

Buy EUR 265.00 (EUR 226.00) Price EUR 216.00 Upside 22.7 %	Value Indicators: EUR DCF: 265.39 FCF-Value Potential 23e: 236.79	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: 815.3 No. of shares (m): 3.8 EV: 837.3 Freefloat MC: 815.3 Ø Trad. Vol. (30d): 461.49 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: 2.8 x Equity Ratio: 53 % Net Fin. Debt / EBITDA: 0.5 x Net Debt / EBITDA: 0.6 x

Promising outlook for 2022 after strong Q4 sales

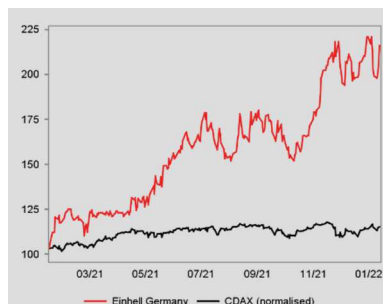
Einhell reported a preliminary sales number for FY 2021 and released an initial financial outlook for FY 2022:

- **Sales for 2021 came in at EUR 920m**, significantly above the former guidance of EUR 880m (WRe: 881m). This implies a strong Q4 sales increase of 19-20%.
- For the current year **2022** the management expects a **sales increase of 5-10% and an EBT margin of around 8.5%**.
- While the group mentioned current **forecast uncertainties** for the sales activities and the supply chain **due the pandemic**, it is nevertheless optimistic that it can master these challenges. The company has significantly increased stocks in the different regions to ensure the ability to deliver the ordered goods.

Overall, Einhell's Q4 revenues as well as the new sales forecast underline the ongoing strong business performance. Based on the Power-X-Change battery platform, the group is gaining further market share. The EUR 1bn sales level is now clearly in sight, earlier than assumed so far (WRe: 2024). Einhell can benefit from its clear brand profile and the strong position in the online sales channel. The strong focus on further international expansion opportunities should support the long-term growth trend.

We have raised our earnings estimates in light of the positive performance. Based on the higher sales and EBT margin projection, **we increase our PT from EUR 226 to EUR 265 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	881.0	4.4 %	906.0	9.5 %	950.0	11.2 %	<ul style="list-style-type: none"> ▪ Following higher Q4 sales than anticipated, we have increased our FY 2021 earnings estimates by around 6%. ▪ For 2022/23, we have raised our earnings forecasts by more than 10%. ▪ Our new profit forecast for 2022 is in line with the announced target range (EBT margin of 8.5% implies an EBT corridor of EUR 82-86m in the current year). For 2023, we also assume an EBT margin of 8.5% (previously 8.3%). ▪ In light of the significant step-up in inventories we expect a negative Free Cash Flow for FY 2021.
EBITDA	87.3	5.8 %	88.8	12.0 %	92.7	13.7 %	
EBT	74.1	6.1 %	75.4	12.3 %	78.7	14.4 %	
Net income	51.5	6.1 %	52.1	12.6 %	54.3	14.8 %	
EPS	13.65	6.1 %	13.79	12.6 %	14.39	14.8 %	



Rel. Performance vs CDAX:	
1 month:	6.4 %
6 months:	27.9 %
Year to date:	-3.3 %
Trailing 12 months:	102.5 %

Company events:

FY End: 31.12. in EUR m	CAGR (20-23e)	2017	2018	2019	2020	2021e	2022e	2023e
Sales	13.4 %	553.4	577.9	605.7	724.7	920.0	992.0	1,056.0
Change Sales yoy		13.6 %	4.4 %	4.8 %	19.6 %	27.0 %	7.8 %	6.5 %
Gross profit margin		34.6 %	34.2 %	34.1 %	35.9 %	35.8 %	35.9 %	36.0 %
EBITDA	16.0 %	43.8	43.7	43.5	67.6	92.4	99.4	105.5
Margin		7.9 %	7.6 %	7.2 %	9.3 %	10.0 %	10.0 %	10.0 %
EBIT	17.2 %	38.5	38.9	35.0	58.0	81.6	87.8	93.3
Margin		7.0 %	6.7 %	5.8 %	8.0 %	8.9 %	8.9 %	8.8 %
EBT	17.6 %	35.7	36.2	32.5	55.3	78.6	84.6	90.1
Margin		6.5 %	6.3 %	5.4 %	7.6 %	8.5 %	8.5 %	8.5 %
Net income	15.8 %	21.2	26.0	24.3	40.2	54.7	58.6	62.4
EPS	14.8 %	5.63	6.90	6.44	10.92	14.48	15.53	16.52
DPS	13.3 %	1.20	1.40	1.40	2.20	2.80	3.00	3.20
Dividend Yield		1.9 %	1.6 %	2.2 %	3.2 %	1.3 %	1.4 %	1.5 %
FCFPS		-5.65	-3.64	8.62	2.67	-8.53	10.92	12.68
FCF / Market cap		-9.1 %	-4.1 %	13.6 %	3.9 %	-4.0 %	5.1 %	5.9 %
EV / Sales		0.4 x	0.6 x	0.4 x	0.4 x	0.9 x	0.8 x	0.8 x
EV / EBITDA		5.6 x	8.5 x	5.9 x	4.0 x	9.4 x	8.4 x	7.6 x
EV / EBIT		6.4 x	9.5 x	7.3 x	4.7 x	10.6 x	9.5 x	8.6 x
P / E		11.1 x	12.8 x	9.8 x	6.3 x	14.9 x	13.9 x	13.1 x
FCF Potential Yield		9.3 %	6.9 %	10.0 %	14.9 %	6.5 %	7.2 %	8.0 %
Net Debt		11.1	35.9	16.4	11.6	52.2	22.0	-14.0
ROCE (NOPAT)		13.7 %	13.2 %	11.4 %	17.6 %	19.6 %	17.9 %	18.2 %
Guidance:		2021: sales increase of 5-10%, EBT margin ca. 8.5%						

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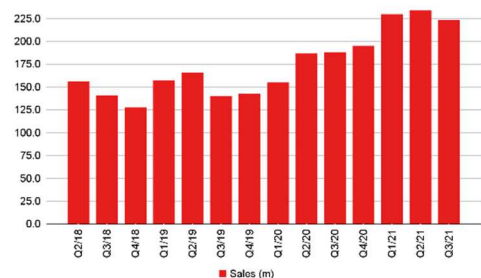
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COMMENT

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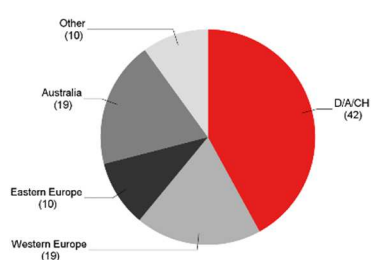
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Sales development in EUR m



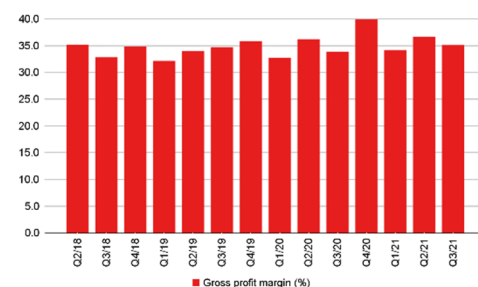
Source: Warburg Research

Sales by regions 2020; in %



Source: Warburg Research

Gross margin development in %



Source: Warburg Research

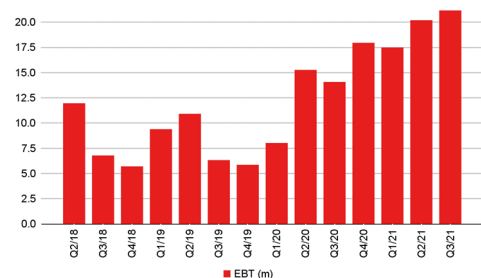
Company Background

- 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 (60% of sales in 2020), e-commerce (20%) and specialised trade (11%). 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

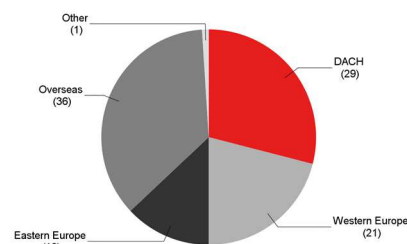
- Einhell has a high brand awareness in key markets, which will be further strengthened by marketing initiatives and presentation at the point-of-sale (including e-commerce) in the course of a long-term brand strategy.
- With its focus on innovative product development, the group can benefit from dynamic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



