

Buy EUR 81.00 (EUR 86.00) Price EUR 46.20 Upside 75.3 %	Value Indicators: EUR DCF: 81.38 FCF-Value Potential 21e: 63.80	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: 174.4 No. of shares (m): 3.8 EV: 173.7 Freefloat MC: 174.4 Ø Trad. Vol. (30d): 163.54 th	Shareholders: Freefloat 100.0 % Thannhuber AG (Ordinary sh.) 91.0 % Others (Ordinary shares) 9.0 %	Risk Profile (WRe): 2019e Beta: 1.3 Price / Book: 0.8 x Equity Ratio: 55 % Net Fin. Debt / EBITDA: 0.2 x Net Debt / EBITDA: 0.3 x

Q2 business significantly affected by corona crisis

Einhell announced its decision to **withdraw the financial outlook for 2020**. The guidance was originally released on March 9 and did not include the significant negative effects of the corona crisis on consumer demand.

Since mid-March the environment has changed considerably. Government measures to contain the spread of COVID-19 have led to the introduction of restrictions for the operating business in several countries, especially store closures of Einhell's customers. Therefore, sales already declined by -2% in Q1 to EUR 154m despite strong business in January and February. The management now also expects a sales decline for FY 2020 and refers to the high global uncertainty as regards economic development. While a double-digit full-year sales decline cannot be ruled out, a positive catch-up effect in the course of the year is also possible.

Due to the high level of short-term uncertainty, the **final decision on the dividend proposal** (EUR 1.40 per preferred share) for the AGM on June 19 will depend on the development in the next few weeks.

We have revised our sales and earnings scenario for the current year: In light of the current environment we expect a Q2 sales decline of around 22%. For H2 we assume flat sales which imply a normalisation of demand. Overall, Einhell's statement regarding the outlook and the dividend underline the low short-term visibility. We assume that the group might reconsider the dividend proposal if the business environment deteriorates further (e.g. temporary store closures in further countries). However, recent news regarding the re-opening of DIY stores under certain conditions in A and CZ does not indicate additional near-term disruptions. With a strong balance sheet, high product quality and brand awareness as well as long-standing international business expertise, we regard the group to be well prepared for the current crisis. On our revised estimates, we reduce the DCF-based PT to EUR 81 (prev.: EUR 86). With a 20% discount to the book value, macroeconomic risks are broadly reflected in the current valuation level. **We confirm our Buy recommendation.**

Changes in Estimates:				Comment on Changes:			
FY End: 31.12. in EUR m	2019e (old)	+ / -	2020e (old)	+ / -	2021e (old)	+ / -	
Sales	605.7	0.0 %	608.0	-6.7 %	641.0	-4.2 %	<ul style="list-style-type: none"> ▪ Preliminary 2019 numbers have been confirmed. Detailed annual report to follow by end of April. ▪ We now assume a sales decline of 6.4% in FY 2020. Therefore, we have reduced our earnings estimates for the current year by 30-40%. ▪ Based on the weaker top-line performance, we anticipate an EBT margin drop of 150bps in 2020 to 3.9% (from 5.4% in 2019). ▪ In the following year, 2021, we expect Einhell to return to an EBT margin of around 5%, driven by a positive sales trend. ▪ For the time being, we expect stable dividends of EUR 1.40 (per each pref. share) for 2019/21.
EBT	32.5	0.0 %	32.7	-32.9 %	35.0	-13.1 %	
Net income	24.3	0.0 %	23.3	-38.0 %	24.1	-13.3 %	
EPS	6.43	0.0 %	6.16	-38.0 %	6.39	-13.3 %	
DPS	1.40	0.0 %	1.40	0.0 %	1.40	0.0 %	

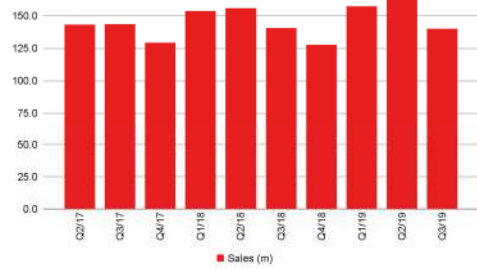


Rel. Performance vs CDAX:	
1 month:	12.3 %
6 months:	6.0 %
Year to date:	-0.3 %
Trailing 12 months:	-23.9 %

