

Buy EUR 57.00 (EUR 48.00) Price EUR 49.40 Upside 15.4 %	Value Indicators: EUR DCF: 56.77 FCF-Value Potential 18e: 62.06	Share data: Bloomberg: EIN3 GR Reuters: EING_p ISIN: DE0005654933	Description: Supplier of power tools and garden equipment for private household use.
	Market Snapshot: EUR m Market cap: 186.5 No. of shares (m): 3.8 EV: 168.3 Freefloat MC: 186.5 Ø Trad. Vol. (30d): 32.00 th	Shareholders: Freefloat 100.0 % Thannhuber AG (Ordinary sh.) 91.0 % Others (Ordinary shares) 9.0 %	Risk Profile (WRe): 2017e Beta: 1.3 Price / Book: 1.1 x Equity Ratio: 52 %

FY guidance increased after remarkable Q1 performance

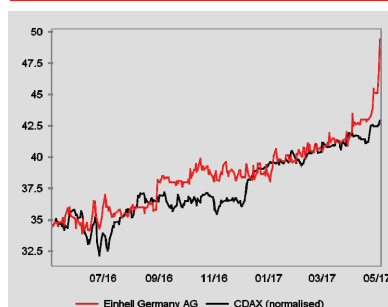
Strong Q1 sales and profit growth: Einhell released positive preliminary Q1 numbers, which were ahead of our expectations. Sales were up 14% to EUR 137m (WRe: EUR 129m) and EBT improved from EUR 5.3m to EUR 9.4m (WRe: EUR 6.8m).

FY 2017 outlook increased: Following the remarkable Q1 performance, the group lifted its FY guidance. The management now expects to exceed the sales forecast of EUR 500m by 2-3%. The EBT margin target was increased from 3.6% to a range of between 4% and 4.5%.

Conclusion: The key Q1 numbers underline that Einhell is well to track to return to the long-term EBT margin level of 4-5% (average EBT margin 2004/16: 4.2%). The accelerated double-digit Q1 sales increase indicates a good market position with an attractive product assortment. Based on the strong focus on cordless power tools with the Power-X-change range, the group is able to gain market share in key regions (DACH, Europe, Australia). Moreover, the disposal of the subsidiary in Brazil should lead to lower international start-up losses from 2017 onwards.

We are increasing our PT from EUR 48 to EUR 57 on higher estimates, based on our DCF model. Our mid- to long-term growth and margin scenario is broadly unchanged. The current valuation does not reflect the promising earnings growth from 2016 to 2019. **Remains a Buy.**

Changes in Estimates:							Comment on Changes:	
FY End: 31.12. in EUR m	2017e (old)	+ / -	2018e (old)	+ / -	2019e (old)	+ / -		
Sales	495.0	3.4 %	518.0	2.8 %	n.a.	n.m.	<ul style="list-style-type: none"> 2017/18 estimates increased and forecast for 2019 introduced. 	
EBIT	20.6	12.5 %	23.8	3.8 %	n.a.	n.m.	<ul style="list-style-type: none"> For the current year, our EBT margin forecast is increased from 3.5% to 4.2%, which is in the middle of the 4-4.5% guidance range. 	
EBT	19.0	13.6 %	22.2	6.7 %	n.a.	n.m.	<ul style="list-style-type: none"> In the following years, we assume steady margin improvement to 4.6% in 2019. 	
Net income	13.5	9.8 %	15.8	4.5 %	n.a.	n.m.	<ul style="list-style-type: none"> Reported earnings should benefit from the phase-out of PPA effects in 2018. 	
EPS	3.57	9.8 %	4.17	4.6 %	n.a.	n.m.	<ul style="list-style-type: none"> For 2017, we still expect an improvement in the tax rate (from 43% to around 30%), which should lead to significant EPS growth. 	

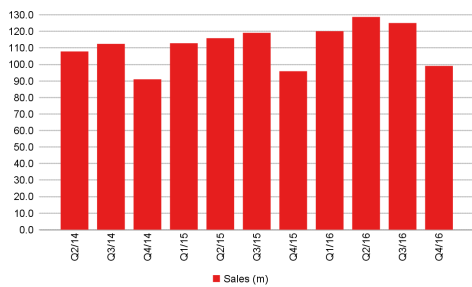


Rel. Performance vs CDAX:	
1 month:	13.2 %
6 months:	8.3 %
Year to date:	17.8 %
Trailing 12 months:	21.5 %