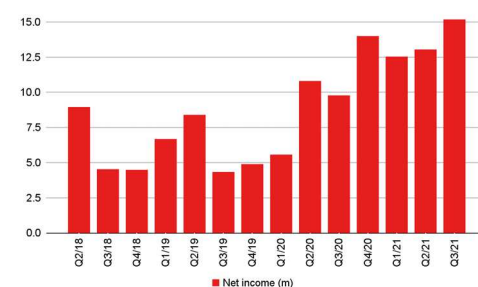
Source: Warburg Research

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	920.0	992.0	1,056.0	1,119.4	1,186.5	1,251.8	1,320.6	1,386.7	1,456.0	1,521.5	1,574.8	1,622.0	1,662.6	
Sales change	27.0 %	7.8 %	6.5 %	6.0 %	6.0 %	5.5 %	5.5 %	5.0 %	5.0 %	4.5 %	3.5 %	3.0 %	2.5 %	2.0 %
EBIT	81.6	87.8	93.3	94.0	98.5	102.6	107.0	110.9	109.2	114.1	118.1	121.7	116.4	
EBIT-margin	8.9 %	8.9 %	8.8 %	8.4 %	8.3 %	8.2 %	8.1 %	8.0 %	7.5 %	7.5 %	7.5 %	7.5 %	7.0 %	
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 %	
NOPAT	58.7	63.2	67.2	65.8	68.9	71.9	74.9	77.7	76.4	79.9	82.7	85.2	81.5	
Depreciation	10.8	11.6	12.2	14.6	15.4	16.3	17.2	18.0	18.9	19.8	20.5	21.1	21.6	
in % of Sales	1.2 %	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	1.6	0.0	0.0	-0.1	-0.2	-0.2	-0.3	-0.4	-0.5	-0.6	
Change in Liquidity from														
- Working Capital	79.8	11.0	8.0	8.6	17.1	16.3	17.0	16.0	16.6	18.3	14.9	13.2	11.4	
- Capex	16.0	17.0	18.0	17.9	17.8	17.5	17.2	18.0	18.9	19.8	20.5	21.1	21.6	
Capex in % of Sales	1.7 %	1.7 %	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)	-30.2	43.3	49.9	55.5	49.5	54.3	57.8	61.5	59.6	61.2	67.3	71.4	69.5	73
PV of FCF	-30.2	40.4	43.3	44.9	37.3	38.1	37.8	37.5	33.9	32.5	33.3	32.9	29.8	591
share of PVs	5.33 %			35.71 %										58.96 %

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	412		
Terminal Value	591		
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	1,002	Value per share (EUR)	265.39

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 %	207.71	211.58	215.75	220.25	225.11	230.40	236.17	1.41	8.3 %	162.19	181.54	200.90	220.25	239.60	258.95	278.30
1.31	7.8 %	225.36	230.12	235.27	240.86	246.95	253.62	260.94	1.31	7.8 %	177.78	198.81	219.83	240.86	261.88	282.91	303.93
1.25	7.6 %	235.26	240.55	246.30	252.57	259.42	266.96	275.28	1.25	7.6 %	186.64	208.61	230.59	252.57	274.54	296.52	318.50
1.20	7.3 %	245.99	251.90	258.34	265.39	273.14	281.69	291.19	1.20	7.3 %	196.34	219.35	242.37	265.39	288.41	311.43	334.45
1.15	7.1 %	257.65	264.28	271.53	279.49	288.29	298.05	308.95	1.15	7.1 %	207.00	231.17	255.33	279.49	303.66	327.82	351.99
1.09	6.8 %	270.38	277.83	286.03	295.08	305.12	316.32	328.91	1.09	6.8 %	218.79	244.22	269.65	295.08	320.51	345.94	371.37
0.99	6.3 %	299.66	309.23	319.86	331.71	345.03	360.10	377.28	0.99	6.3 %	246.49	274.90	303.31	331.71	360.12	388.52	416.93