Company events:
19.06.20 AGM

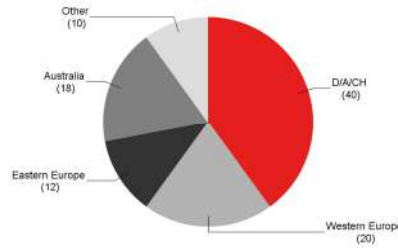
FY End: 31.12. in EUR m	CAGR (18-21e)	2015	2016	2017	2018	2019e	2020e	2021e
Sales	2.0 %	443.8	487.2	553.4	577.9	605.7	567.0	614.0
Change Sales yoy		6.6 %	9.8 %	13.6 %	4.4 %	4.8 %	-6.4 %	8.3 %
Gross profit margin		31.7 %	32.2 %	34.6 %	34.2 %	33.6 %	33.5 %	33.5 %
EBITDA	-1.9 %	19.0	27.0	43.8	43.7	43.9	32.6	41.3
Margin		4.3 %	5.5 %	7.9 %	7.6 %	7.2 %	5.8 %	6.7 %
EBIT	-5.7 %	13.9	20.5	38.5	38.9	35.5	24.1	32.6
Margin		3.1 %	4.2 %	7.0 %	6.7 %	5.9 %	4.3 %	5.3 %
EBT	-5.6 %	11.8	17.0	35.7	36.2	32.5	21.9	30.4
Margin		2.7 %	3.5 %	6.5 %	6.3 %	5.4 %	3.9 %	5.0 %
Net income	-7.1 %	7.4	9.3	21.2	26.0	24.3	14.4	20.9
EPS	-7.1 %	1.95	2.48	5.63	6.90	6.43	3.82	5.54
DPS	0.0 %	0.60	0.80	1.20	1.40	1.40	1.40	1.40
Dividend Yield		1.9 %	2.2 %	1.9 %	1.6 %	3.0 %	3.0 %	3.0 %
FCFPS		-2.95	8.25	-5.65	-3.64	9.85	5.40	3.23
FCF / Market cap		-9.4 %	23.1 %	-9.1 %	-4.1 %	21.3 %	11.7 %	7.0 %
EV / Sales		0.3 x	0.2 x	0.4 x	0.6 x	0.3 x	0.3 x	0.3 x
EV / EBITDA		6.8 x	4.3 x	5.6 x	8.5 x	4.3 x	5.3 x	4.0 x
EV / EBIT		9.3 x	5.7 x	6.4 x	9.5 x	5.3 x	7.2 x	5.1 x
P / E		16.0 x	14.4 x	11.1 x	12.8 x	7.2 x	12.1 x	8.3 x
FCF Potential Yield		8.1 %	12.6 %	9.3 %	6.9 %	11.6 %	6.6 %	10.9 %
Net Debt		11.0	-18.3	11.1	35.9	14.3	-0.6	-7.4
ROCE (NOPAT)		5.5 %	7.4 %	13.7 %	13.2 %	11.5 %	7.1 %	9.9 %
Guidance:	2020: Sales and earnings decline							

Sales development
in EUR m



Source: Warburg Research

Sales by regions
2018; in %



Source: Warburg Research

Gross margin development
in %



Source: Warburg Research

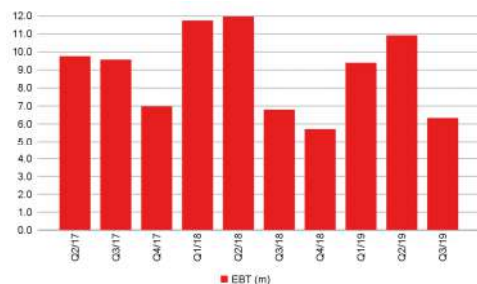
Company Background

- 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 (54% of sales), specialised trade (15%) and e-commerce platforms (14%). The share of business with discounters is at 14%.
- The company was founded in 1964 by Josef Thannhuber. The Thannhuber family holds the majority of the non-listed ordinary shares.