Company events:
23.06.17 AGM

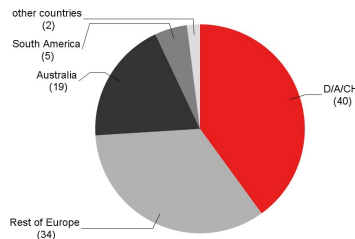
FY End: 31.12. in EUR m	CAGR (16-19e)	2013	2014	2015	2016	2017e	2018e	2019e
Sales	4.4 %	416.3	416.4	443.8	487.2	512.0	532.5	554.0
Change Sales yoy		9.6 %	0.0 %	6.6 %	9.8 %	5.1 %	4.0 %	4.0 %
Gross profit margin		28.9 %	30.4 %	31.7 %	32.2 %	31.0 %	31.0 %	31.0 %
EBITDA	4.7 %	10.5	13.4	19.0	27.0	28.1	29.3	30.9
Margin		2.5 %	3.2 %	4.3 %	5.5 %	5.5 %	5.5 %	5.6 %
EBIT	8.7 %	6.6	8.4	13.9	20.5	23.1	24.7	26.3
Margin		1.6 %	2.0 %	3.1 %	4.2 %	4.5 %	4.6 %	4.8 %
EBT	11.0 %	4.0	5.1	11.8	18.5	21.5	23.7	25.3
Margin		1.0 %	1.2 %	2.7 %	3.8 %	4.2 %	4.4 %	4.6 %
Net income	17.8 %	2.1	1.6	7.4	10.9	14.8	16.5	17.8
EPS	23.8 %	0.55	0.42	1.95	2.48	3.92	4.36	4.71
DPS	14.5 %	0.40	0.40	0.60	0.80	1.00	1.10	1.20
Dividend Yield		1.3 %	1.3 %	1.9 %	2.2 %	2.0 %	2.2 %	2.4 %
FCFPS		8.97	1.16	-2.95	8.25	0.94	2.76	3.14
FCF / Market cap		28.9 %	3.8 %	-9.4 %	23.1 %	1.9 %	5.6 %	6.4 %
EV / Sales		0.3 x	0.3 x	0.3 x	0.2 x	0.3 x	0.3 x	0.3 x
EV / EBITDA		10.6 x	8.3 x	6.8 x	4.3 x	6.0 x	5.5 x	5.0 x
EV / EBIT		16.8 x	13.2 x	9.3 x	5.7 x	7.3 x	6.6 x	5.9 x
P / E		56.3 x	72.7 x	16.0 x	14.4 x	12.6 x	11.3 x	10.5 x
FCF Yield Potential		4.1 %	5.7 %	8.1 %	12.6 %	9.6 %	10.1 %	11.2 %
Net Debt		-5.6	-3.5	11.0	-18.3	-18.2	-24.5	-32.2
ROCE (NOPAT)		1.4 %	1.8 %	5.5 %	7.4 %	10.7 %	10.9 %	11.3 %
Guidance:	Sales of more than EUR 500 in 2017, EBT margin 4-4.5%							

Sales development
in EUR m



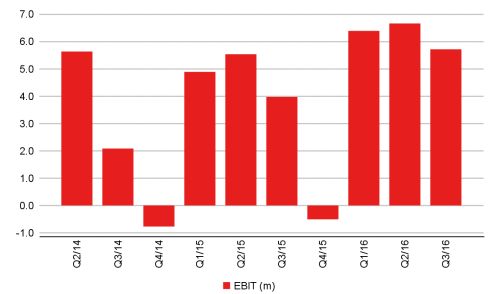
Source: Warburg Research

Sales by regions
2016; in %



Source: Warburg Research

EBIT development
in EUR m



Source: Warburg Research

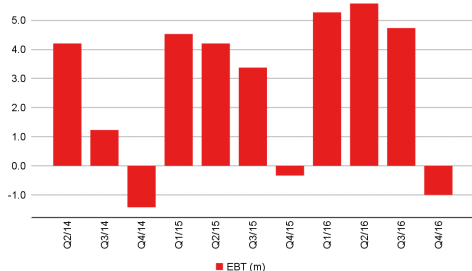
Company Background

- Einhell is the leading provider of power tools and garden equipment for household use. The products are sold under the Einhell brand and as retailers' own brands.
- Value is created in the product development, quality control, sales, and after-sales services. Production is outsourced to China.
- Einhell's main customers are large DIY chains (60% of sales), followed by specialised trade (25%), discounter chains (10%) and Cash&Carry stores.
- The company was founded in 1964 by Josef Thannhuber. The Thannhuber family holds the majority of the non-listed ordinary shares.

