

Buy EUR 92.00 (EUR 87.00) Price EUR 68.80 Upside 33.7 %	Value Indicators: EUR DCF: 92.32 FCF-Value Potential 22e: 89.93	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: 259.7 No. of shares (m): 3.8 EV: 275.1 Freefloat MC: 259.7 Ø Trad. Vol. (30d): 172.47 th	Shareholders: Freefloat 100.0 % Thannhuber AG (Ordinary sh.) 91.0 % Others (Ordinary shares) 9.0 %	Risk Profile (WRe): 2020e Beta: 1.3 Price / Book: 1.1 x Equity Ratio: 56 % Net Fin. Debt / EBITDA: 0.2 x Net Debt / EBITDA: 0.3 x

Higher full-year earnings outlook after strong Q2 results

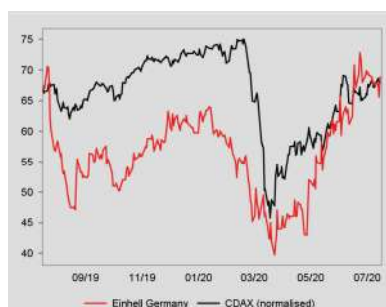
Figures Q2/2020: FY End: 31.12. in EUR m										Comment on Figures: <ul style="list-style-type: none"> Einhell reported preliminary Q2/H1 numbers, which were above our expectations. Q2 sales and earnings benefited from very strong business momentum in June (sales after five months matched last year's level), probably including catch-up orders after the shutdown phase in March/April due to COVID-19. Driven by the strong Q2 profit increase, EBT after six months of the year is 50bps higher than in H1 2019. Detailed Q2/H1 numbers will be released in mid-August. 										
	Q2 20	Q2 20e	Q2 19	yoy	6M 20	6M 20e	6M 19	yoy												
Sales	185.0	171.1	165.7	12 %	340.0	326.0	323.0	5 %												
EBT	15.0	12.5	10.9	37 %	23.0	20.5	20.3	13 %												
Margin	8.1 %	7.3 %	6.6 %		6.8 %	6.3 %	6.3 %													

Einhell increased the financial outlook for the current year following a strong sales and earnings recovery during Q2. The group now expects FY sales of between EUR 620-630m (previously: EUR 610m, WRe: 601m). Moreover, the management is confident of achieving an EBT margin in the range of 5.5-6.0% (previously: ca. 5.5%, WRe: 4.9%), which means an EBT margin improvement vs. the 2019 EBT margin of 5.4%. The new guidance is based on the assumption of no further lockdowns related to the COVID-19 pandemic in the course of the year.

In the second half of Q2 the business was driven by a high customer demand in the DIY assortments in the current environment. The group benefited from its presence in the e-commerce sales channels and from the strong position in the sector of battery-driven power tools and garden equipment. With the further enlargement of the Power-X-Change series, Einhell is well prepared for a continuation of the international expansion.

We have increased our sales and earnings expectations in light of the positive business trend and the higher earnings visibility after Q2. Based on the revised estimates, we increase our PT from EUR 87 to 92 and confirm the Buy recommendation.

Changes in Estimates: FY End: 31.12. in EUR m							Comment on Changes: <ul style="list-style-type: none"> Our estimates have been raised following the strong Q2 performance and the increased FY 2020 guidance. Based on higher sales and EBT-margin assumptions we have significantly increased our EPS forecast. Our revised FY 2020 forecast implies only limited sales and EBT growth in H2. After the EBT margin improvement in H1 we now expect an EBT margin increase (from 5.4% to 5.7%) in 2020, which is in line with the target range 5.5-6.0%. For 2021/22 we expect roughly similar earnings margins. Our mid to long-term margin scenario remains unchanged. 													
	2020e (old)	+ / -	2021e (old)	+ / -	2022e (old)	+ / -														
Sales	601.0	4.0 %	625.0	2.7 %	650.0	3.2 %														
EBT	29.5	21.1 %	32.6	13.3 %	35.6	10.8 %														
Net income	20.4	21.1 %	22.4	13.4 %	24.5	10.8 %														
EPS	5.41	21.1 %	5.94	13.5 %	6.50	10.8 %														
DPS	1.40	0.0 %	1.40	0.0 %	1.40	0.0 %														