- 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	56.6	60.9	64.9	
+ Depreciation + Amortisation	5.2	4.8	8.4	9.6	10.8	11.6	12.2	
- Net Interest Income	-2.8	-2.7	-2.5	-2.6	-3.0	-3.2	-3.2	
- Maintenance Capex	6.7	8.4	10.0	14.0	14.0	15.5	16.0	
+ 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	56.4	60.2	64.3	
FCF Potential Yield (on market EV)	9.3 %	6.9 %	10.0 %	14.9 %	6.5 %	7.2 %	8.0 %	
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	867.4	837.3	801.2	
= Fair Enterprise Value	313.4	348.2	349.7	548.5	771.6	824.5	879.7	
- Net Debt (Cash)	3.6	3.6	3.6	3.6	44.2	13.5	-23.0	
- 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	719.4	802.5	893.7	
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	190.60	212.63	236.79	
premium (-) / discount (+) in %					-11.8 %	-1.6 %	9.6 %	
Sensitivity Fair value per Share (EUR)								
	10.30 %	55.79	62.34	62.61	99.96	131.09	149.03	168.94
	9.31 %	62.12	69.37	69.67	111.03	146.67	165.67	186.69
	8.30 %	69.96	78.09	78.42	124.77	165.99	186.32	208.72
WACC	7.30 %	79.96	89.20	89.58	142.27	190.60	212.63	236.79
	6.31 %	93.13	103.84	104.27	165.32	223.03	247.28	273.75
	5.30 %	111.26	123.99	124.51	197.06	267.67	294.99	324.65
	4.30 %	137.82	153.50	154.14	243.54	333.06	364.86	399.20

▪ 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	2.8 x	2.4 x	2.1 x
Book value per share ex intangibles	42.83	47.69	51.76	59.11	71.37	83.98	97.37
EV / Sales	0.4 x	0.6 x	0.4 x	0.4 x	0.9 x	0.8 x	0.8 x
EV / EBITDA	5.6 x	8.5 x	5.9 x	4.0 x	9.4 x	8.4 x	7.6 x
EV / EBIT	6.4 x	9.5 x	7.3 x	4.7 x	10.6 x	9.5 x	8.6 x
EV / EBIT adj.*	6.1 x	9.3 x	7.3 x	4.7 x	10.6 x	9.5 x	8.6 x
P / FCF	n.a.	n.a.	7.3 x	25.6 x	n.a.	19.8 x	17.0 x
P / E	11.1 x	12.8 x	9.8 x	6.3 x	14.9 x	13.9 x	13.1 x
P / E adj.*	11.1 x	12.8 x	9.8 x	6.3 x	14.9 x	13.9 x	13.1 x
Dividend Yield	1.9 %	1.6 %	2.2 %	3.2 %	1.3 %	1.4 %	1.5 %
FCF Potential Yield (on market EV)	9.3 %	6.9 %	10.0 %	14.9 %	6.5 %	7.2 %	8.0 %

*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	920.0	992.0	1,056.0
Change Sales yoy	13.6 %	4.4 %	4.8 %	19.6 %	27.0 %	7.8 %	6.5 %
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	920.0	992.0	1,056.0
Material expenses	361.9	380.2	399.3	464.8	590.6	635.9	676.3
Gross profit	191.4	197.9	206.6	259.9	329.4	356.1	379.7
<i>Gross profit margin</i>	<i>34.6 %</i>	<i>34.2 %</i>	<i>34.1 %</i>	<i>35.9 %</i>	<i>35.8 %</i>	<i>35.9 %</i>	<i>36.0 %</i>
Personnel expenses	72.4	76.2	78.5	92.1	105.0	113.2	120.8
Other operating income	7.8	11.0	6.9	8.9	8.0	7.5	7.5
Other operating expenses	83.1	88.9	91.5	109.1	140.0	151.0	160.9
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	92.4	99.4	105.5
<i>Margin</i>	<i>7.9 %</i>	<i>7.6 %</i>	<i>7.2 %</i>	<i>9.3 %</i>	<i>10.0 %</i>	<i>10.0 %</i>	<i>10.0 %</i>
Depreciation of fixed assets	3.1	3.4	7.9	9.1	10.2	10.8	11.4
EBITA	40.6	40.3	35.6	58.5	82.2	88.6	94.1
Amortisation of intangible assets	2.1	1.4	0.5	0.5	0.6	0.8	0.8
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	81.6	87.8	93.3
<i>Margin</i>	<i>7.0 %</i>	<i>6.7 %</i>	<i>5.8 %</i>	<i>8.0 %</i>	<i>8.9 %</i>	<i>8.9 %</i>	<i>8.8 %</i>
EBIT adj.	40.3	39.8	35.0	58.0	81.6	87.8	93.3
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	1.8	2.0	2.0
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	78.6	84.6	90.1
<i>Margin</i>	<i>6.5 %</i>	<i>6.3 %</i>	<i>5.4 %</i>	<i>7.6 %</i>	<i>8.5 %</i>	<i>8.5 %</i>	<i>8.5 %</i>
Total taxes	14.2	9.9	7.9	14.6	22.0	23.7	25.2
Net income from continuing operations	21.6	26.3	24.6	40.8	56.6	60.9	64.9
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	56.6	60.9	64.9
Minority interest	0.3	0.3	0.3	0.6	1.9	2.3	2.5
Net income	21.2	26.0	24.3	40.2	54.7	58.6	62.4
<i>Margin</i>	<i>3.8 %</i>	<i>4.5 %</i>	<i>4.0 %</i>	<i>5.5 %</i>	<i>5.9 %</i>	<i>5.9 %</i>	<i>5.9 %</i>
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	14.48	15.53	16.52
EPS adj.	5.63	6.90	6.44	10.92	14.48	15.53	16.52

