

Buy EUR 86.00 (EUR 96.00) Price EUR 47.70 Upside 80.3 %	Value Indicators: EUR DCF: 86.37 FCF-Value Potential 20e: 68.97	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: 180.0 No. of shares (m): 3.8 EV: 180.4 Freefloat MC: 180.0 Ø Trad. Vol. (30d): 168.79 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

2019 numbers underpin strong position in cordless power tools

Figures Q4/2019: FY End: 31.12. in EUR m				Comment on Figures: <ul style="list-style-type: none"> Einhell released preliminary key numbers for FY 2019. Further details will be published in April. After a 12% turnover increase in Q4, Einhell's FY 2019 sales were better than assumed. FY 2019 EBT was fully in line with our expectations and the management guidance (EBT margin of ca. 5.5%). Net profit (and EPS) were better than expected owing to a favourable tax rate in 2019 of ca. 24.5% (2018: 27.3%, WR 2019e: 27.0%). 				
	Q4 19	Q4 19e	Q4 18	yoy	19	19e	18	yoy
Sales	142.7	138.0	127.7	12 %	605.7	601.0	577.9	5 %
EBT	5.9	5.9	5.7	3 %	32.5	32.5	36.2	-10 %
Margin	4.1 %	4.3 %	4.5 %		5.4 %	5.4 %	6.3 %	
Net income	4.9	4.0	4.5	9 %	24.3	23.4	26.0	-7 %

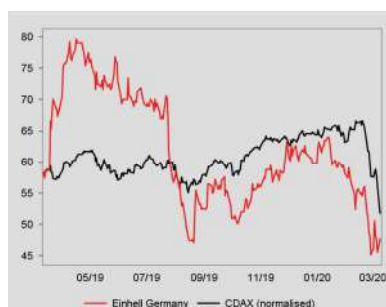
Einhell has fully achieved its sales and profit targets for 2019 and reported EPS, which was ahead of our estimates. The key sales driver was again the Power X-change series, which accounted for around 24% of sales (after 18% in 2018). The Power X-Change assortment will be enlarged by new items to around 170 devices in the course of 2020.

With the Power X-Change product category the group has strengthened its position in the DIY market. According to the management, Einhell significantly increased its market share for cordless tools. In Germany, the brand is now among the top three in the power tool segment in terms of battery-driven units sold (behind Bosch and Makita) and number-one in garden devices (ahead of Gardena and Bosch).

For 2020 the management expects a slight sales increase to EUR 610m and an EBT margin of around 5.5%. This outlook does not reflect a potential impact on consumer demand owing to the coronavirus. For Q1 the group does not expect negative effects from the coronavirus. After temporary delivery delays from Chinese suppliers, production and shipment in China have resumed in recent weeks.

Valuation: We have reduced our PT to EUR 86 based on a more cautious mid to long-term margin projection in our DCF model. With a 16% discount versus the book value (EUR 57 per 12/2019) and a 2020 PE below 8, macroeconomic risks are broadly reflected in the current valuation level. Overall, the convincing long-term growth strategy is on track. **We confirm our Buy recommendation.**

Changes in Estimates: FY End: 31.12. in EUR m				Comment on Changes: <ul style="list-style-type: none"> We have lowered our sales forecast in light of the initial company outlook for 2020 and current economic uncertainties related to the coronavirus. For 2020/21 we expect stable EBT margins. Overall, we expect a slight decrease in EPS in the current year (WRe: tax rate of 28.0% in 2020). Given our EPS estimates, flat dividend payments in 2020/21 seem likely. For FY 2019 the management has proposed an unchanged dividend of EUR 1.40. 			
	2019e (old)	+ / -	2020e (old)	+ / -	2021e (old)	+ / -	
Sales	601.0	0.8 %	630.0	-3.5 %	662.0	-3.2 %	
EBT	32.5	-0.1 %	34.7	-5.9 %	37.2	-5.7 %	
Net income	23.4	3.7 %	23.9	-2.8 %	25.5	-5.5 %	
EPS	6.20	3.7 %	6.34	-2.8 %	6.76	-5.5 %	
DPS	1.40	0.0 %	1.50	-6.7 %	1.60	-12.5 %	

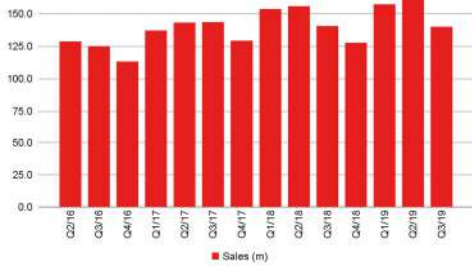


Rel. Performance vs CDAX:	
1 month:	7.3 %
6 months:	-0.2 %
Year to date:	-0.7 %
Trailing 12 months:	-6.6 %