Competitive Quality

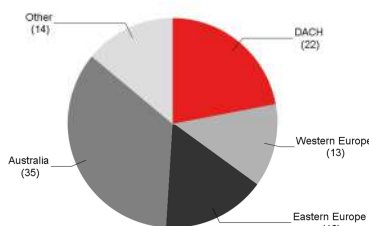
- Einhell successfully differentiates itself from its competitors by undercutting brand products such as Bosch or Black&Decker in price at a comparable quality level.
- At the same time the company stands out from low-cost providers thanks to its strong focus on quality and after-sales services.
- Einhell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

EBT development
in EUR m



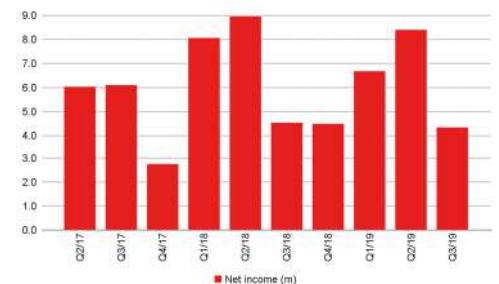
Source: Warburg Research

EBT by regions
2018; 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
	2019e	2020e	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	
Sales	605.7	567.0	614.0	644.7	676.9	710.8	742.8	776.2	807.2	839.5	868.9	895.0	917.4	
Sales change	4.8 %	-6.4 %	8.3 %	5.0 %	5.0 %	5.0 %	4.5 %	4.5 %	4.0 %	4.0 %	3.5 %	3.0 %	2.5 %	1.5 %
EBIT	35.5	24.1	32.6	36.1	37.9	37.7	37.1	38.8	38.7	38.6	39.1	39.4	39.4	
EBIT-margin	5.9 %	4.3 %	5.3 %	5.6 %	5.6 %	5.3 %	5.0 %	5.0 %	4.8 %	4.6 %	4.5 %	4.4 %	4.3 %	
Tax rate (EBT)	24.5 %	33.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	
NOPAT	26.8	16.2	22.8	25.3	26.5	26.4	26.0	27.2	27.1	27.0	27.4	27.6	27.6	
Depreciation	8.4	8.5	8.7	7.7	8.8	9.2	9.7	10.1	10.5	10.9	11.3	11.6	11.9	
in % of Sales	1.4 %	1.5 %	1.4 %	1.2 %	1.3 %	1.3 %	1.3 %	1.3 %	1.3 %	1.3 %	1.3 %	1.3 %	1.3 %	
Changes in provisions	0.2	0.2	0.2	-0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	
Change in Liquidity from														
- Working Capital	-17.2	-8.0	9.0	1.4	2.9	2.7	1.5	5.1	4.2	8.4	7.6	6.8	5.8	
- Capex	15.0	12.0	10.0	9.0	9.1	9.2	9.7	10.1	10.5	10.9	11.3	11.6	11.9	
Capex in % of Sales	2.5 %	2.1 %	1.6 %	1.4 %	1.4 %	1.3 %	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)	33.6	16.9	8.7	22.4	23.5	23.9	24.7	22.2	23.1	18.8	19.9	20.9	21.9	25
PV of FCF	33.6	15.6	7.5	17.9	17.4	16.4	15.7	13.1	12.7	9.6	9.4	9.2	8.9	158
share of PVs	16.45 %			37.74 %										45.81 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	15.00 %	Financial Strength	1.00
Cost of debt (after tax)	3.0 %	Liquidity (share)	1.50
Market return	7.00 %	Cyclicality	1.50
Risk free rate	1.50 %	Transparency	1.00
		Others	1.50
WACC	7.80 %	Beta	1.30

Valuation (m)

Present values 2031e	187		
Terminal Value	158		
Financial liabilities	47		
Pension liabilities	3		
Hybrid capital	0		
Minority interest	2		
Market val. of investments	0		
Liquidity	14	No. of shares (m)	3.8
Equity Value	307	Value per share (EUR)	81.38

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 %	66.68	67.62	68.62	69.69	70.84	72.07	73.40	1.51	8.8 %	40.48	50.22	59.95	69.69	79.43	89.17	98.91
1.41	8.3 %	71.45	72.59	73.80	75.10	76.50	78.02	79.66	1.41	8.3 %	43.74	54.19	64.65	75.10	85.56	96.01	106.46
1.35	8.0 %	74.09	75.34	76.68	78.12	79.68	81.36	83.19	1.35	8.0 %	45.56	56.41	67.27	78.12	88.97	99.83	110.68
1.30	7.8 %	76.92	78.30	79.78	81.38	83.11	84.99	87.04	1.30	7.8 %	47.53	58.81	70.09	81.38	92.66	103.95	115.23
1.25	7.5 %	79.96	81.48	83.13	84.91	86.84	88.95	91.26	1.25	7.5 %	49.65	61.41	73.16	84.91	96.66	108.41	120.16
1.19	7.3 %	83.23	84.93	86.76	88.75	90.91	93.29	95.90	1.19	7.3 %	51.97	64.23	76.49	88.75	101.01	113.27	125.53
1.09	6.8 %	90.61	92.71	95.01	97.52	100.27	103.32	106.70	1.09	6.8 %	57.25	70.67	84.09	97.52	110.94	124.36	137.78