Competitive Quality

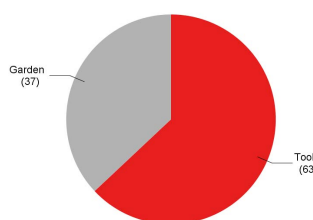
- Einhell successfully differentiates itself from its competitors by undercutting brand products such as Bosch or Black&Decker in price at a comparable quality level.
- At the same time the company stands out from low-cost providers thanks to its strong focus on quality and after-sales services.
- Einhell shows a high level of cost flexibility and generated clearly positive earnings even in economically challenging years.
- With its broad range of offers and the clear positioning (red line / blue line) Einhell is well on track for further market share gains.
- The continuation of the international expansion (South America, Australia, Turkey) offers additional growth potential.

EBT development
in EUR m



Source: Warburg Research

Sales by segments
2016; 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
	2017e	2018e	2019e	2020e	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	
Sales	512.0	532.5	554.0	578.9	603.8	628.6	653.1	677.3	701.0	724.1	745.8	766.7	786.6	
Sales change	5.1 %	4.0 %	4.0 %	4.5 %	4.3 %	4.1 %	3.9 %	3.7 %	3.5 %	3.3 %	3.0 %	2.8 %	2.6 %	1.5 %
EBIT	23.1	24.7	26.3	27.2	27.8	28.3	28.7	29.1	29.4	29.7	29.8	26.8	27.5	
EBIT-margin	4.5 %	4.6 %	4.8 %	4.7 %	4.6 %	4.5 %	4.4 %	4.3 %	4.2 %	4.1 %	4.0 %	3.5 %	3.5 %	
Tax rate (EBT)	30.0 %	29.0 %	28.0 %	27.5 %	27.5 %	27.5 %	27.5 %	27.5 %	27.5 %	27.5 %	27.5 %	30.0 %	30.0 %	
NOPAT	16.2	17.5	19.0	19.7	20.1	20.5	20.8	21.1	21.3	21.5	21.6	18.8	19.3	
Depreciation	5.0	4.6	4.6	5.8	6.0	6.3	6.5	6.8	7.0	7.2	7.5	7.7	7.9	
in % of Sales	1.0 %	0.9 %	0.8 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	
Changes in provisions	0.0	0.0	0.0	0.3	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	
Change in Liquidity from														
- Working Capital	9.7	7.0	7.0	7.3	9.7	10.0	10.1	10.3	6.9	6.7	6.3	6.1	5.8	
- Capex	4.0	4.0	4.0	5.2	6.0	6.3	6.5	6.8	7.0	7.2	7.5	7.7	7.9	
Capex in % of Sales	0.8 %	0.8 %	0.7 %	0.9 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	
Other	0.0	0.0	0.0	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)	7.4	11.1	12.6	13.3	10.5	10.7	10.9	11.0	14.6	15.0	15.5	12.9	13.6	16
PV of FCF	7.2	9.9	10.4	10.2	7.5	7.1	6.6	6.2	7.7	7.3	7.0	5.4	5.3	100
share of PVs	13.90 %			35.59 %										50.52 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	15.00 %	Financial Strength	1.00
Cost of debt (after tax)	3.2 %	Liquidity (share)	1.50
Market return	7.00 %	Cyclicality	1.50
Risk free rate	1.50 %	Transparency	1.00
		Others	1.50
WACC	7.83 %	Beta	1.30

Valuation (m)

Present values 2029e	98		
Terminal Value	100		
Financial liabilities	33		
Pension liabilities	3		
Hybrid capital	0		
Minority interest	2		
Market val. of investments	0		
Liquidity	55	No. of shares (m)	3.8
Equity Value	214	Value per share (EUR)	56.77

Sensitivity Value per Share (EUR)

Beta	WACC	Terminal Growth							Beta	WACC	Delta EBIT-margin						
		0.75 %	1.00 %	1.25 %	1.50 %	1.75 %	2.00 %	2.25 %			-1.5 pp	-1.0 pp	-0.5 pp	+0.0 pp	+0.5 pp	+1.0 pp	+1.5 pp
1.51	8.8 %	47.41	48.00	48.63	49.30	50.02	50.79	51.62	1.51	8.8 %	24.74	32.92	41.11	49.30	57.49	65.68	73.87
1.41	8.3 %	50.46	51.18	51.94	52.76	53.64	54.59	55.62	1.41	8.3 %	26.37	35.16	43.96	52.76	61.56	70.35	79.15
1.35	8.1 %	52.15	52.94	53.78	54.69	55.67	56.72	57.87	1.35	8.1 %	27.28	36.41	45.55	54.69	63.82	72.96	82.10
1.30	7.8 %	53.97	54.83	55.77	56.77	57.86	59.05	60.34	1.30	7.8 %	28.26	37.77	47.27	56.77	66.28	75.78	85.28
1.25	7.6 %	55.92	56.88	57.91	59.04	60.25	61.58	63.03	1.25	7.6 %	29.34	39.24	49.14	59.04	68.94	78.84	88.74
1.19	7.3 %	58.02	59.09	60.24	61.49	62.86	64.36	66.00	1.19	7.3 %	30.50	40.83	51.16	61.49	71.83	82.16	92.49
1.09	6.8 %	62.76	64.09	65.53	67.12	68.86	70.78	72.91	1.09	6.8 %	33.17	44.49	55.80	67.12	78.43	89.75	101.07