Company events:
19.06.20 AGM

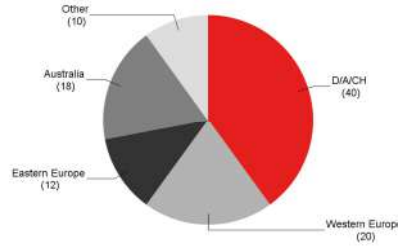
FY End: 31.12. in EUR m	CAGR (18-21e)	2015	2016	2017	2018	2019e	2020e	2021e
Sales	3.5 %	443.8	487.2	553.4	577.9	605.7	608.0	641.0
Change Sales yoy		6.6 %	9.8 %	13.6 %	4.4 %	4.8 %	0.4 %	5.4 %
Gross profit margin		31.7 %	32.2 %	34.6 %	34.2 %	33.6 %	33.6 %	33.5 %
EBITDA	2.1 %	19.0	27.0	43.8	43.7	43.9	43.5	46.5
Margin		4.3 %	5.5 %	7.9 %	7.6 %	7.2 %	7.2 %	7.3 %
EBIT	-1.3 %	13.9	20.5	38.5	38.9	35.5	34.9	37.4
Margin		3.1 %	4.2 %	7.0 %	6.7 %	5.9 %	5.7 %	5.8 %
EBT	-1.1 %	11.8	17.0	35.7	36.2	32.5	32.7	35.0
Margin		2.7 %	3.5 %	6.5 %	6.3 %	5.4 %	5.4 %	5.5 %
Net income	-2.5 %	7.4	9.3	21.2	26.0	24.3	23.3	24.1
EPS	-2.5 %	1.95	2.48	5.63	6.90	6.43	6.16	6.39
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 %	2.9 %	2.9 %	2.9 %
FCFPS		-2.95	8.25	-5.65	-3.64	9.85	5.12	4.72
FCF / Market cap		-9.4 %	23.1 %	-9.1 %	-4.1 %	20.7 %	10.7 %	9.9 %
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	4.4 x	4.1 x	3.6 x
EV / EBIT		9.3 x	5.7 x	6.4 x	9.5 x	5.5 x	5.2 x	4.5 x
P / E		16.0 x	14.4 x	11.1 x	12.8 x	7.4 x	7.7 x	7.5 x
FCF Potential Yield		8.1 %	12.6 %	9.3 %	6.9 %	11.3 %	11.3 %	13.1 %
Net Debt		11.0	-18.3	11.1	35.9	14.3	0.4	-11.9
ROCE (NOPAT)		5.5 %	7.4 %	13.7 %	13.2 %	11.5 %	10.7 %	11.0 %
Guidance:		2020: Sales increase to ca. EUR 610m, EBT margin at ca. 5.5%						

Sales development
in EUR m



Source: Warburg Research

Sales by regions
2018; in %



Source: Warburg Research

Gross margin development
in %



Source: Warburg Research

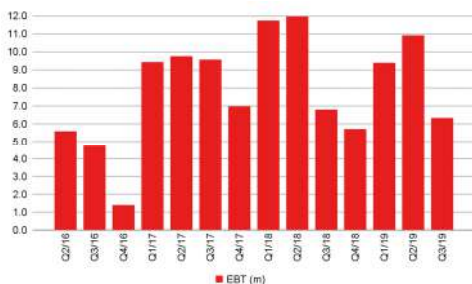
Company Background

- 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

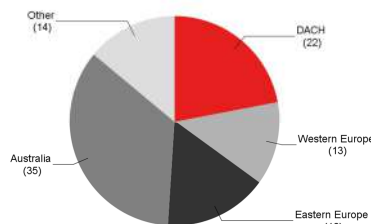
- Einhell successfully differentiates itself from its competitors by undercutting brand products such as Bosch or Black&Decker in price at a comparable quality level.
- At the same time the company stands out from low-cost providers thanks to its strong focus on quality and after-sales services.
- Einhell 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