- Mid- to long-term EBIT margin below current level (average EBIT margin 2006/18: 5.1%)
- Sales growth assumption in line with 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	2015	2016	2017	2018	2019e	2020e	2021e	
Net Income before minorities	7.6	9.6	21.6	26.3	24.5	14.7	21.3	
+ Depreciation + Amortisation	5.2	6.5	5.2	4.8	8.4	8.5	8.7	
- Net Interest Income	-2.1	-3.5	-2.8	-2.7	-3.0	-2.2	-2.2	
- Maintenance Capex	4.5	5.0	6.7	8.4	10.0	10.0	10.0	
+ Other	0.0	0.0	0.0	0.0	-4.0	-4.0	-4.0	
= Free Cash Flow Potential	10.4	14.6	22.9	25.4	21.9	11.4	18.2	
FCF Potential Yield (on market EV)	8.1 %	12.6 %	9.3 %	6.9 %	11.6 %	6.6 %	10.9 %	
WACC	7.80 %	7.80 %	7.80 %	7.80 %	7.80 %	7.80 %	7.80 %	
= Enterprise Value (EV)	129.1	116.7	246.2	369.7	188.6	173.7	167.0	
= Fair Enterprise Value	133.5	187.8	293.5	326.2	281.4	146.0	233.4	
- Net Debt (Cash)	32.6	32.6	32.6	32.6	10.7	-4.4	-11.4	
- Pension Liabilities	3.4	3.4	3.4	3.4	3.6	3.8	4.0	
- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Market value of minorities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
+ Market value of investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
= Fair Market Capitalisation	97.6	151.9	257.6	290.3	267.2	146.6	240.8	
Number of shares, average	3.8	3.8	3.8	3.8	3.8	3.8	3.8	
= Fair value per share (EUR)	25.85	40.23	68.25	76.90	70.78	38.84	63.80	
premium (-) / discount (+) in %					53.2 %	-15.9 %	38.1 %	
Sensitivity Fair value per Share (EUR)								
	10.80 %	16.02	26.41	46.64	52.89	50.07	28.10	46.62
	9.80 %	18.63	30.08	52.37	59.26	55.56	30.95	51.17
	8.80 %	21.83	34.58	59.41	67.08	62.31	34.45	56.77
WACC	7.80 %	25.85	40.23	68.25	76.90	70.78	38.84	63.80
	6.80 %	31.05	47.55	79.68	89.61	81.75	44.53	72.89
	5.80 %	38.05	57.39	95.07	106.71	96.50	52.18	85.13
	4.80 %	47.97	71.34	116.86	130.93	117.39	63.02	102.46

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

Valuation	2015	2016	2017	2018	2019e	2020e	2021e
Price / Book	0.8 x	0.8 x	1.3 x	1.7 x	0.8 x	0.8 x	0.7 x
Book value per share ex intangibles	35.51	37.74	42.83	47.69	52.48	54.69	58.27
EV / Sales	0.3 x	0.2 x	0.4 x	0.6 x	0.3 x	0.3 x	0.3 x
EV / EBITDA	6.8 x	4.3 x	5.6 x	8.5 x	4.3 x	5.3 x	4.0 x
EV / EBIT	9.3 x	5.7 x	6.4 x	9.5 x	5.3 x	7.2 x	5.1 x
EV / EBIT adj.*	8.2 x	5.2 x	6.1 x	9.3 x	5.3 x	7.2 x	5.1 x
P / FCF	n.a.	4.3 x	n.a.	n.a.	4.7 x	8.6 x	14.3 x
P / E	16.0 x	14.4 x	11.1 x	12.8 x	7.2 x	12.1 x	8.3 x
P / E adj.*	16.0 x	14.4 x	11.1 x	12.8 x	7.2 x	12.1 x	8.3 x
Dividend Yield	1.9 %	2.2 %	1.9 %	1.6 %	3.0 %	3.0 %	3.0 %
FCF Potential Yield (on market EV)	8.1 %	12.6 %	9.3 %	6.9 %	11.6 %	6.6 %	10.9 %