- No structural mid- to long-term EBIT margin change expected.
- Sales growth below Einhell's long-standing target range of +5-10% p.a.

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	2013	2014	2015	2016	2017e	2018e	2019e	
Net Income before minorities	1.5	1.6	7.6	9.6	15.1	16.8	18.2	
+ Depreciation + Amortisation	3.9	5.0	5.2	6.5	5.0	4.6	4.6	
- Net Interest Income	-2.6	-3.4	-2.1	-3.5	-1.6	-1.0	-1.0	
- Maintenance Capex	3.4	3.6	4.5	5.0	5.5	6.0	6.5	
+ Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
= Free Cash Flow Potential	4.6	6.4	10.4	14.6	16.2	16.4	17.3	
Free Cash Flow Yield Potential	4.1 %	5.7 %	8.1 %	12.6 %	9.6 %	10.1 %	11.2 %	
WACC	7.83 %	7.83 %	7.83 %	7.83 %	7.83 %	7.83 %	7.83 %	
= Enterprise Value (EV)	111.3	111.7	129.1	116.7	168.3	161.9	154.3	
= Fair Enterprise Value	58.8	81.5	133.1	187.2	206.6	209.7	221.7	
- Net Debt (Cash)	-21.5	-21.5	-21.5	-21.5	-21.4	-27.7	-35.4	
- Pension Liabilities	3.2	3.2	3.2	3.2	3.2	3.2	3.2	
- 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	77.1	99.8	151.4	205.5	224.7	234.2	253.8	
No. of shares (total) (m)	3.8	3.8	3.8	3.8	3.8	3.8	3.8	
= Fair value per share (EUR)	20.43	26.45	40.11	54.44	59.54	62.06	67.25	
premium (-) / discount (+) in %					20.5 %	25.6 %	36.1 %	
Sensitivity Fair value per Share (EUR)								
	10.83 %	16.12	20.46	30.34	40.70	44.37	46.66	50.97
	9.83 %	17.26	22.05	32.93	44.35	48.40	50.75	55.29
	8.83 %	18.67	24.00	36.12	48.82	53.34	55.76	60.59
WACC	7.83 %	20.43	26.45	40.11	54.44	59.54	62.06	67.25
	6.83 %	22.71	29.61	45.28	61.71	67.56	70.20	75.85
	5.83 %	25.78	33.86	52.21	71.47	78.33	81.13	87.41
	4.83 %	30.12	39.87	62.03	85.27	93.57	96.60	103.76

▪ Net debt improvement expected in line with positive earnings trend

Valuation

	2013	2014	2015	2016	2017e	2018e	2019e
Price / Book	0.8 x	0.7 x	0.8 x	0.8 x	1.1 x	1.0 x	0.9 x
Book value per share ex intangibles	34.00	35.50	35.51	37.74	40.72	44.12	47.82
EV / Sales	0.3 x	0.3 x	0.3 x	0.2 x	0.3 x	0.3 x	0.3 x
EV / EBITDA	10.6 x	8.3 x	6.8 x	4.3 x	6.0 x	5.5 x	5.0 x
EV / EBIT	16.8 x	13.2 x	9.3 x	5.7 x	7.3 x	6.6 x	5.9 x
EV / EBIT adj.*	16.8 x	9.8 x	8.3 x	5.3 x	6.8 x	6.6 x	5.9 x
P / FCF	3.5 x	26.2 x	n.a.	4.3 x	52.8 x	17.9 x	15.7 x
P / E	56.3 x	72.7 x	16.0 x	14.4 x	12.6 x	11.3 x	10.5 x
P / E adj.*	56.3 x	72.7 x	16.0 x	14.4 x	12.6 x	11.3 x	10.5 x
Dividend Yield	1.3 %	1.3 %	1.9 %	2.2 %	2.0 %	2.2 %	2.4 %
Free Cash Flow Yield Potential	4.1 %	5.7 %	8.1 %	12.6 %	9.6 %	10.1 %	11.2 %