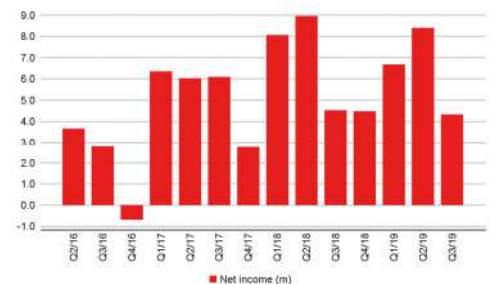
Source: Warburg Research

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	608.0	641.0	673.1	706.7	742.0	775.4	810.3	842.7	876.4	907.1	934.3	957.7	
Sales change	4.8 %	0.4 %	5.4 %	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	34.9	37.4	39.0	39.6	40.1	40.3	40.5	40.5	40.3	40.8	41.1	41.2	
EBIT-margin	5.9 %	5.7 %	5.8 %	5.8 %	5.6 %	5.4 %	5.2 %	5.0 %	4.8 %	4.6 %	4.5 %	4.4 %	4.3 %	
Tax rate (EBT)	24.5 %	28.0 %	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	25.1	26.2	27.3	27.7	28.0	28.2	28.4	28.3	28.2	28.6	28.8	28.8	
Depreciation	8.4	8.6	9.1	8.1	9.2	9.6	10.1	10.5	11.0	11.4	11.8	12.1	12.5	
in % of Sales	1.4 %	1.4 %	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	0.0	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	2.0	7.0	-1.5	-0.7	6.2	5.3	5.4	4.4	8.8	8.0	7.1	6.1	
- Capex	15.0	12.0	10.0	9.4	9.9	9.6	10.1	10.5	11.0	11.4	11.8	12.1	12.5	
Capex in % of Sales	2.5 %	2.0 %	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	15.9	14.5	27.5	27.9	22.1	23.1	23.2	24.1	19.7	20.8	21.9	22.9	26
PV of FCF	33.6	14.8	12.5	21.9	20.6	15.2	14.7	13.7	13.2	10.0	9.8	9.6	9.3	165
share of PVs	16.72 %			37.93 %										45.35 %

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	199		
Terminal Value	165		
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	326	Value per share (EUR)	86.37

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 %	71.00	71.99	73.03	74.15	75.35	76.64	78.02	1.51	8.8 %	43.58	53.77	63.96	74.15	84.34	94.53	104.72
1.41	8.3 %	76.00	77.18	78.45	79.81	81.27	82.85	84.56	1.41	8.3 %	47.00	57.94	68.87	79.81	90.75	101.68	112.62
1.35	8.0 %	78.76	80.06	81.46	82.97	84.59	86.35	88.26	1.35	8.0 %	48.90	60.26	71.61	82.97	94.32	105.67	117.03
1.30	7.8 %	81.72	83.16	84.70	86.37	88.18	90.15	92.29	1.30	7.8 %	50.96	62.76	74.57	86.37	98.18	109.98	121.79
1.25	7.5 %	84.90	86.49	88.20	90.06	92.08	94.28	96.69	1.25	7.5 %	53.19	65.48	77.77	90.06	102.36	114.65	126.94
1.19	7.3 %	88.32	90.09	92.00	94.07	96.34	98.82	101.54	1.19	7.3 %	55.60	68.43	81.25	94.07	106.90	119.72	132.54
1.09	6.8 %	96.03	98.22	100.62	103.24	106.12	109.30	112.83	1.09	6.8 %	61.13	75.16	89.20	103.24	117.27	131.31	145.35

- 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	23.5	24.5	
+ Depreciation + Amortisation	5.2	6.5	5.2	4.8	8.4	8.6	9.1	
- Net Interest Income	-2.1	-3.5	-2.8	-2.7	-3.0	-2.2	-2.4	
- 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	20.3	22.0	
FCF Potential Yield (on market EV)	8.1 %	12.6 %	9.3 %	6.9 %	11.3 %	11.3 %	13.1 %	
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	194.3	180.4	168.1	
= Fair Enterprise Value	133.5	187.8	293.5	326.2	281.4	260.7	282.4	
- Net Debt (Cash)	32.6	32.6	32.6	32.6	10.7	-3.4	-15.9	
- 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	260.3	294.3	
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	68.97	77.98	
premium (-) / discount (+) in %					48.4 %	44.6 %	63.5 %	
Sensitivity Fair value per Share (EUR)								
	10.80 %	16.02	26.41	46.64	52.89	50.07	49.78	57.20
	9.80 %	18.63	30.08	52.37	59.26	55.56	54.87	62.71
	8.80 %	21.83	34.58	59.41	67.08	62.31	61.12	69.48
WACC	7.80 %	25.85	40.23	68.25	76.90	70.78	68.97	77.98
	6.80 %	31.05	47.55	79.68	89.61	81.75	79.13	88.99
	5.80 %	38.05	57.39	95.07	106.71	96.50	92.79	103.79
	4.80 %	47.97	71.34	116.86	130.93	117.39	112.15	124.76

