

**QUARTELY REPORT**  
30. September 2021



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## At a glance

The EINHELL Group managed to increase its business volume considerably between January and September 2021 and generated revenue of EUR 686.7 million.

Profit before income taxes amounts to EUR 58.8 million and is thus significantly above the previous year's level. This corresponds to a margin before income taxes of about 8.6%. The EINHELL Group was able to further increase revenue in the Power X-Change products segment. The increase in revenue was achieved in all markets relevant for the Group.

## Financial figures

### Revenue

<b>Q3 2021</b>	<b>686.671</b>	
<b>Q3 2020</b>	<b>529.646</b>	+29,6%

### Profit before income taxes

<b>Q3 2021</b>	<b>58.847</b>	
<b>Q3 2020</b>	<b>37.370</b>	+57,5%

### EBIT

<b>Q3 2021</b>	<b>61.046</b>	
<b>Q3 2020</b>	<b>39.219</b>	+55,7%

### Equity ratio

<b>Q3 2021</b>	<b>48,7%</b>	
<b>Q3 2020</b>	<b>54,5%</b>	-10,6%

### Profit per share (EUR)

<b>Q3 2021</b>	<b>10,8</b>	
<b>Q3 2020</b>	<b>6,9</b>	+56,5%

### Net debt (bank deposits / liabilities)

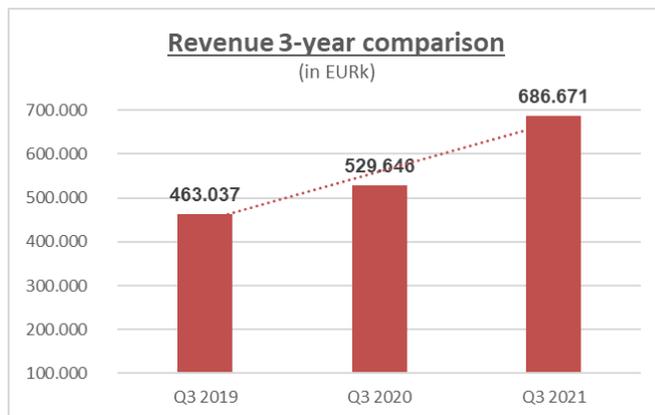
<b>Q3 2021</b>	<b>57.967</b>	
<b>Q3 2020</b>	<b>- 14.438</b>	-501,5%

### Staff

<b>Q3 2021</b>	<b>1.810</b>	
<b>Q3 2020</b>	<b>1.622</b>	+11,6%

## Revenue, earnings and financial position

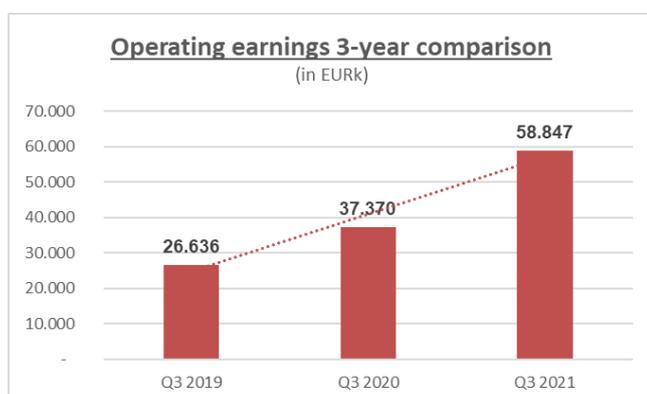
### Revenue



From January to September 2021, the EINHELL Group generated revenue of EUR 686.7 million (previous year: EUR 529.6 million). This represents a substantial increase in revenue year-on-year. The EINHELL Group was thus once again able to generate significant revenue growth in financial year 2021. Demand for DIY products continues to be very high in financial year 2021.

Revenue growth was mainly driven by an increase in market share as well as strong demand for Power X-Change products. As at 30 September 2021, the share of Power X-Change products sold in total revenue stands at 37.0% (previous year: 30.4%).

### Earnings



From January to September 2021, the EINHELL Group generated profit before income taxes of

EUR 58.8 million (previous year: EUR 37.4 million). The pre-tax margin is 8.6% (previous year: 7.1%).