Rel. Performance vs CDAX:	
1 month:	1.1 %
6 months:	20.3 %
Year to date:	21.4 %
Trailing 12 months:	2.0 %

Company events:	

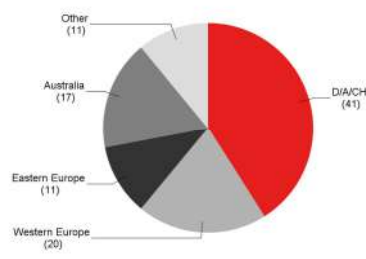
FY End: 31.12. in EUR m	CAGR (19-22e)	2016	2017	2018	2019	2020e	2021e	2022e
Sales	3.5 %	487.2	553.4	577.9	605.7	625.0	642.0	671.0
Change Sales yoy		9.8 %	13.6 %	4.4 %	4.8 %	3.2 %	2.7 %	4.5 %
Gross profit margin		32.2 %	34.6 %	34.2 %	34.1 %	33.8 %	33.7 %	33.6 %
EBITDA	5.4 %	27.0	43.8	43.7	43.5	46.8	48.3	50.9
Margin		5.5 %	7.9 %	7.6 %	7.2 %	7.5 %	7.5 %	7.6 %
EBIT	5.9 %	20.5	38.5	38.9	35.0	38.3	39.4	41.7
Margin		4.2 %	7.0 %	6.7 %	5.8 %	6.1 %	6.1 %	6.2 %
EBT	6.7 %	17.0	35.7	36.2	32.5	35.8	37.0	39.5
Margin		3.5 %	6.5 %	6.3 %	5.4 %	5.7 %	5.8 %	5.9 %
Net income	3.8 %	9.3	21.2	26.0	24.3	24.7	25.4	27.2
EPS	3.8 %	2.48	5.63	6.90	6.44	6.55	6.74	7.20
DPS	0.0 %	0.80	1.20	1.40	1.40	1.40	1.40	1.40
Dividend Yield		2.2 %	1.9 %	1.6 %	2.2 %	2.0 %	2.0 %	2.0 %
FCFPS		8.25	-5.65	-3.64	8.62	0.50	6.35	5.52
FCF / Market cap		23.1 %	-9.1 %	-4.1 %	13.6 %	0.7 %	9.2 %	8.0 %
EV / Sales		0.2 x	0.4 x	0.6 x	0.4 x	0.4 x	0.4 x	0.4 x
EV / EBITDA		4.3 x	5.6 x	8.5 x	5.9 x	5.9 x	5.3 x	4.7 x
EV / EBIT		5.7 x	6.4 x	9.5 x	7.3 x	7.2 x	6.5 x	5.8 x
P / E		14.4 x	11.1 x	12.8 x	9.8 x	10.5 x	10.2 x	9.6 x
FCF Potential Yield		12.6 %	9.3 %	6.9 %	10.0 %	8.0 %	9.0 %	10.4 %
Net Debt		-18.3	11.1	35.9	16.4	15.4	-3.1	-18.6
ROCE (NOPAT)		7.4 %	13.7 %	13.2 %	11.4 %	11.1 %	11.0 %	11.4 %
Guidance:		2020: Sales EUR 620-630m, EBT margin 5.5-6.0%						