▪ 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	57.03	61.46
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	4.4 x	4.1 x	3.6 x
EV / EBIT	9.3 x	5.7 x	6.4 x	9.5 x	5.5 x	5.2 x	4.5 x
EV / EBIT adj.*	8.2 x	5.2 x	6.1 x	9.3 x	5.5 x	5.2 x	4.5 x
P / FCF	n.a.	4.3 x	n.a.	n.a.	4.8 x	9.3 x	10.1 x
P / E	16.0 x	14.4 x	11.1 x	12.8 x	7.4 x	7.7 x	7.5 x
P / E adj.*	16.0 x	14.4 x	11.1 x	12.8 x	7.4 x	7.7 x	7.5 x
Dividend Yield	1.9 %	2.2 %	1.9 %	1.6 %	2.9 %	2.9 %	2.9 %
FCF Potential Yield (on market EV)	8.1 %	12.6 %	9.3 %	6.9 %	11.3 %	11.3 %	13.1 %

*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	608.0	641.0
Change Sales yoy	6.6 %	9.8 %	13.6 %	4.4 %	4.8 %	0.4 %	5.4 %
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	608.0	641.0
Material expenses	303.1	330.1	361.9	380.2	402.5	404.0	426.3
Gross profit	140.8	157.1	191.4	197.9	203.2	204.0	214.7
<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>33.6 %</i>	<i>33.5 %</i>
Personnel expenses	61.3	63.2	72.4	76.2	79.5	80.8	84.5
Other operating income	5.8	6.2	7.8	11.0	7.2	8.3	8.5
Other operating expenses	66.3	73.1	83.1	88.9	87.0	88.0	92.2
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	43.5	46.5
<i>Margin</i>	<i>4.3 %</i>	<i>5.5 %</i>	<i>7.9 %</i>	<i>7.6 %</i>	<i>7.2 %</i>	<i>7.2 %</i>	<i>7.3 %</i>
Depreciation of fixed assets	2.8	3.9	3.1	3.4	7.2	7.4	7.7
EBITA	16.2	23.1	40.6	40.3	36.7	36.1	38.8
Amortisation of intangible assets	2.3	2.6	2.1	1.4	1.2	1.2	1.4
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	34.9	37.4
<i>Margin</i>	<i>3.1 %</i>	<i>4.2 %</i>	<i>7.0 %</i>	<i>6.7 %</i>	<i>5.9 %</i>	<i>5.7 %</i>	<i>5.8 %</i>
EBIT adj.	15.8	22.3	40.3	39.8	35.5	34.9	37.4
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	1.4
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	32.7	35.0
<i>Margin</i>	<i>2.7 %</i>	<i>3.5 %</i>	<i>6.5 %</i>	<i>6.3 %</i>	<i>5.4 %</i>	<i>5.4 %</i>	<i>5.5 %</i>
Total taxes	4.1	7.3	14.2	9.9	8.0	9.2	10.5
Net income from continuing operations	7.6	9.6	21.6	26.3	24.5	23.5	24.5
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income before minorities	7.6	9.6	21.6	26.3	24.5	23.5	24.5
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	23.3	24.1
<i>Margin</i>	<i>1.7 %</i>	<i>1.9 %</i>	<i>3.8 %</i>	<i>4.5 %</i>	<i>4.0 %</i>	<i>3.8 %</i>	<i>3.8 %</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	6.16	6.39
EPS adj.	1.95	2.48	5.63	6.90	6.43	6.16	6.39

*Adjustments made for:

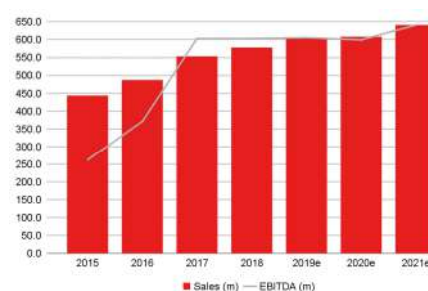
Guidance: 2020: Sales increase to ca. EUR 610m, EBT margin at ca. 5.5%