*Adjustments made for:

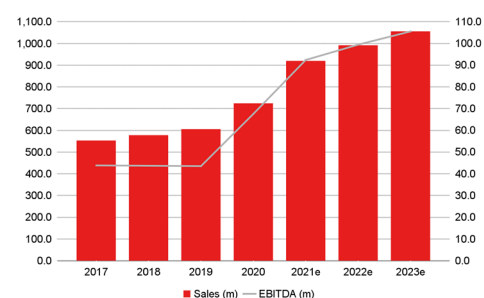
Guidance: 2021: sales increase of 5-10%, EBT margin ca. 8.5%

Financial Ratios

	2017	2018	2019	2020	2021e	2022e	2023e
Total Operating Costs / Sales	93.5 %	94.4 %	94.0 %	91.9 %	90.8 %	90.7 %	90.7 %
Operating Leverage	6.5 x	0.2 x	-2.1 x	3.3 x	1.5 x	1.0 x	1.0 x
EBITDA / Interest expenses	19.8 x	29.2 x	44.6 x	74.8 x	51.3 x	49.7 x	52.7 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 %	18.7 %	18.6 %	18.6 %
Sales per Employee	374,392	368,326	384,323	437,606	522,727	542,077	555,789

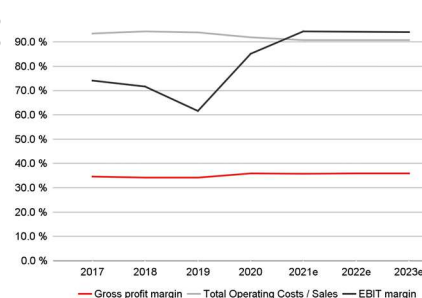
Sales, EBITDA

in EUR m

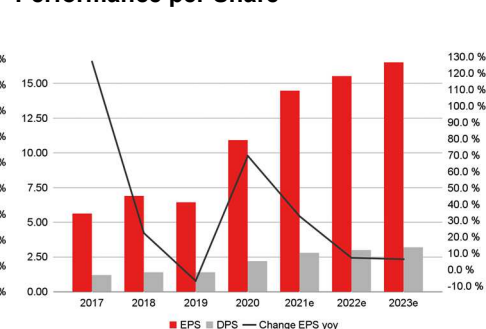


Operating Performance

in %



Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

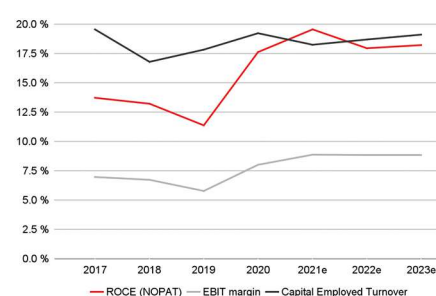
Consolidated balance sheet

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	62.5	66.7	71.3
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	82.7	87.4	92.5
Inventories	180.1	188.5	173.3	194.8	279.0	292.0	302.0
Accounts receivable	82.3	88.1	92.9	119.2	144.0	155.0	162.0
Liquid assets	14.4	14.1	25.7	32.1	8.7	19.3	55.9
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	470.7	505.3	558.9
Total Assets	352.8	371.8	397.4	478.4	553.4	592.7	651.4
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	242.4	289.7
Other equity components	-8.7	-13.2	-12.9	-17.8	54.7	58.6	62.4
Shareholders' equity	179.5	196.5	213.0	242.9	289.3	337.3	388.4