The earnings performance improved further compared to the previous year, driven by significantly higher revenues and higher gross profit margins. However, the Group continues to invest heavily in products and marketing to further strengthen the solid foundation for the future performance of the business.

Consolidated net income after minority interest amounts to EUR 40.8 million in the period under review (previous year: EUR 26.2 million). Earnings per share amount to EUR 10.8 (previous year: EUR 6.9 per share).

Personnel expenses has increased compared to the prior-year period at EUR 77.0 million (previous year: EUR 64.6 million). The increase is primarily due to the higher number of employees and increased provisions for variable compensation components.

Depreciation & amortisation rose in financial year 2021 to EUR 7.9 million (previous year: EUR 6.9 million). The higher investments in property, plant and equipment made last year will lead to increased depreciation in financial year 2021.

Other expenses increased from EUR 75.6 million to EUR 101.4 million. The increase was mainly due to higher revenues. Furthermore, higher expenses for logistics and marketing led to higher other operating expenses. The share in revenue that was expended on marketing measures amounts to 4.1% in the EINHELL Group (previous year: 3.1%).

The financial result of EUR -2.2 million (previous year: EUR -1.8 million) is lower than in the previous year.

### Financial position

The material items in the statement of financial position as at 30 September 2021 and 30 September 2020 are as follows:

in EUR million	Q3 2021	Q3 2020
Non-current assets incl.		
deferred tax assets	111.4	85.3
Inventories	295.3	139.4
Trade receivables	151.5	129.6
Cash and cash equivalents	13.6	38.4
Equity	311.8	231.1
Liabilities to banks	71.6	24.0

In the period under review, the EINHELL Group made investments amounting to EUR 10.8 million (previous year: EUR 10.0 million). The majority of this was spent on operating and office equipment and assets under construction. Moreover, non-current assets also include right-of-use assets for property, plant and equipment under rental and lease contracts in the amount of EUR 12.2 million (previous year: EUR 11.8 million).

Goods inventories increased significantly as against the prior-year period to EUR 295.3 million (previous year: EUR 139.4 million). As high capacity utilisation on the supplier side often leads to bottlenecks and utilisation of sea freight capacities is also high, the Board of Directors has decided to significantly increase inventory levels.

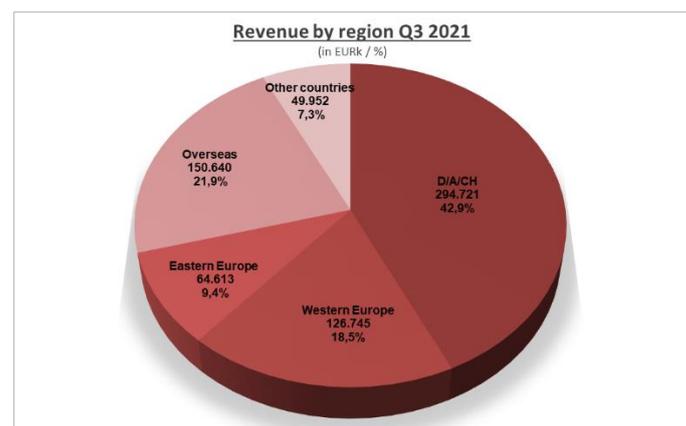
The situation in supply chain management continues to be difficult, which is why the Board of Directors has decided to generally increase stocks in order to maintain the Group's good delivery performance in the upcoming months.

Trade receivables are shown after deduction of impairment for expected future credit defaults. Mainly driven by the revenue increase, trade receivables climbed by EUR 21.9 million year-on-year to EUR 151.5 million in the period under review (previous year: EUR 129.6 million). The COVID-19 crisis could in principle result in an increased risk of default for trade receivables in the coming months. For this reason, impairments corresponding to the expected default rate were recognised as at 30 September 2021.

At EUR 25.9 million, other non-financial assets were slightly above the previous year's level (previous year: EUR 22.5 million). The increase is driven by the increase in VAT receivables of our procurement companies in China.