*Adjustments made for: -

Consolidated profit & loss

In EUR m	2015	2016	2017	2018	2019e	2020e	2021e
Sales	443.8	487.2	553.4	577.9	605.7	567.0	614.0
Change Sales yoy	6.6 %	9.8 %	13.6 %	4.4 %	4.8 %	-6.4 %	8.3 %
Increase / decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Own work capitalised	0.1	0.0	0.0	0.3	0.0	0.0	0.0
Total Sales	443.9	487.2	553.4	578.2	605.7	567.0	614.0
Material expenses	303.1	330.1	361.9	380.2	402.5	376.9	408.1
Gross profit	140.8	157.1	191.4	197.9	203.2	190.1	205.9
<i>Gross profit margin</i>	<i>31.7 %</i>	<i>32.2 %</i>	<i>34.6 %</i>	<i>34.2 %</i>	<i>33.6 %</i>	<i>33.5 %</i>	<i>33.5 %</i>
Personnel expenses	61.3	63.2	72.4	76.2	79.5	79.5	82.7
Other operating income	5.8	6.2	7.8	11.0	7.2	8.0	8.5
Other operating expenses	66.3	73.1	83.1	88.9	87.0	86.0	90.4
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	19.0	27.0	43.8	43.7	43.9	32.6	41.3
<i>Margin</i>	<i>4.3 %</i>	<i>5.5 %</i>	<i>7.9 %</i>	<i>7.6 %</i>	<i>7.2 %</i>	<i>5.8 %</i>	<i>6.7 %</i>
Depreciation of fixed assets	2.8	3.9	3.1	3.4	7.2	7.3	7.4
EBITA	16.2	23.1	40.6	40.3	36.7	25.3	33.9
Amortisation of intangible assets	2.3	2.6	2.1	1.4	1.2	1.2	1.3
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	13.9	20.5	38.5	38.9	35.5	24.1	32.6
<i>Margin</i>	<i>3.1 %</i>	<i>4.2 %</i>	<i>7.0 %</i>	<i>6.7 %</i>	<i>5.9 %</i>	<i>4.3 %</i>	<i>5.3 %</i>
EBIT adj.	15.8	22.3	40.3	39.8	35.5	24.1	32.6
Interest income	0.2	0.1	0.2	0.2	0.0	0.0	0.0
Interest expenses	2.1	2.1	2.2	1.5	2.0	1.2	1.2
Other financial income (loss)	-0.2	-1.5	-0.8	-1.4	-1.0	-1.0	-1.0
EBT	11.8	17.0	35.7	36.2	32.5	21.9	30.4
<i>Margin</i>	<i>2.7 %</i>	<i>3.5 %</i>	<i>6.5 %</i>	<i>6.3 %</i>	<i>5.4 %</i>	<i>3.9 %</i>	<i>5.0 %</i>
Total taxes	4.1	7.3	14.2	9.9	8.0	7.2	9.1
Net income from continuing operations	7.6	9.6	21.6	26.3	24.5	14.7	21.3
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income before minorities	7.6	9.6	21.6	26.3	24.5	14.7	21.3
Minority interest	0.3	0.3	0.3	0.3	0.3	0.3	0.4
Net income	7.4	9.3	21.2	26.0	24.3	14.4	20.9
<i>Margin</i>	<i>1.7 %</i>	<i>1.9 %</i>	<i>3.8 %</i>	<i>4.5 %</i>	<i>4.0 %</i>	<i>2.5 %</i>	<i>3.4 %</i>
Number of shares, average	3.8	3.8	3.8	3.8	3.8	3.8	3.8
EPS	1.95	2.48	5.63	6.90	6.43	3.82	5.54
EPS adj.	1.95	2.48	5.63	6.90	6.43	3.82	5.54

*Adjustments made for:

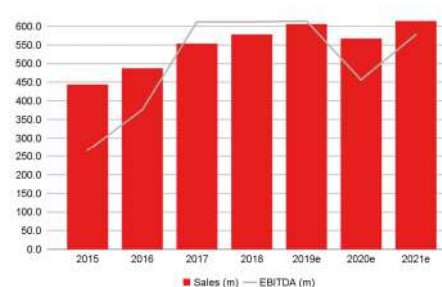
Guidance: 2020: Sales and earnings decline