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	291.3	339.3	390.4
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	52.8	32.8	32.8
Short-term financial liabilities	22.4	21.6	2.4	3.4	20.0	0.0	0.0
Accounts payable	85.4	68.5	78.2	96.8	126.0	139.0	148.0
Other liabilities	31.4	31.4	40.6	64.8	47.3	44.8	42.7
Liabilities	171.2	173.1	182.5	233.1	262.1	253.3	261.0
Total liabilities and shareholders' equity	352.8	371.8	397.4	478.4	553.4	592.7	651.4

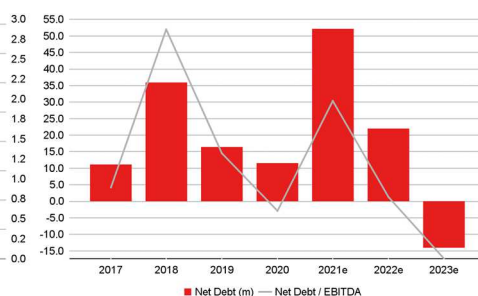
Financial Ratios

	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	2.6 x	2.6 x	2.7 x
Capital Employed Turnover	2.9 x	2.5 x	2.6 x	2.8 x	2.7 x	2.7 x	2.8 x
ROA	52.3 %	60.3 %	36.3 %	50.9 %	66.1 %	67.1 %	67.4 %
Return on Capital							
ROCE (NOPAT)	13.7 %	13.2 %	11.4 %	17.6 %	19.6 %	17.9 %	18.2 %
ROE	12.4 %	13.8 %	11.9 %	17.6 %	20.5 %	18.7 %	17.2 %
Adj. ROE	12.4 %	13.8 %	11.9 %	17.6 %	20.5 %	18.7 %	17.2 %
Balance sheet quality							
Net Debt	11.1	35.9	16.4	11.6	52.2	22.0	-14.0
Net Financial Debt	8.0	32.6	12.2	3.6	44.2	13.5	-23.0
Net Gearing	6.1 %	18.1 %	7.6 %	4.7 %	17.9 %	6.5 %	-3.6 %
Net Fin. Debt / EBITDA	18.3 %	74.4 %	28.1 %	5.4 %	47.8 %	13.6 %	n.a.
Book Value / Share	47.6	52.1	56.4	64.4	76.6	89.4	102.9
Book value per share ex intangibles	42.8	47.7	51.8	59.1	71.4	84.0	97.4

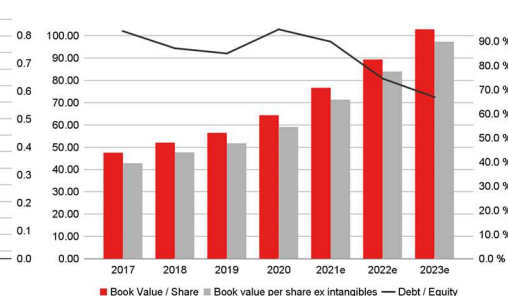
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