Financial Ratios

	2015	2016	2017	2018	2019e	2020e	2021e
Total Operating Costs / Sales	97.1 %	95.7 %	93.5 %	94.4 %	93.9 %	94.2 %	94.1 %
Operating Leverage	9.8 x	4.9 x	6.5 x	0.2 x	-1.8 x	-4.7 x	1.3 x
EBITDA / Interest expenses	9.0 x	12.8 x	19.8 x	29.2 x	22.0 x	36.2 x	33.2 x
Tax rate (EBT)	35.1 %	43.2 %	39.6 %	27.3 %	24.5 %	28.0 %	30.0 %
Dividend Payout Ratio	29.6 %	31.3 %	21.0 %	20.1 %	21.5 %	22.5 %	21.5 %
Sales per Employee	336,175	357,193	374,392	368,326	378,563	375,309	390,854

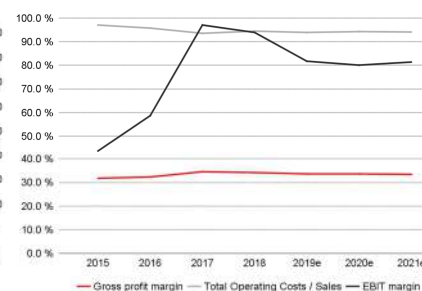
Sales, EBITDA

in EUR m

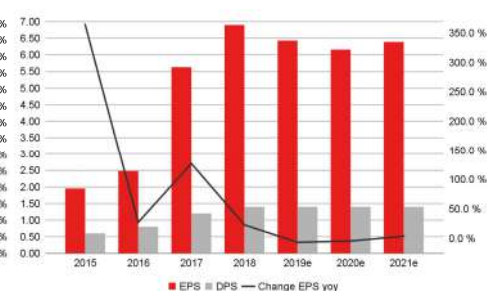


Operating Performance

in %



Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

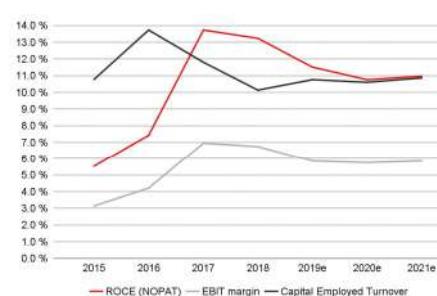
Consolidated balance sheet

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	44.4	44.7
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	63.2	65.6
Inventories	139.1	127.7	180.1	188.5	178.0	184.0	191.0
Accounts receivable	62.7	67.9	82.3	88.1	93.0	92.0	97.0
Liquid assets	24.3	54.7	14.4	14.1	24.3	33.4	45.9
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	348.4	372.9
Total Assets	300.8	323.3	352.8	371.8	394.1	411.6	438.5
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	191.7
Other equity components	-8.5	-7.0	-8.7	-13.2	24.2	23.3	24.1
Shareholders' equity	156.3	162.2	179.5	196.5	215.4	233.4	252.2
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	235.4	254.2
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	83.0	88.0
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	176.2	184.3
Total liabilities and shareholders' equity	300.8	323.3	352.8	371.8	394.1	411.6	438.5

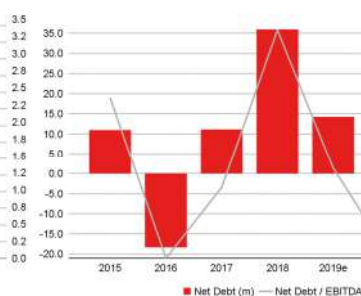
Financial Ratios

	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	2.6 x	2.6 x
Capital Employed Turnover	2.6 x	3.3 x	2.9 x	2.5 x	2.6 x	2.6 x	2.6 x
ROA	17.4 %	23.3 %	52.3 %	60.3 %	40.6 %	36.8 %	36.8 %
Return on Capital							
ROCE (NOPAT)	5.5 %	7.4 %	13.7 %	13.2 %	11.5 %	10.7 %	11.0 %
ROE	4.7 %	5.9 %	12.4 %	13.8 %	11.8 %	10.4 %	9.9 %
Adj. ROE	4.7 %	5.9 %	12.4 %	13.8 %	11.8 %	10.4 %	9.9 %
Balance sheet quality							
Net Debt	11.0	-18.3	11.1	35.9	14.3	0.4	-11.9
Net Financial Debt	8.2	-21.5	8.0	32.6	10.7	-3.4	-15.9
Net Gearing	6.9 %	-11.2 %	6.1 %	18.1 %	6.6 %	0.2 %	-4.7 %
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	61.8	66.8
Book value per share ex intangibles	35.5	37.7	42.8	47.7	52.5	57.0	61.5