Financial Ratios

	2015	2016	2017	2018	2019e	2020e	2021e
Total Operating Costs / Sales	97.1 %	95.7 %	93.5 %	94.4 %	93.9 %	95.7 %	94.7 %
Operating Leverage	9.8 x	4.9 x	6.5 x	0.2 x	-1.8 x	5.0 x	4.3 x
EBITDA / Interest expenses	9.0 x	12.8 x	19.8 x	29.2 x	22.0 x	27.2 x	34.4 x
Tax rate (EBT)	35.1 %	43.2 %	39.6 %	27.3 %	24.5 %	33.0 %	30.0 %
Dividend Payout Ratio	29.6 %	31.3 %	21.0 %	20.1 %	21.5 %	36.0 %	24.8 %
Sales per Employee	336,175	357,193	374,392	368,326	378,563	350,000	374,390

Sales, EBITDA

in EUR m

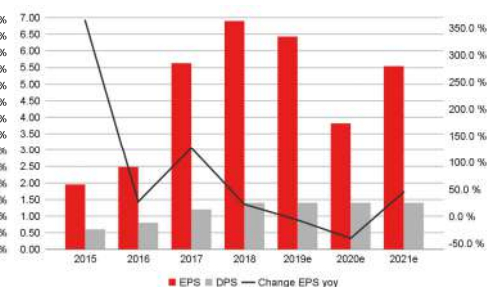


Operating Performance

in %



Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

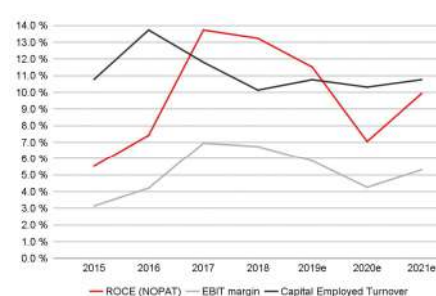
Consolidated balance sheet

In EUR m	2015	2016	2017	2018	2019e	2020e	2021e
Assets							
Goodwill and other intangible assets	22.2	19.8	17.9	16.5	17.3	18.1	20.2
thereof other intangible assets	9.1	7.0	5.5	4.8	5.6	6.4	8.5
thereof Goodwill	13.1	12.8	12.3	11.7	11.7	11.7	11.7
Property, plant and equipment	19.6	19.9	22.1	26.0	41.8	44.5	45.1
Financial assets	0.4	0.4	0.7	0.7	0.7	0.7	0.7
Other long-term assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fixed assets	42.2	40.0	40.7	43.2	59.8	63.3	66.0
Inventories	139.1	127.7	180.1	188.5	178.0	172.0	183.0
Accounts receivable	62.7	67.9	82.3	88.1	93.0	89.0	93.0
Liquid assets	24.3	54.7	14.4	14.1	24.3	34.4	41.4
Other short-term assets	32.5	32.9	35.2	37.8	39.0	39.0	39.0
Current assets	258.6	283.2	312.1	328.6	334.3	334.4	356.4
Total Assets	300.8	323.3	352.8	371.8	394.1	397.7	422.3
Liabilities and shareholders' equity							
Subscribed capital	9.7	9.7	9.7	9.7	9.7	9.7	9.7
Capital reserve	26.7	26.7	26.7	26.7	26.7	26.7	26.7
Retained earnings	128.5	132.9	151.9	173.4	154.9	173.8	182.9
Other equity components	-8.5	-7.0	-8.7	-13.2	24.2	14.4	20.9
Shareholders' equity	156.3	162.2	179.5	196.5	215.4	224.5	240.1
Minority interest	1.7	1.9	2.0	2.1	2.0	2.0	2.0
Total equity	157.9	164.1	181.6	198.6	217.4	226.5	242.1
Provisions	16.2	21.9	31.9	26.6	28.6	29.8	31.0
thereof provisions for pensions and similar obligations	2.8	3.2	3.1	3.4	3.6	3.8	4.0
Financial liabilities (total)	32.5	33.2	22.4	46.7	35.0	30.0	30.0
thereof short-term financial liabilities	2.5	3.2	22.4	21.6	0.0	0.0	0.0
Accounts payable	62.5	70.3	85.4	68.5	80.0	78.0	84.0
Other liabilities	31.6	33.8	31.4	31.4	33.1	33.4	35.3
Liabilities	142.8	159.2	171.2	173.1	176.7	171.2	180.3
Total liabilities and shareholders' equity	300.8	323.3	352.8	371.8	394.1	397.7	422.5