Sales development
in EUR m



Source: Warburg Research

Sales by regions
2019; in %



Source: Warburg Research

Gross margin development
in %



Source: Warburg Research

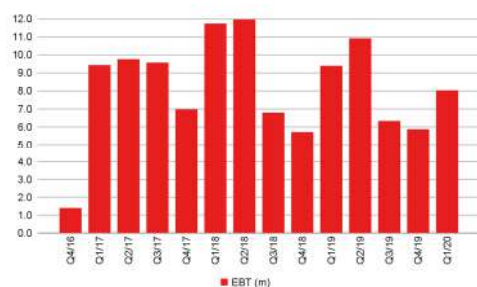
Company Background

- 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

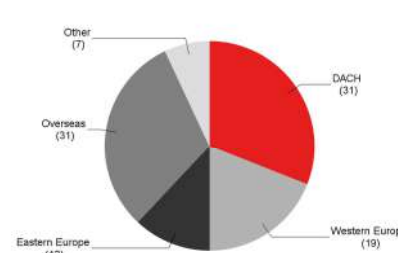
- Einhell successfully differentiates itself from its competitors by undercutting brand products such as Bosch or Black&Decker in price at a comparable quality level.
- At the same time the company stands out from low-cost providers thanks to its strong focus on quality and after-sales services.
- Einhell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



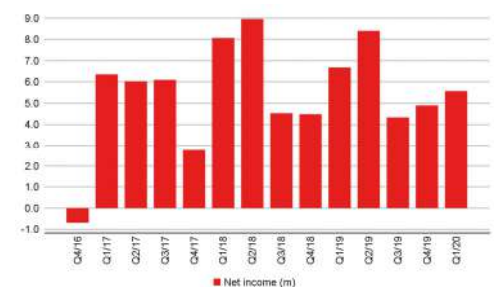
Source: Warburg Research

EBT by regions
2019; 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
	2020e	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	
Sales	625.0	642.0	671.0	704.6	739.8	773.1	807.9	844.2	878.0	913.1	945.1	973.4	997.7	1.5 %
Sales change	3.2 %	2.7 %	4.5 %	5.0 %	5.0 %	4.5 %	4.5 %	4.5 %	4.0 %	4.0 %	3.5 %	3.0 %	2.5 %	
EBIT	38.3	39.4	41.7	39.5	39.2	41.0	40.4	42.2	42.1	42.0	42.5	42.8	42.9	
EBIT-margin	6.1 %	6.1 %	6.2 %	5.6 %	5.3 %	5.3 %	5.0 %	5.0 %	4.8 %	4.6 %	4.5 %	4.4 %	4.3 %	
Tax rate (EBT)	30.0 %	30.0 %	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	27.5	29.2	27.6	27.4	28.7	28.3	29.5	29.5	29.4	29.8	30.0	30.0	
Depreciation	8.5	8.9	9.2	9.9	10.4	10.0	10.5	11.0	11.4	11.9	12.3	12.7	13.0	
in % of Sales	1.4 %	1.4 %	1.4 %	1.4 %	1.4 %	1.3 %	1.3 %	1.3 %	1.3 %	1.3 %	1.3 %	1.3 %	1.3 %	
Changes in provisions	-0.4	0.2	0.0	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	
Change in Liquidity from														
- Working Capital	-20.2	15.0	-3.0	11.4	6.9	6.0	6.0	6.1	5.1	5.1	8.6	7.7	6.6	
- Capex	14.0	11.0	11.0	11.3	11.1	10.8	10.5	11.0	11.4	11.9	12.3	12.7	13.0	
Capex in % of Sales	2.2 %	1.7 %	1.6 %	1.6 %	1.5 %	1.4 %	1.3 %	1.3 %	1.3 %	1.3 %	1.3 %	1.3 %	1.3 %	
Other	4.0	4.0	4.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Free Cash Flow (WACC Model)	37.0	6.7	26.4	15.1	20.0	22.2	22.4	23.6	24.6	24.5	21.3	22.5	23.6	27
PV of FCF	36.1	6.0	22.1	11.7	14.5	14.8	13.9	13.6	13.2	12.2	9.8	9.6	9.4	167
share of PVs	18.16 %			34.69 %										47.15 %

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 2032e	187		
Terminal Value	167		
Financial liabilities	25		
Pension liabilities	4		
Hybrid capital	0		
Minority interest	2		
Market val. of investments	0		
Liquidity	26	No. of shares (m)	3.8
Equity Value	348	Value per share (EUR)	92.32