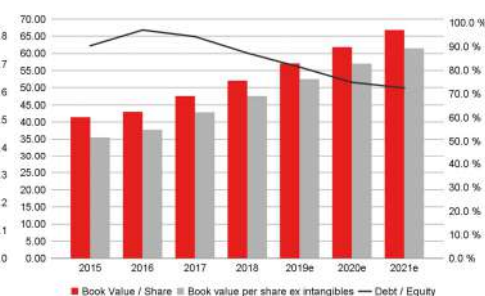
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

Consolidated cash flow statement

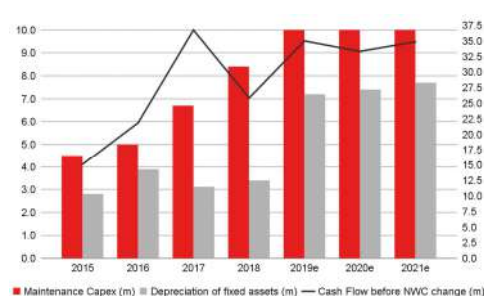
In EUR m	2015	2016	2017	2018	2019e	2020e	2021e
Net income	11.8	17.0	35.7	36.2	32.5	32.7	35.0
Depreciation of fixed assets	2.8	3.9	3.1	3.4	7.2	7.4	7.7
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	2.3	2.6	2.1	1.4	1.2	1.2	1.4
Increase/decrease in long-term provisions	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	-9.2	-10.5
Cash Flow before NWC change	15.1	21.9	36.8	25.8	35.0	33.3	34.8
Increase / decrease in inventory	-28.7	11.4	-52.4	-8.4	10.5	-6.0	-7.0
Increase / decrease in accounts receivable	-0.2	-5.2	-14.4	-5.8	-4.9	1.0	-5.0
Increase / decrease in accounts payable	7.3	7.8	15.1	-17.0	11.5	3.0	5.0
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	-2.0	-7.0
Net cash provided by operating activities [1]	-6.5	35.9	-15.0	-5.4	52.2	31.3	27.8
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	9.0	12.5
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	24.8	53.8	19.9	20.8	34.3	33.4	45.9

Financial Ratios

	2015	2016	2017	2018	2019e	2020e	2021e
Cash Flow							
FCF	-11.1	31.1	-21.3	-13.7	37.2	19.3	17.8
Free Cash Flow / Sales	-2.5 %	6.4 %	-3.9 %	-2.4 %	6.1 %	3.2 %	2.8 %
Free Cash Flow Potential	10.4	14.6	22.9	25.4	21.9	20.3	22.0
Free Cash Flow / Net Profit	-151.3 %	333.3 %	-100.4 %	-52.7 %	153.2 %	83.1 %	73.9 %
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 %	4.7 %
Management of Funds							
Investment ratio	1.0 %	1.0 %	1.1 %	1.4 %	2.5 %	2.0 %	1.6 %
Maint. Capex / Sales	1.0 %	1.0 %	1.2 %	1.5 %	1.7 %	1.6 %	1.6 %
Capex / Dep	88.8 %	73.4 %	120.8 %	173.1 %	178.6 %	139.5 %	109.9 %
Avg. Working Capital / Sales	28.9 %	27.1 %	27.3 %	33.3 %	33.0 %	31.6 %	30.7 %
Trade Debtors / Trade Creditors	100.3 %	96.5 %	96.3 %	128.7 %	116.3 %	110.8 %	110.2 %
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	55	55
Payables payment period (days)	75	78	86	66	73	75	75
Cash conversion cycle (Days)	144	114	150	171	145	146	143

CAPEX and Cash Flow

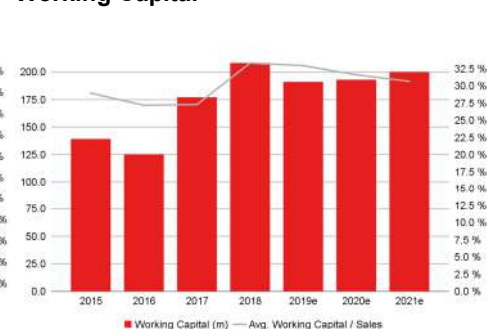
in EUR m



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	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	118	58
Hold	70	34
Sell	11	5
Rating suspended	5	2
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	6	14
Sell	0	0
Rating suspended	2	5
Total	42	100

PRICE AND RATING HISTORY EINHELL AS OF 10.03.2020


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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