*Adjustments made for: -

Consolidated profit & loss

In EUR m	2013	2014	2015	2016	2017e	2018e	2019e
Sales	416.3	416.4	443.8	487.2	512.0	532.5	554.0
Change Sales yoy	9.6 %	0.0 %	6.6 %	9.8 %	5.1 %	4.0 %	4.0 %
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	0.1	0.0	0.0	0.0	0.0
Total Sales	416.3	416.4	443.9	487.2	512.0	532.5	554.0
Material expenses	296.0	290.0	303.1	330.1	353.3	367.4	382.3
Gross profit	120.3	126.4	140.8	157.1	158.7	165.1	171.7
<i>Gross profit margin</i>	<i>28.9 %</i>	<i>30.4 %</i>	<i>31.7 %</i>	<i>32.2 %</i>	<i>31.0 %</i>	<i>31.0 %</i>	<i>31.0 %</i>
Personnel expenses	54.3	55.4	61.3	63.2	65.0	67.1	69.3
Other operating income	11.5	7.1	5.8	6.2	6.4	6.0	6.0
Other operating expenses	66.9	64.7	66.3	73.1	72.0	74.7	77.5
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	10.5	13.4	19.0	27.0	28.1	29.3	30.9
<i>Margin</i>	<i>2.5 %</i>	<i>3.2 %</i>	<i>4.3 %</i>	<i>5.5 %</i>	<i>5.5 %</i>	<i>5.5 %</i>	<i>5.6 %</i>
Depreciation of fixed assets	2.6	2.8	2.8	3.9	2.8	2.8	2.8
EBITA	7.9	10.7	16.2	23.1	25.3	26.5	28.1
Amortisation of intangible assets	1.3	2.2	2.3	2.6	2.2	1.8	1.8
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	6.6	8.4	13.9	20.5	23.1	24.7	26.3
<i>Margin</i>	<i>1.6 %</i>	<i>2.0 %</i>	<i>3.1 %</i>	<i>4.2 %</i>	<i>4.5 %</i>	<i>4.6 %</i>	<i>4.8 %</i>
EBIT adj.	6.6	11.4	15.6	22.2	24.8	24.7	26.3
Interest income	0.3	0.2	0.2	0.1	0.1	0.0	0.0
Interest expenses	1.7	1.5	2.1	2.1	1.7	1.0	1.0
Other financial income (loss)	-1.2	-2.1	-0.2	0.0	0.0	0.0	0.0
EBT	4.0	5.1	11.8	18.5	21.5	23.7	25.3
<i>Margin</i>	<i>1.0 %</i>	<i>1.2 %</i>	<i>2.7 %</i>	<i>3.8 %</i>	<i>4.2 %</i>	<i>4.4 %</i>	<i>4.6 %</i>
Total taxes	2.5	3.4	4.1	7.3	6.5	6.9	7.1
Net income from continuing operations	1.5	1.6	7.6	11.2	15.1	16.8	18.2
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	1.5	1.6	7.6	11.2	15.1	16.8	18.2
Minority interest	-0.6	0.0	0.3	0.3	0.3	0.4	0.5
Net income	2.1	1.6	7.4	10.9	14.8	16.5	17.8
<i>Margin</i>	<i>0.5 %</i>	<i>0.4 %</i>	<i>1.7 %</i>	<i>2.2 %</i>	<i>2.9 %</i>	<i>3.1 %</i>	<i>3.2 %</i>
Number of shares, average	3.8	3.8	3.8	3.8	3.8	3.8	3.8
EPS	0.55	0.42	1.95	2.48	3.92	4.36	4.71
EPS adj.	0.55	0.42	1.95	2.48	3.92	4.36	4.71

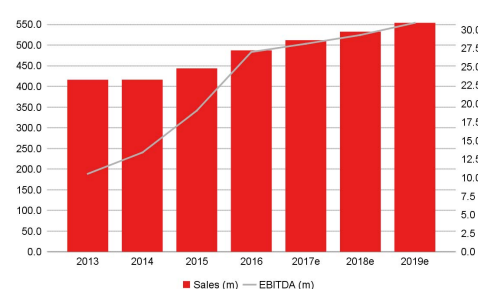
*Adjustments made for:

Guidance: Sales of more than EUR 500 in 2017, EBT margin 4-4.5%
Financial Ratios

	2013	2014	2015	2016	2017e	2018e	2019e
Total Operating Costs / Sales	97.5 %	96.8 %	97.1 %	95.7 %	95.8 %	95.6 %	95.5 %
Operating Leverage	-4.7 x	1497.4 x	9.8 x	4.9 x	2.5 x	1.7 x	1.7 x
EBITDA / Interest expenses	6.1 x	9.2 x	9.0 x	12.8 x	16.5 x	29.3 x	30.9 x
Tax rate (EBT)	62.7 %	67.7 %	35.1 %	43.2 %	30.0 %	29.0 %	28.0 %
Dividend Payout Ratio	100.6 %	92.2 %	29.6 %	27.0 %	25.1 %	24.7 %	24.8 %
Sales per Employee	303,859	315,427	336,175	357,193	373,723	383,094	392,908