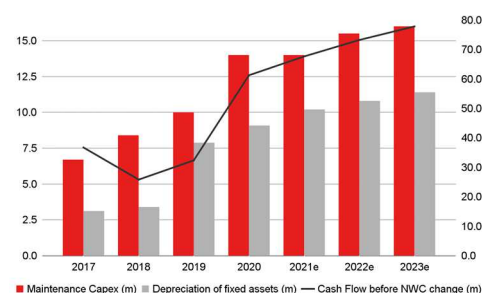
Consolidated cash flow statement

In EUR m	2017	2018	2019	2020	2021e	2022e	2023e
Net income	35.7	36.2	32.5	56.4	78.6	84.6	90.1
Depreciation of fixed assets	3.1	3.4	7.9	9.1	10.2	10.8	11.4
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	0.8	0.8
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	-22.0	-23.7	-25.2
Cash Flow before NWC change	36.8	25.8	32.3	61.3	67.6	73.2	77.9
Increase / decrease in inventory	-52.4	-8.4	15.2	-21.4	-84.2	-13.0	-10.0
Increase / decrease in accounts receivable	-14.4	-5.8	-4.7	-26.3	-24.8	-11.0	-7.0
Increase / decrease in accounts payable	15.1	-17.0	9.7	18.6	29.2	13.0	9.0
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	-83.8	-15.0	-12.0
Net cash provided by operating activities [1]	-15.0	-5.4	48.5	32.1	-16.2	58.2	65.9
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	-14.0	-15.0	-16.0
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	-16.0	-17.0	-18.0
Change in financial liabilities	-10.7	24.2	-8.7	-2.2	17.1	-20.0	0.0
Dividends paid	-3.0	-4.5	-5.3	-5.3	-8.3	-10.6	-11.3
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	8.8	-30.6	-11.3
Change in liquid funds [1]+[2]+[3]	-34.8	6.4	18.5	2.6	-23.4	10.7	36.5
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	8.7	19.3	55.9

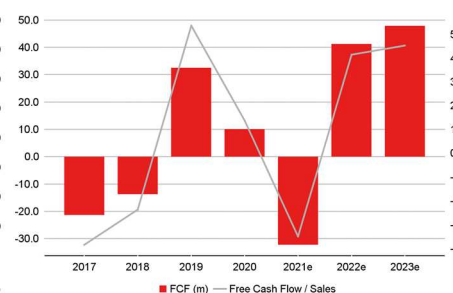
Financial Ratios

	2017	2018	2019	2020	2021e	2022e	2023e
Cash Flow							
FCF	-21.3	-13.7	32.5	10.1	-32.2	41.2	47.9
Free Cash Flow / Sales	-3.9 %	-2.4 %	5.4 %	1.4 %	-3.5 %	4.2 %	4.5 %
Free Cash Flow Potential	22.9	25.4	25.5	40.1	56.4	60.2	64.3
Free Cash Flow / Net Profit	-100.4 %	-52.7 %	133.7 %	25.1 %	-58.9 %	70.3 %	76.7 %
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 %	4.1 %	4.7 %	6.1 %
Management of Funds							
Investment ratio	1.1 %	1.4 %	2.6 %	3.0 %	1.7 %	1.7 %	1.7 %
Maint. Capex / Sales	1.2 %	1.5 %	1.7 %	1.9 %	1.5 %	1.6 %	1.5 %
Capex / Dep	120.8 %	173.1 %	189.3 %	229.4 %	148.1 %	146.6 %	147.5 %
Avg. Working Capital / Sales	27.3 %	33.3 %	32.7 %	28.0 %	27.9 %	30.5 %	29.5 %
Trade Debtors / Trade Creditors	96.3 %	128.7 %	118.8 %	123.1 %	114.3 %	111.5 %	109.5 %
Inventory Turnover	2.0 x	2.0 x	2.3 x	2.4 x	2.1 x	2.2 x	2.2 x
Receivables collection period (days)	54	56	56	60	57	57	56
Payables payment period (days)	86	66	71	76	78	80	80
Cash conversion cycle (Days)	150	171	143	137	152	145	139

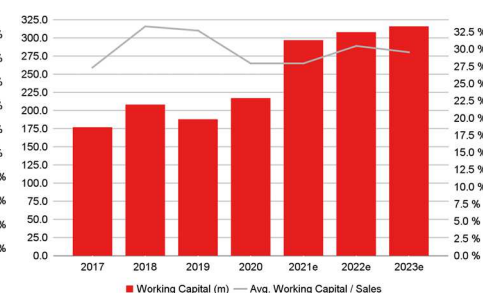
CAPEX and Cash Flow
in EUR m



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	157	73
Hold	51	24
Sell	3	1
Rating suspended	3	1
Total	214	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	51	84
Hold	8	13
Sell	0	0
Rating suspended	2	3
Total	61	100

PRICE AND RATING HISTORY EINHELL PREF. AS OF 14.01.2022


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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