Cash amounts to EUR 13.6 million on the reporting date (previous year: EUR 38.4 million). Liabilities to banks rose from EUR 24.0 million in the prior-year period to EUR 71.6 million. This is a result of the significant increase in inventories and trade receivables.

## Performance by region



The revenue performance was extremely strong in the first nine months of financial year 2021.

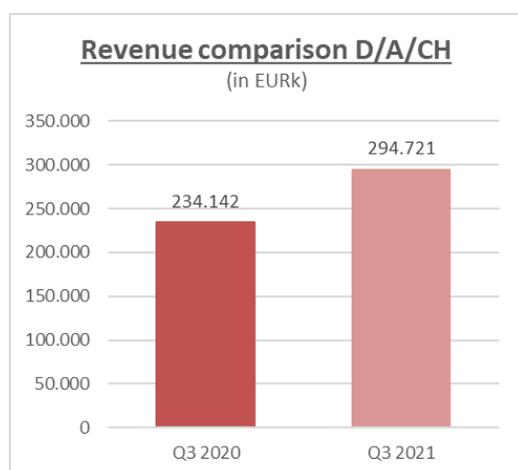
Revenue in the individual regions developed as follows:

in EURk	Q3 2021	Q3 2020
D/A/CH	294,721	234,142
Western Europe	126,745	101,375
Eastern Europe	64,613	51,279
Overseas	150,640	114,412
Other countries	49,952	28,438
<b>EINHELL Group</b>	<b>686,671</b>	<b>529,646</b>

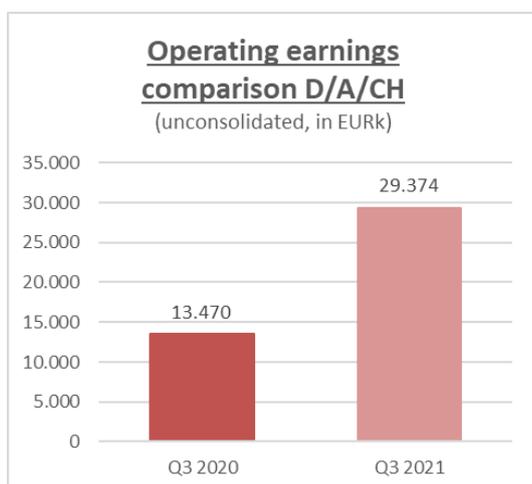
Not only revenue, but also profit before income taxes increased significantly, amounting to EUR 58.8 million (previous year: EUR 37.4 million). The development in the individual regions was as follows:

<i>in EURk</i>	<b>Q3 2021</b>	<b>Q3 2020</b>
<i>D/A/CH</i>	29,374	13,470
<i>Western Europe</i>	10,723	5,781
<i>Eastern Europe</i>	9,883	4,245
<i>Overseas</i>	16,596	11,710
<i>Other countries</i>	6,299	3,674
<i>Reconciliation</i>	-14,028	-1,510
<b>EINHELL Group</b>	<b>58,847</b>	<b>37,370</b>

### D/A/CH

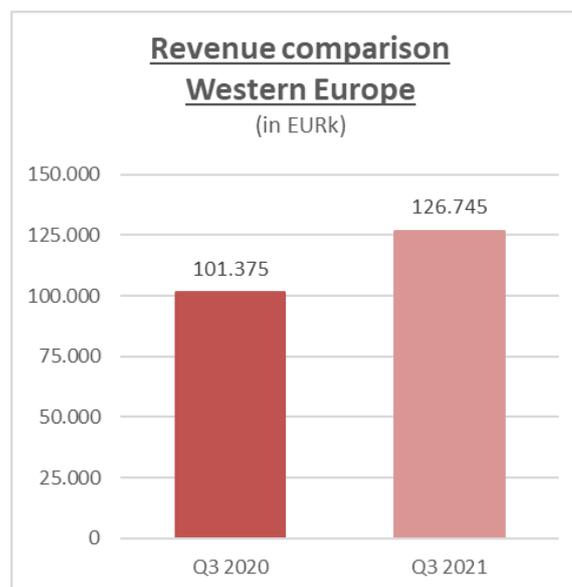


Revenue in the D/A/CH region increased significantly to EUR 294.7 million in the first nine months of financial year 2021 (previous year: EUR 234.1 million). Revenue growth was driven by a continued increase in revenue with Power X-Change products as well as the fact that EINHELL managed to further expand its market share, especially in the D/A/CH region.