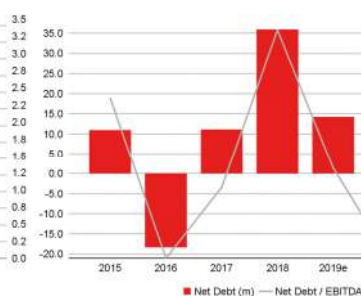
Financial Ratios

	2015	2016	2017	2018	2019e	2020e	2021e
Efficiency of Capital Employment							
Operating Assets Turnover	2.8 x	3.4 x	2.8 x	2.5 x	2.6 x	2.5 x	2.6 x
Capital Employed Turnover	2.6 x	3.3 x	2.9 x	2.5 x	2.6 x	2.5 x	2.6 x
ROA	17.4 %	23.3 %	52.3 %	60.3 %	40.6 %	22.8 %	31.7 %
Return on Capital							
ROCE (NOPAT)	5.5 %	7.4 %	13.7 %	13.2 %	11.5 %	7.1 %	9.9 %
ROE	4.7 %	5.9 %	12.4 %	13.8 %	11.8 %	6.6 %	9.0 %
Adj. ROE	4.7 %	5.9 %	12.4 %	13.8 %	11.8 %	6.6 %	9.0 %
Balance sheet quality							
Net Debt	11.0	-18.3	11.1	35.9	14.3	-0.6	-7.4
Net Financial Debt	8.2	-21.5	8.0	32.6	10.7	-4.4	-11.4
Net Gearing	6.9 %	-11.2 %	6.1 %	18.1 %	6.6 %	-0.3 %	-3.0 %
Net Fin. Debt / EBITDA	43.1 %	n.a.	18.3 %	74.4 %	24.3 %	n.a.	n.a.
Book Value / Share	41.4	43.0	47.6	52.1	57.1	59.5	63.6
Book value per share ex intangibles	35.5	37.7	42.8	47.7	52.5	54.7	58.3

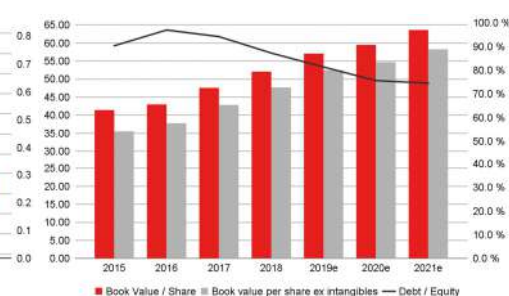
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

Consolidated cash flow statement

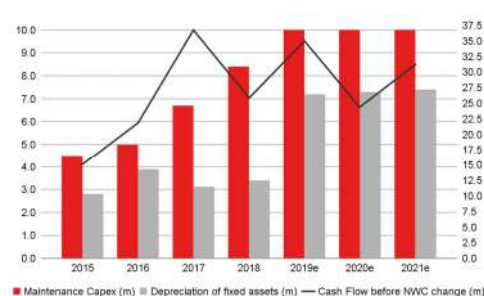
In EUR m	2015	2016	2017	2018	2019e	2020e	2021e
Net income	11.8	17.0	35.7	36.2	32.5	21.9	30.4
Depreciation of fixed assets	2.8	3.9	3.1	3.4	7.2	7.3	7.4
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	2.3	2.6	2.1	1.4	1.2	1.2	1.3
Increase/decrease in long-term provisions	2.3	5.7	10.0	-5.3	2.1	1.2	1.2
Other non-cash income and expenses	-4.1	-7.3	-14.2	-9.9	-8.0	-7.2	-9.1
Cash Flow before NWC change	15.1	21.9	36.8	25.8	35.0	24.4	31.2
Increase / decrease in inventory	-28.7	11.4	-52.4	-8.4	10.5	6.0	-11.0
Increase / decrease in accounts receivable	-0.2	-5.2	-14.4	-5.8	-4.9	4.0	-4.0
Increase / decrease in accounts payable	7.3	7.8	15.1	-17.0	11.5	-2.0	6.0
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)	-21.7	14.0	-51.7	-31.2	17.2	8.0	-9.0
Net cash provided by operating activities [1]	-6.5	35.9	-15.0	-5.4	52.2	32.4	22.2
Investments in intangible assets	-0.8	-0.5	-0.7	-0.7	-2.0	-2.0	-2.0
Investments in property, plant and equipment	-3.8	-4.2	-5.6	-7.7	-13.0	-10.0	-8.0
Payments for acquisitions	0.0	0.0	0.3	0.4	0.0	0.0	0.0
Financial investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net cash provided by investing activities [2]	-4.6	-4.7	-6.0	-8.0	-15.0	-12.0	-10.0
Change in financial liabilities	2.3	0.6	-10.7	24.2	-11.7	-5.0	0.0
Dividends paid	-2.6	-2.3	-3.0	-4.5	-5.3	-5.3	-5.3
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]	-0.3	-1.6	-13.8	19.7	-16.9	-10.3	-5.3
Change in liquid funds [1]+[2]+[3]	-11.5	29.5	-34.8	6.4	20.2	10.1	6.9
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	24.8	53.8	19.9	20.8	34.3	34.4	41.4