Sales, EBITDA

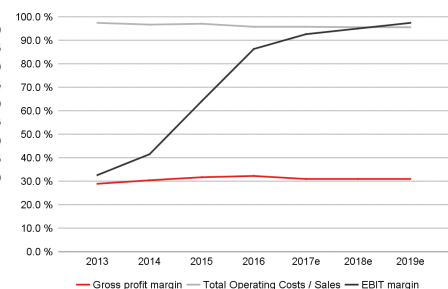
in EUR m



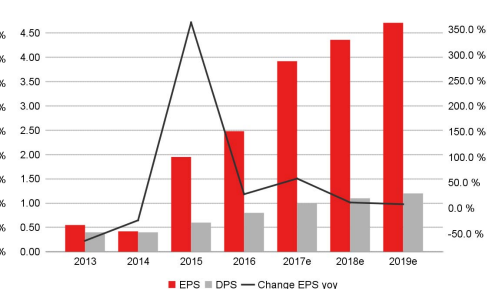
Source: Warburg Research

Operating Performance

in %



Source: Warburg Research

Performance per Share


Source: Warburg Research

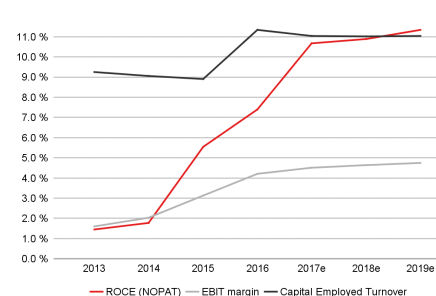
Consolidated balance sheet

In EUR m	2013	2014	2015	2016	2017e	2018e	2019e
Assets							
Goodwill and other intangible assets	27.5	24.0	22.2	19.8	20.0	20.0	20.0
thereof other intangible assets	12.2	10.6	9.1	7.0	7.0	7.0	7.0
thereof Goodwill	15.2	13.4	13.1	12.8	13.0	13.0	13.0
Property, plant and equipment	18.3	18.6	19.6	19.9	20.3	20.7	21.1
Financial assets	0.4	0.4	0.4	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	46.1	43.0	42.2	40.0	40.7	41.1	41.5
Inventories	106.0	110.4	139.1	127.7	135.0	140.0	146.0
Accounts receivable	64.4	62.5	62.7	67.9	73.0	77.0	80.0
Liquid assets	59.0	36.3	24.3	54.7	52.4	58.7	66.4
Other short-term assets	34.5	41.4	32.5	32.9	37.0	38.0	38.0
Current assets	263.9	250.5	258.6	283.2	297.4	313.7	330.4
Total Assets	310.0	293.5	300.8	323.3	338.0	354.8	371.8
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	123.9	122.6	128.5	132.9	122.5	133.7	146.4
Other equity components	-4.4	-0.9	-8.5	-7.0	14.8	16.5	17.8
Shareholders' equity	155.8	158.0	156.3	162.2	173.7	186.5	200.5
Minority interest	2.5	1.6	1.7	1.9	2.0	2.0	2.0
Total equity	158.3	159.6	157.9	164.1	175.7	188.5	202.5
Provisions	12.4	13.9	16.2	21.9	19.1	19.1	19.1
thereof provisions for pensions and similar obligations	1.9	2.6	2.8	3.2	3.2	3.2	3.2
Financial liabilities (total)	51.4	30.2	32.5	33.2	31.0	31.0	31.0
thereof short-term financial liabilities	21.4	0.2	2.5	3.2	1.0	1.0	1.0
Accounts payable	52.6	55.3	62.5	70.3	73.0	75.0	77.0
Other liabilities	35.4	34.6	31.6	33.8	39.2	41.5	42.9
Liabilities	151.8	133.9	142.8	159.2	162.3	166.6	170.0
Total liabilities and shareholders' equity	310.0	293.5	300.8	323.3	338.0	355.1	372.5