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 %	76.65	77.64	78.70	79.82	81.03	82.33	83.72	1.51	8.8 %	49.01	59.28	69.55	79.82	90.09	100.36	110.63
1.41	8.3 %	81.76	82.96	84.23	85.60	87.08	88.68	90.40	1.41	8.3 %	52.47	63.52	74.56	85.60	96.65	107.69	118.74
1.35	8.0 %	84.59	85.90	87.31	88.83	90.47	92.25	94.18	1.35	8.0 %	54.40	65.88	77.36	88.83	100.31	111.78	123.26
1.30	7.8 %	87.62	89.07	90.63	92.32	94.15	96.13	98.29	1.30	7.8 %	56.49	68.43	80.38	92.32	104.26	116.20	128.15
1.25	7.5 %	90.87	92.48	94.22	96.10	98.14	100.36	102.80	1.25	7.5 %	58.75	71.20	83.65	96.10	108.55	120.99	133.44
1.19	7.3 %	94.38	96.17	98.10	100.21	102.50	105.00	107.76	1.19	7.3 %	61.21	74.21	87.21	100.21	113.20	126.20	139.20
1.09	6.8 %	102.29	104.52	106.94	109.60	112.52	115.74	119.32	1.09	6.8 %	66.83	81.09	95.34	109.60	123.85	138.11	152.36

- 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	2016	2017	2018	2019	2020e	2021e	2022e	
Net Income before minorities	9.6	21.6	26.3	24.6	25.0	25.9	27.6	
+ Depreciation + Amortisation	6.5	5.2	4.8	8.4	8.5	8.9	9.2	
- Net Interest Income	-3.5	-2.8	-2.7	-2.5	-2.5	-2.4	-2.2	
- Maintenance Capex	5.0	6.7	8.4	10.0	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	14.6	22.9	25.4	25.5	22.0	23.2	25.0	
FCF Potential Yield (on market EV)	12.6 %	9.3 %	6.9 %	10.0 %	8.0 %	9.0 %	10.4 %	
WACC	7.80 %	7.80 %	7.80 %	7.80 %	7.80 %	7.80 %	7.80 %	
= Enterprise Value (EV)	116.7	246.2	369.7	254.9	275.1	256.6	241.1	
= Fair Enterprise Value	187.8	293.5	326.2	327.5	282.4	297.1	320.8	
- Net Debt (Cash)	12.2	12.2	12.2	12.2	11.6	-7.1	-22.6	
- Pension Liabilities	4.2	4.2	4.2	4.2	3.8	4.0	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	171.4	277.1	309.8	311.1	267.0	300.2	339.4	
Number of shares, average	3.8	3.8	3.8	3.8	3.8	3.8	3.8	
= Fair value per share (EUR)	45.40	73.41	82.07	82.42	70.74	79.52	89.93	
premium (-) / discount (+) in %					2.8 %	15.6 %	30.7 %	
Sensitivity Fair value per Share (EUR)								
	10.80 %	31.58	51.81	58.06	58.32	49.96	57.66	66.32
	9.80 %	35.25	57.54	64.43	64.71	55.47	63.46	72.58
	8.80 %	39.75	64.58	72.25	72.56	62.24	70.58	80.27
WACC	7.80 %	45.40	73.41	82.07	82.42	70.74	79.52	89.93
	6.80 %	52.72	84.85	94.78	95.19	81.75	91.10	102.43
	5.80 %	62.56	100.24	111.88	112.35	96.55	106.67	119.25
	4.80 %	76.50	122.03	136.10	136.67	117.52	128.73	143.07

