.3	-8.3
Change in liquid funds [1]+[2]+[3]	-34.8	6.4	18.5	2.6	13.5	16.8	15.3
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	19.9	20.8	32.6	28.3	45.6	62.4	77.7

Financial Ratios

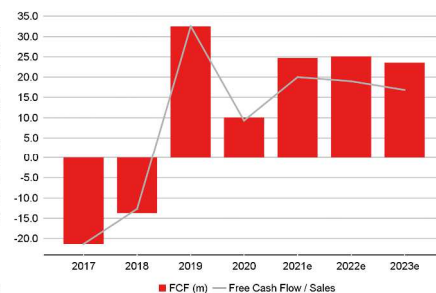
	2017	2018	2019	2020	2021e	2022e	2023e
Cash Flow							
FCF	-21.3	-13.7	32.5	10.1	24.7	25.1	23.6
Free Cash Flow / Sales	-3.9 %	-2.4 %	5.4 %	1.4 %	3.2 %	3.1 %	2.7 %
Free Cash Flow Potential	22.9	25.4	25.5	40.1	36.7	39.8	43.2
Free Cash Flow / Net Profit	-100.4 %	-52.7 %	133.7 %	25.1 %	64.7 %	61.2 %	53.4 %
Interest Received / Avg. Cash	0.6 %	1.2 %	1.1 %	0.5 %	0.0 %	0.0 %	0.0 %
Interest Paid / Avg. Debt	7.9 %	4.3 %	2.3 %	2.5 %	3.5 %	3.7 %	3.7 %
Management of Funds							
Investment ratio	1.1 %	1.4 %	2.6 %	3.0 %	1.8 %	1.7 %	1.6 %
Maint. Capex / Sales	1.2 %	1.5 %	1.7 %	1.9 %	1.8 %	1.7 %	1.6 %
Capex / Dep	120.8 %	173.1 %	189.3 %	229.4 %	142.9 %	138.6 %	135.9 %
Avg. Working Capital / Sales	27.3 %	33.3 %	32.7 %	28.0 %	28.7 %	27.7 %	27.3 %
Trade Debtors / Trade Creditors	96.3 %	128.7 %	118.8 %	123.1 %	114.3 %	111.3 %	109.8 %
Inventory Turnover	2.0 x	2.0 x	2.3 x	2.4 x	2.4 x	2.4 x	2.4 x
Receivables collection period (days)	54	56	56	60	57	57	56
Payables payment period (days)	86	66	71	76	77	79	79
Cash conversion cycle (Days)	150	171	143	137	132	128	127

CAPEX and Cash Flow

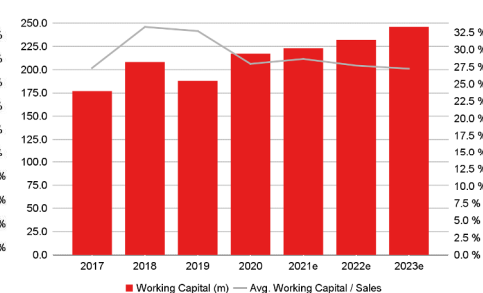
in EUR m



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	140	67
Hold	60	29
Sell	5	2
Rating suspended	5	2
Total	210	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	79
Hold	7	15
Sell	0	0
Rating suspended	3	6
Total	48	100

PRICE AND RATING HISTORY EINHELL PREF. AS OF 28.04.2021


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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