High revenues and a stable gross profit margin led to a very strong profit before income taxes of EUR 29.4 million in the D/A/CH region.

### Western Europe

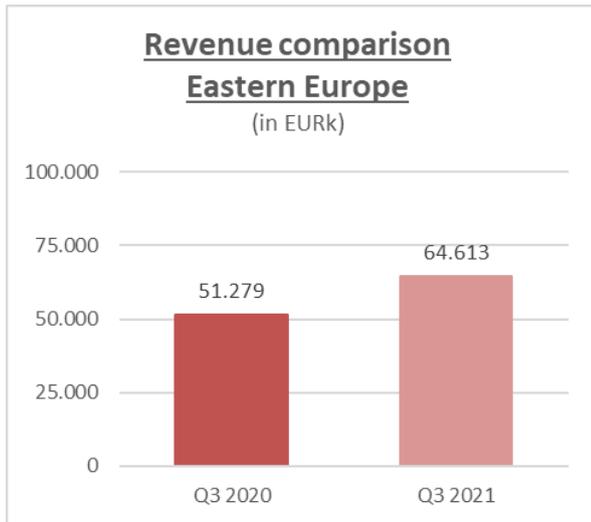


The Western Europe region was also able to generate significant revenue growth. All countries in the region saw a significant increase in revenue compared to the previous year. The companies with the highest revenue in the Western Europe region were EINHELL France with EUR 42.1 million, EINHELL Italy with EUR 31.2 million and EINHELL UK with EUR 19.9 million.



Profit before income taxes increased substantially to EUR 10.7 million in the Western Europe region. The most profitable countries in the Western Europe region were Italy and France.

**Eastern Europe**

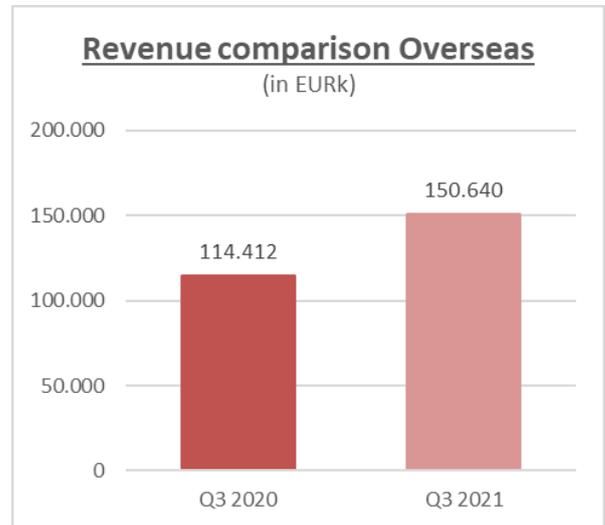


The Eastern Europe region also exceeded the previous year's revenue level. The companies with the highest revenue in the Eastern Europe region were EINHELL Croatia and EINHELL Turkey.



The companies in Eastern Europe were also able to significantly exceed their prior-year profit levels. EINHELL Turkey in particular achieved strong growth in revenue and earnings compared to the previous year, despite the difficult environment. At the same time, all other countries in this region were also able to achieve profit growth.

**Overseas**



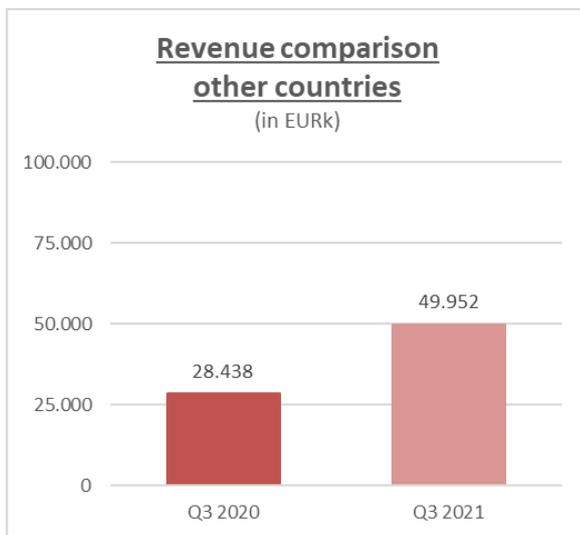
The Overseas region generated extremely high revenues in the first nine months of financial year 2021.