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

Valuation	2016	2017	2018	2019	2020e	2021e	2022e
Price / Book	0.8 x	1.3 x	1.7 x	1.1 x	1.1 x	1.0 x	0.9 x
Book value per share ex intangibles	37.74	42.83	47.69	51.76	56.78	61.83	67.37
EV / Sales	0.2 x	0.4 x	0.6 x	0.4 x	0.4 x	0.4 x	0.4 x
EV / EBITDA	4.3 x	5.6 x	8.5 x	5.9 x	5.9 x	5.3 x	4.7 x
EV / EBIT	5.7 x	6.4 x	9.5 x	7.3 x	7.2 x	6.5 x	5.8 x
EV / EBIT adj.*	5.2 x	6.1 x	9.3 x	7.3 x	7.2 x	6.5 x	5.8 x
P / FCF	4.3 x	n.a.	n.a.	7.3 x	137.0 x	10.8 x	12.5 x
P / E	14.4 x	11.1 x	12.8 x	9.8 x	10.5 x	10.2 x	9.6 x
P / E adj.*	14.4 x	11.1 x	12.8 x	9.8 x	10.5 x	10.2 x	9.6 x
Dividend Yield	2.2 %	1.9 %	1.6 %	2.2 %	2.0 %	2.0 %	2.0 %
FCF Potential Yield (on market EV)	12.6 %	9.3 %	6.9 %	10.0 %	8.0 %	9.0 %	10.4 %

*Adjustments made for: -

Consolidated profit & loss

In EUR m	2016	2017	2018	2019	2020e	2021e	2022e
Sales	487.2	553.4	577.9	605.7	625.0	642.0	671.0
Change Sales yoy	9.8 %	13.6 %	4.4 %	4.8 %	3.2 %	2.7 %	4.5 %
Increase / decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Own work capitalised	0.0	0.0	0.3	0.2	0.0	0.0	0.0
Total Sales	487.2	553.4	578.2	605.9	625.0	642.0	671.0
Material expenses	330.1	361.9	380.2	399.3	413.8	425.6	445.5
Gross profit	157.1	191.4	197.9	206.6	211.3	216.4	225.5
<i>Gross profit margin</i>	<i>32.2 %</i>	<i>34.6 %</i>	<i>34.2 %</i>	<i>34.1 %</i>	<i>33.8 %</i>	<i>33.7 %</i>	<i>33.6 %</i>
Personnel expenses	63.2	72.4	76.2	78.5	79.7	81.8	84.8
Other operating income	6.2	7.8	11.0	6.9	8.0	8.2	8.2
Other operating expenses	73.1	83.1	88.9	91.5	92.8	94.5	98.0
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	27.0	43.8	43.7	43.5	46.8	48.3	50.9
<i>Margin</i>	<i>5.5 %</i>	<i>7.9 %</i>	<i>7.6 %</i>	<i>7.2 %</i>	<i>7.5 %</i>	<i>7.5 %</i>	<i>7.6 %</i>
Depreciation of fixed assets	3.9	3.1	3.4	7.9	8.0	8.3	8.5
EBITA	23.1	40.6	40.3	35.6	38.8	40.0	42.4
Amortisation of intangible assets	2.6	2.1	1.4	0.5	0.5	0.6	0.7
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	20.5	38.5	38.9	35.0	38.3	39.4	41.7
<i>Margin</i>	<i>4.2 %</i>	<i>7.0 %</i>	<i>6.7 %</i>	<i>5.8 %</i>	<i>6.1 %</i>	<i>6.1 %</i>	<i>6.2 %</i>
EBIT adj.	22.3	40.3	39.8	35.0	38.3	39.4	41.7
Interest income	0.1	0.2	0.2	0.2	0.0	0.0	0.0
Interest expenses	2.1	2.2	1.5	1.0	1.2	1.2	1.2
Other financial income (loss)	-1.5	-0.8	-1.4	-1.8	-1.3	-1.2	-1.0
EBT	17.0	35.7	36.2	32.5	35.8	37.0	39.5
<i>Margin</i>	<i>3.5 %</i>	<i>6.5 %</i>	<i>6.3 %</i>	<i>5.4 %</i>	<i>5.7 %</i>	<i>5.8 %</i>	<i>5.9 %</i>
Total taxes	7.3	14.2	9.9	7.9	10.7	11.1	11.8
Net income from continuing operations	9.6	21.6	26.3	24.6	25.0	25.9	27.6
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	9.6	21.6	26.3	24.6	25.0	25.9	27.6
Minority interest	0.3	0.3	0.3	0.3	0.3	0.4	0.5
Net income	9.3	21.2	26.0	24.3	24.7	25.4	27.2
<i>Margin</i>	<i>1.9 %</i>	<i>3.8 %</i>	<i>4.5 %</i>	<i>4.0 %</i>	<i>4.0 %</i>	<i>4.0 %</i>	<i>4.0 %</i>
Number of shares, average	3.8	3.8	3.8	3.8	3.8	3.8	3.8
EPS	2.48	5.63	6.90	6.44	6.55	6.74	7.20
EPS adj.	2.48	5.63	6.90	6.44	6.55	6.74	7.20