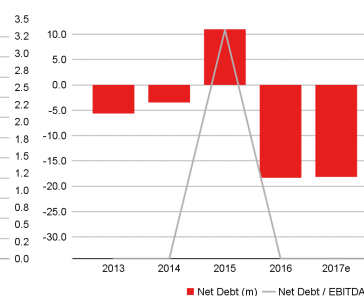
Financial Ratios

	2013	2014	2015	2016	2017e	2018e	2019e
Efficiency of Capital Employment							
Operating Assets Turnover	3.1 x	3.1 x	2.8 x	3.4 x	3.3 x	3.3 x	3.3 x
Capital Employed Turnover	2.7 x	2.7 x	2.6 x	3.3 x	3.3 x	3.2 x	3.3 x
ROA	4.5 %	3.7 %	17.4 %	27.2 %	36.4 %	40.1 %	42.9 %
Return on Capital							
ROCE (NOPAT)	1.4 %	1.8 %	5.5 %	7.4 %	10.7 %	10.9 %	11.3 %
ROE	1.3 %	1.0 %	4.7 %	6.8 %	8.8 %	9.1 %	9.2 %
Adj. ROE	1.3 %	1.0 %	4.7 %	6.8 %	8.8 %	9.1 %	9.2 %
Balance sheet quality							
Net Debt	-5.6	-3.5	11.0	-18.3	-18.2	-24.5	-32.2
Net Financial Debt	-7.6	-6.0	8.2	-21.5	-21.4	-27.7	-35.4
Net Gearing	-3.6 %	-2.2 %	6.9 %	-11.2 %	-10.3 %	-13.0 %	-15.9 %
Net Fin. Debt / EBITDA	n.a.	n.a.	43.1 %	n.a.	n.a.	n.a.	n.a.
Book Value / Share	41.3	41.9	41.4	43.0	46.0	49.4	53.1
Book value per share ex intangibles	34.0	35.5	35.5	37.7	40.7	44.1	47.8

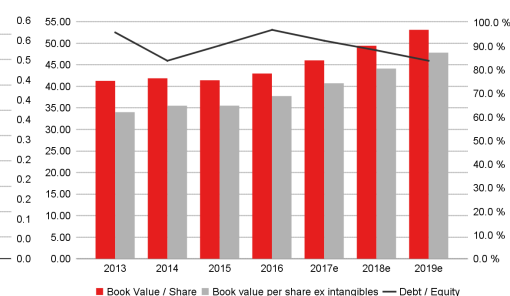
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

Consolidated cash flow statement

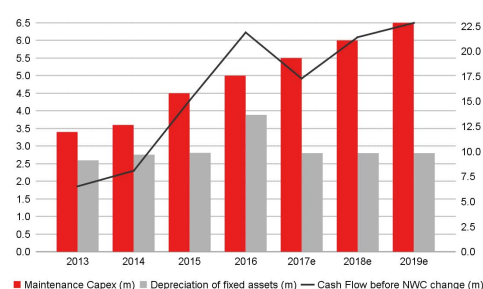
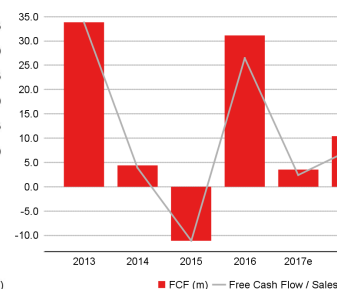
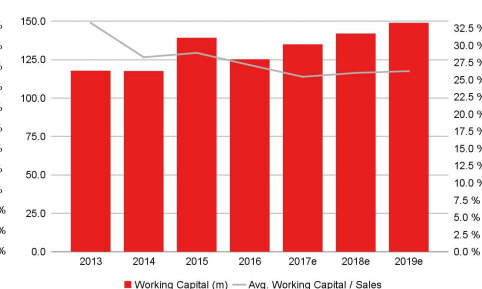
In EUR m	2013	2014	2015	2016	2017e	2018e	2019e
Net income	4.0	5.1	11.8	17.0	21.5	23.7	25.3
Depreciation of fixed assets	2.6	2.8	2.8	3.9	2.8	2.8	2.8
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	1.3	2.2	2.3	2.6	2.2	1.8	1.8
Increase/decrease in long-term provisions	1.1	1.5	2.3	5.7	-2.8	0.0	0.0
Other non-cash income and expenses	-2.5	-3.4	-4.1	-7.3	-6.5	-6.9	-7.1
Cash Flow before NWC change	6.5	8.1	15.1	21.9	17.3	21.4	22.8
Increase / decrease in inventory	19.7	-4.4	-28.7	11.4	-7.3	-5.0	-6.0
Increase / decrease in accounts receivable	1.8	1.9	-0.2	-5.2	-5.1	-4.0	-3.0
Increase / decrease in accounts payable	20.0	2.7	7.3	7.8	2.7	2.0	2.0
Increase / decrease in other working capital positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increase / decrease in working capital (total)	41.5	0.2	-21.7	14.0	-9.7	-7.0	-7.0
Net cash provided by operating activities [1]	48.0	8.3	-6.5	35.9	7.5	14.4	15.8
Investments in intangible assets	-12.2	-0.5	-0.8	-0.5	-0.8	-0.8	-0.8
Investments in property, plant and equipment	-2.0	-3.4	-3.8	-4.2	-3.2	-3.2	-3.2
Payments for acquisitions	-0.9	0.3	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]	-15.1	-3.6	-4.6	-4.7	-4.0	-4.0	-4.0
Change in financial liabilities	19.2	-21.2	2.3	0.6	-2.2	0.0	0.0
Dividends paid	-3.0	-2.6	-2.6	-3.0	-3.3	-3.6	-3.8
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]	16.3	-23.9	-0.3	-2.3	-5.5	-3.6	-3.8
Change in liquid funds [1]+[2]+[3]	49.2	-19.2	-11.5	28.8	-1.9	6.8	8.0
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	54.8	39.8	24.8	53.1	52.8	59.1	66.8