Revenue increased noticeably from EUR 114.4 million to EUR 150.6 million. While significant revenue growth was generated by EINHELL Australia, the South American companies also achieved considerable increases.

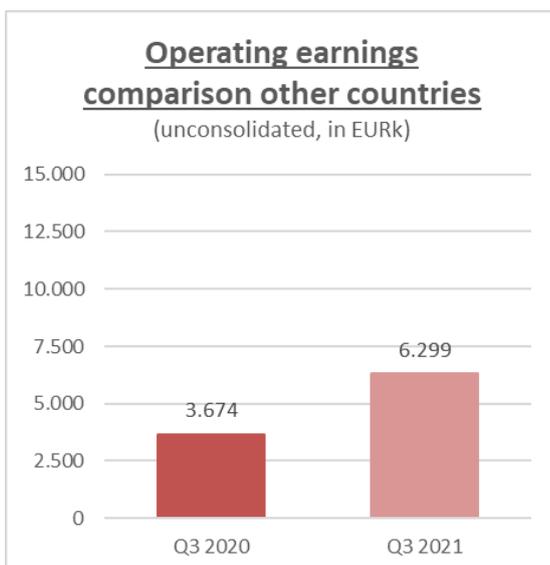


Profit before income taxes is clearly above the previous year's level in the first nine months of financial year 2021. Especially noteworthy was the fact that not only Australia, but also the companies in South America achieved significant increases in earnings.

## Other countries



The Other countries were also able to achieve an increase in revenue. This region comprises almost exclusively the revenues generated by our companies in Hong Kong.



Earnings in the Other countries region also increased significantly, driven by a considerable increase in direct business transactions in the region.

## Group structure

EINHELL Germany set up a wholly-owned subsidiary in Uruguay in the period under review. The company was established in a free trade zone in Montevideo, where EINHELL will maintain a

central supply warehouse for South American customers in order to optimise the complex import handling in some of the South American countries.

## Current strategic developments

We will continue to develop our international distribution network in the medium term in order to be able to achieve our medium-term revenue targets. For this purpose, we will both unlock additional potential in the existing markets and tap into new DIY markets where we are not yet present. The two South African companies in which we acquired shares in 2020 are to be integrated into our EINHELL organisation. Furthermore, EINHELL plans to establish new subsidiaries or successfully conclude contracts with partners in additional countries.

The main focus in the next few years will be on our Power X-Change platform. The revenue share of the Power X-Change platform is to be expanded to significantly more than 50% in the medium term. To achieve this goal, we strive to offer more than 200 Power X-Change units on our platform by the end of 2021.

The online trading segment continues to grow. The e-commerce share in Group revenue amounts to 24.9% as of 30 September 2021 (2020 financial year: 20.4%). EINHELL will systematically continue on its path towards digital leadership in the B2B segment. Various projects and measures are planned to promote future revenue growth, which will increasingly be driven by digital distribution channels. The focus will be on social media, additions to the website, product advisors for Power X-Change products and the expansion and optimisation of product detail pages.

## Events after reporting date

No further events took place after the reporting date that could have a significant impact on net assets, financial position and results of operations.

## Outlook

The Board of Directors' assumptions and forecasts are based on the information currently available.

The Group continued to perform well in 2021 despite the increases in sea freight rates and raw material prices. This has prompted the Board of Directors of the EINHELL Group to raise the guidance. The Board of Directors now expects revenue of approx. EUR 880 million (previously: EUR 830 to 850 million) in the 2021 financial year

and a pre-tax margin of about 8.5% (previously: 8.0%). The COVID-19 pandemic continues to create uncertainty, which could affect the procurement and sales markets to an extent impossible to calculate.

In summary, it can be concluded that the EINHELL Group is on track for continued success. Based on previous experience during the pandemic and due to its strong positioning in the various distribution channels, the EINHELL Group expects a continued positive business development.