*Adjustments made for:

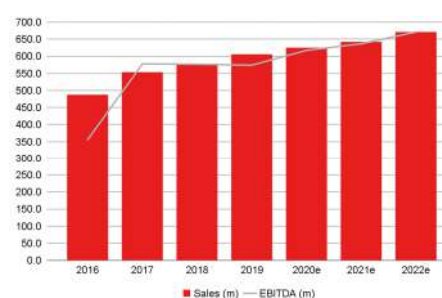
Guidance: 2020: Sales EUR 620-630m, EBT margin 5.5-6.0%

Financial Ratios

	2016	2017	2018	2019	2020e	2021e	2022e
Total Operating Costs / Sales	95.7 %	93.5 %	94.4 %	94.0 %	93.8 %	93.8 %	93.6 %
Operating Leverage	4.9 x	6.5 x	0.2 x	-2.1 x	2.9 x	1.1 x	1.3 x
EBITDA / Interest expenses	12.8 x	19.8 x	29.2 x	44.6 x	39.0 x	40.2 x	42.4 x
Tax rate (EBT)	43.2 %	39.6 %	27.3 %	24.4 %	30.0 %	30.0 %	30.0 %
Dividend Payout Ratio	31.3 %	21.0 %	20.1 %	21.5 %	21.1 %	20.4 %	19.1 %
Sales per Employee	357,193	374,392	368,326	384,323	398,089	402,508	414,198