Financial Ratios

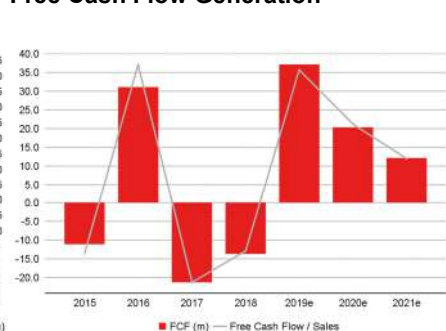
	2015	2016	2017	2018	2019e	2020e	2021e
Cash Flow							
FCF	-11.1	31.1	-21.3	-13.7	37.2	20.4	12.2
Free Cash Flow / Sales	-2.5 %	6.4 %	-3.9 %	-2.4 %	6.1 %	3.6 %	2.0 %
Free Cash Flow Potential	10.4	14.6	22.9	25.4	21.9	11.4	18.2
Free Cash Flow / Net Profit	-151.3 %	333.3 %	-100.4 %	-52.7 %	153.2 %	141.2 %	58.4 %
Interest Received / Avg. Cash	0.6 %	0.3 %	0.6 %	1.2 %	0.0 %	0.0 %	0.0 %
Interest Paid / Avg. Debt	6.7 %	6.4 %	7.9 %	4.3 %	4.9 %	3.7 %	4.0 %
Management of Funds							
Investment ratio	1.0 %	1.0 %	1.1 %	1.4 %	2.5 %	2.1 %	1.6 %
Maint. Capex / Sales	1.0 %	1.0 %	1.2 %	1.5 %	1.7 %	1.8 %	1.6 %
Capex / Dep	88.8 %	73.4 %	120.8 %	173.1 %	178.6 %	141.2 %	114.9 %
Avg. Working Capital / Sales	28.9 %	27.1 %	27.3 %	33.3 %	33.0 %	33.0 %	30.5 %
Trade Debtors / Trade Creditors	100.3 %	96.5 %	96.3 %	128.7 %	116.3 %	114.1 %	110.7 %
Inventory Turnover	2.2 x	2.6 x	2.0 x	2.0 x	2.3 x	2.2 x	2.2 x
Receivables collection period (days)	52	51	54	56	56	57	55
Payables payment period (days)	75	78	86	66	73	76	75
Cash conversion cycle (Days)	144	114	150	171	145	148	144

CAPEX and Cash Flow

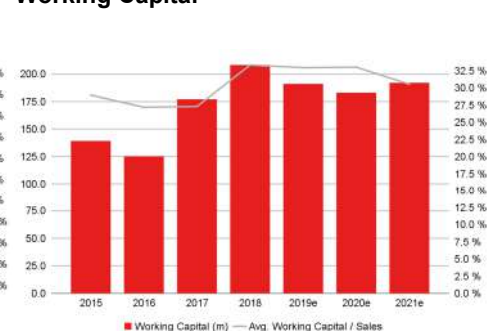
in EUR m



Free Cash Flow Generation



Working Capital



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

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-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	127	62
Hold	62	30
Sell	9	4
Rating suspended	6	3
Total	204	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	34	81
Hold	5	12
Sell	0	0
Rating suspended	3	7
Total	42	100

PRICE AND RATING HISTORY EINHELL AS OF 08.04.2020


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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