**Consolidated statement of financial position (IFRS) as at 30 September 2021**

<b>Assets (in EURk)</b>	<b>30.09.2021</b>	<b>30.09.2020</b>
Intangible assets	20,537	17,350
Property, plant and equipment	52,256	41,817
Right-of-use assets	12,232	11,765
Non-derivative financial assets	855	793
Derivative financial assets	8,708	549
Other non-financial assets	1,324	1,522
Deferred tax assets	15,447	11,516
<b>Non-current assets</b>	<b>111,359</b>	<b>85,312</b>
Inventories	295,252	139,414
Trade receivables	151,530	129,619
Non-derivative financial assets	1,245	258
Derivative financial assets	40,840	6,769
Income tax receivables	1,842	2,755
Other non-financial assets	24,534	20,951
Contract assets	558	185
Cash and cash equivalents	13,602	38,406
<b>Current assets</b>	<b>529,403</b>	<b>338,357</b>
	<b>640,762</b>	<b>423,669</b>

<b>Equity and liabilities (in EURk)</b>	<b>30.09.2021</b>	<b>30.09.2020</b>
Subscribed capital	9,662	9,662
Capital reserve	26,677	26,677
Retained earnings	257,128	210,566
Other reserves	14,804	-17,654
Equity of shareholders of EINHELL Germany AG	308,271	229,251
Non-controlling interest	3,530	1,834
<b>Equity</b>	<b>311,801</b>	<b>231,085</b>
Provisions for other risks	1,350	1,187
Liabilities from debt capital	17,195	20,332
Deferred tax liabilities	15,644	4,310
Employee benefits	7,962	4,268
Lease liabilities	8,083	7,913
Derivative financial liabilities	0	744
Non-derivative financial liabilities	1,596	0
Other non-financial liabilities	304	0
<b>Non-current liabilities</b>	<b>52,134</b>	<b>38,754</b>
Trade payables	95,895	59,396
Income tax liabilities	10,975	7,175
Provisions for other risks	46,636	38,314
Liabilities from debt capital	54,374	3,636
Employee benefits	20,549	18,076
Lease liabilities	4,279	4,147
Derivative financial liabilities	1,879	3,542
Non-derivative financial liabilities	31,495	5,523
Other non-financial liabilities	10,134	13,764
Contract liabilities	611	257
<b>Current liabilities</b>	<b>276,827</b>	<b>153,830</b>
	<b>640,762</b>	<b>423,669</b>

**Consolidated income statement (IFRS) for the period from 1 January to 30 September 2021**

(in EURk)	30.09.2021	30.09.2020
Revenue	686,671	529,646
Own work capitalised	196	176
Other operating income	4,773	4,156
Cost of materials	444,300	347,625
Personnel expenses	77,028	64,584
Depreciation and amortisation	7,868	6,925
Other operating expenses	101,398	75,625
Financial result	-2,199	-1,849
<b>Profit before income taxes</b>	<b>58,847</b>	<b>37,370</b>
Income taxes	-16,636	-10,813
<b>Consolidated net profit</b>	<b>42,211</b>	<b>26,557</b>
Thereof share of minority shareholders in consolidated net profit/loss	1,441	397
Thereof share of shareholders of EINHELL Germany AG in consolidated net profit/loss	40,770	26,160