Financial Ratios

	2013	2014	2015	2016	2017e	2018e	2019e
Cash Flow							
FCF	33.8	4.4	-11.1	31.1	3.5	10.4	11.8
Free Cash Flow / Sales	8.1 %	1.1 %	-2.5 %	6.4 %	0.7 %	2.0 %	2.1 %
Free Cash Flow Potential	4.6	6.4	10.4	14.6	16.2	16.4	17.3
Free Cash Flow / Net Profit	1622.4 %	274.6 %	-151.3 %	286.2 %	23.8 %	63.2 %	66.6 %
Interest Received / Avg. Cash	0.8 %	0.5 %	0.6 %	0.3 %	0.2 %	0.0 %	0.0 %
Interest Paid / Avg. Debt	4.1 %	3.6 %	6.7 %	6.4 %	5.3 %	3.2 %	3.2 %
Management of Funds							
Investment ratio	3.4 %	0.9 %	1.0 %	1.0 %	0.8 %	0.8 %	0.7 %
Maint. Capex / Sales	0.8 %	0.9 %	1.0 %	1.0 %	1.1 %	1.1 %	1.2 %
Capex / Dep	365.1 %	78.5 %	88.8 %	73.4 %	80.0 %	87.0 %	87.0 %
Avg. Working Capital / Sales	33.3 %	28.3 %	28.9 %	27.1 %	25.4 %	26.0 %	26.3 %
Trade Debtors / Trade Creditors	122.5 %	113.0 %	100.3 %	96.5 %	100.0 %	102.7 %	103.9 %
Inventory Turnover	2.8 x	2.6 x	2.2 x	2.6 x	2.6 x	2.6 x	2.6 x
Receivables collection period (days)	56	55	52	51	52	53	53
Payables payment period (days)	65	70	75	78	75	75	74
Cash conversion cycle (Days)	86	90	116	83	84	85	86

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	3, 5, 6	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.

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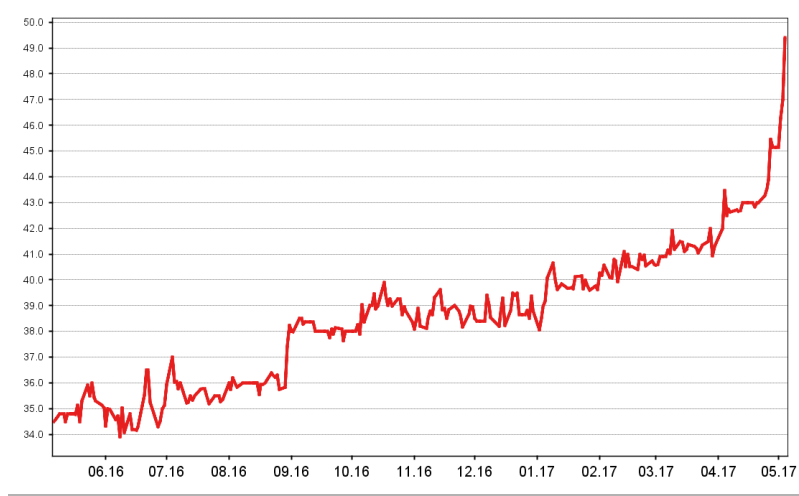
Rating	Number of stocks	% of Universe
Buy	112	57
Hold	73	37
Sell	10	5
Rating suspended	1	1
Total	196	100

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	27	71
Hold	8	21
Sell	2	5
Rating suspended	1	3
Total	38	100

PRICE AND RATING HISTORY EINHELL AS OF 05.05.2017



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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