**Consolidated statement of cash flows (IFRS) for the period from 1 January to 30 September 2021**

(in EURk)	01.01. - 30.09.2021	01.01. - 30.09.2020
<b><i>Cash flows from/used in operating activities</i></b>		
Profit before income taxes	58,847	37,370
+ Depreciation and amortisation of intangible assets and property, plant and	7,868	6,925
- Interest income	-136	-75
+ Interest expenses	1,169	724
+/- Other non-cash expenses and income	-436	999
<b>Operating profit before changes in net working capital</b>	<b>67,312</b>	<b>45,943</b>
+/- Decrease/increase in trade receivables	-33,067	-39,901
+/- Decrease/increase in inventories	-98,666	31,556
+/- Decrease/increase in other assets	2,032	-5,287
+/- Decrease/increase in assets held for sale	0	2,256
+/- Increase/decrease in non-current liabilities	232	139
+/- Increase/decrease in current liabilities	35,002	22,010
+/- Increase/decrease in trade payables	-3,940	-17,694
+/- Increase/decrease in liabilities in connection with assets held for sale	0	-79
<b>Cash flows generated from operating activities</b>	<b>-31,095</b>	<b>38,943</b>
- Taxes paid	-13,453	-7,061
+ Interest received	134	63
- Interest paid	-706	-454
<b>Net cash from/used in operating activities</b>	<b>-45,120</b>	<b>31,491</b>
<b><i>Cash flows from/used in investing activities</i></b>		
- Payments to acquire assets	-10,809	-9,915
- Payments for acquisition of consolidated companies	0	0
+ Proceeds from disposal of assets	115	28
<b>Net cash used in investing activities</b>	<b>-10,694</b>	<b>-9,887</b>
<b><i>Cash flows from/used in financing activities</i></b>		
+ Proceeds from taking out loans	50,532	2,654
- Payments for repayment of loans	-2,344	-1,563
+ Proceeds from non-controlling interest	25	0
- Dividend payments to shareholders of EINHELL Germany AG	-8,178	-5,158
- Dividend payments to non-controlling interests	-379	-381
- Payments for redemption portion of lease liabilities	-3,815	-3,456
<b>Net cash used in financing activities</b>	<b>35,841</b>	<b>-7,904</b>
Changes to cash and cash equivalents due to currency exchange	1,488	-1,023
<b>Net decrease/increase in cash and cash equivalents</b>	<b>-18,485</b>	<b>12,677</b>
Cash and cash equivalents at beginning of reporting period	32,087	25,729
<b>Cash and cash equivalents at end of reporting period</b>	<b>13,602</b>	<b>38,406</b>

## Segment reporting

The identification of reportable operating segments pursuant to IFRS 8 is based on the so-called management approach concept. The division of the EINHELL Group into regions reflects the Group's internal management and reporting structures. The regions are: "D/A/CH region", "Western Europe", "Eastern Europe", "Overseas" and "Other countries".

Income and expenses that cannot be directly allocated to the individual regions are shown in the reconciliation item.

### Segment reporting by region

September 2021 in EURk	D/A/CH	Western Europe	Eastern Europe	Overseas	Other countries	Reconciliation	Group
Revenue based on registered office of the invoicing party	294,721	126,745	64,613	150,640	49,952	0	686,671
Revenue based on registered office of the invoice recipient	304,573	140,736	68,682	165,629	7,051	0	686,671
Profit before income taxes	29,374	10,723	9,883	16,596	6,299	-14,028	58,847

September 2020 in EURk	D/A/CH	Western Europe	Eastern Europe	Overseas	Other countries	Reconciliation	Group
Revenue based on registered office of the invoicing party	234,142	101,375	51,279	114,412	28,438	0	529,646
Revenue based on registered office of the invoice recipient	235,218	115,435	54,443	121,588	2,962	0	529,646
Profit before income taxes	13,470	5,781	4,245	11,710	3,674	-1,510	37,370

Quarterly notification as of 30 September 2021

## **Financial calendar 2021/2022**

Annual financial statements 31 December 2021	End of April 2022
Quarterly notification as of 31 March 2022	Mid-May 2022
Annual General Meeting 2022	Friday, 24 June 2022
Half year financial report as of 30 June 2022	Mid-August 2022
Quarterly notification as of 30 September 2022	Mid-November 2022

## **Legal company information**

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## **Disclaimer**

This quarterly notification contains forward-looking statements. Forward-looking statements are based on specific assumptions and expectations at the time this notification is published. They are therefore subject to risks and uncertainties and actual results may differ considerably from such forward-looking statements. Various risks and uncertainties are determined by factors that do not lie in the EINHELL Group's sphere of influence and can therefore not be estimated with certainty at present. This includes, without limitation, future market conditions and the economic trends as well as legal and political decisions.

Unless otherwise stipulated, all amounts are stated in thousands of euros (EURk). There may be minor deviations in this report and in other reports due to rounding of totals and the calculation of percentage figures.

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