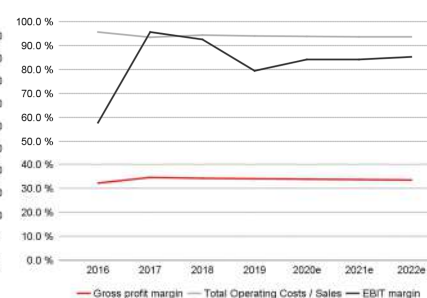
Sales, EBITDA

in EUR m

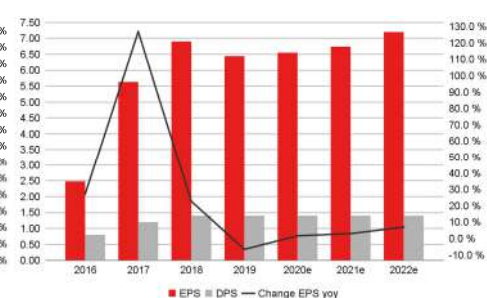


Operating Performance

in %



Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

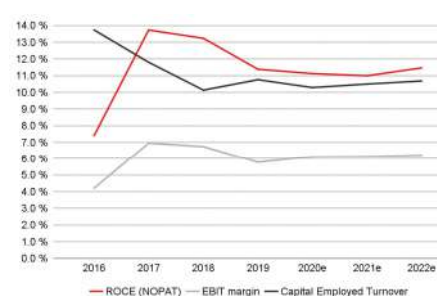
Consolidated balance sheet

In EUR m	2016	2017	2018	2019	2020e	2021e	2022e
Assets							
Goodwill and other intangible assets	19.8	17.9	16.5	17.7	18.1	19.2	20.2
thereof other intangible assets	7.0	5.5	4.8	5.9	6.4	7.5	8.5
thereof Goodwill	12.8	12.3	11.7	11.7	11.7	11.7	11.7
Property, plant and equipment	19.9	22.1	26.0	48.9	52.9	53.6	54.1
Financial assets	0.4	0.7	0.7	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	40.0	40.7	43.2	66.9	71.4	73.2	74.7
Inventories	127.7	180.1	188.5	173.3	187.0	189.0	194.0
Accounts receivable	67.9	82.3	88.1	92.9	98.0	97.0	99.0
Liquid assets	54.7	14.4	14.1	25.7	21.3	40.0	55.5
Other short-term assets	32.9	35.2	37.8	38.5	39.0	39.0	39.0
Current assets	283.2	312.1	328.6	330.5	345.3	365.0	387.5
Total Assets	323.3	352.8	371.8	397.4	416.7	438.2	462.2
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	132.9	151.9	173.4	189.6	171.4	190.8	211.0
Other equity components	-7.0	-8.7	-13.2	-12.9	24.7	25.4	27.2
Shareholders' equity	162.2	179.5	196.5	213.0	232.5	252.6	274.5
Minority interest	1.9	2.0	2.1	1.9	2.0	2.0	2.0
Total equity	164.1	181.6	198.6	214.9	234.5	254.6	276.5
Provisions	21.9	31.9	26.6	25.9	27.2	28.4	28.4
thereof provisions for pensions and similar obligations	3.2	3.1	3.4	4.2	3.8	4.0	4.0
Financial liabilities (total)	33.2	22.4	46.7	37.9	32.9	32.9	32.9
thereof short-term financial liabilities	3.2	22.4	21.6	2.4	0.0	0.0	0.0
Accounts payable	70.3	85.4	68.5	78.2	82.0	86.0	92.0
Other liabilities	33.8	31.4	31.4	40.6	40.1	36.3	32.4
Liabilities	159.2	171.2	173.1	182.5	182.2	183.6	185.7
Total liabilities and shareholders' equity	323.3	352.8	371.8	397.4	416.7	438.2	462.2

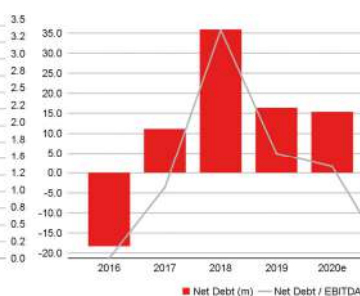
Financial Ratios

	2016	2017	2018	2019	2020e	2021e	2022e
Efficiency of Capital Employment							
Operating Assets Turnover	3.4 x	2.8 x	2.5 x	2.6 x	2.4 x	2.5 x	2.6 x
Capital Employed Turnover	3.3 x	2.9 x	2.5 x	2.6 x	2.5 x	2.6 x	2.6 x
ROA	23.3 %	52.3 %	60.3 %	36.3 %	34.6 %	34.8 %	36.4 %
Return on Capital							
ROCE (NOPAT)	7.4 %	13.7 %	13.2 %	11.4 %	11.1 %	11.0 %	11.4 %
ROE	5.9 %	12.4 %	13.8 %	11.9 %	11.1 %	10.5 %	10.3 %
Adj. ROE	5.9 %	12.4 %	13.8 %	11.9 %	11.1 %	10.5 %	10.3 %
Balance sheet quality							
Net Debt	-18.3	11.1	35.9	16.4	15.4	-3.1	-18.6
Net Financial Debt	-21.5	8.0	32.6	12.2	11.6	-7.1	-22.6
Net Gearing	-11.2 %	6.1 %	18.1 %	7.6 %	6.6 %	-1.2 %	-6.7 %
Net Fin. Debt / EBITDA	n.a.	18.3 %	74.4 %	28.1 %	24.8 %	n.a.	n.a.
Book Value / Share	43.0	47.6	52.1	56.4	61.6	66.9	72.7
Book value per share ex intangibles	37.7	42.8	47.7	51.8	56.8	61.8	67.4

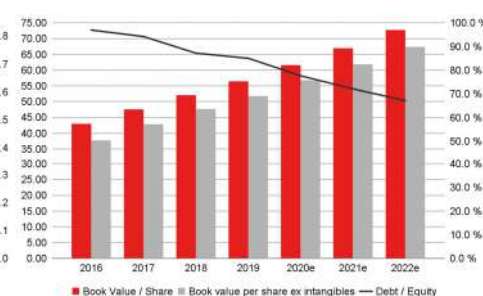
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

Consolidated cash flow statement

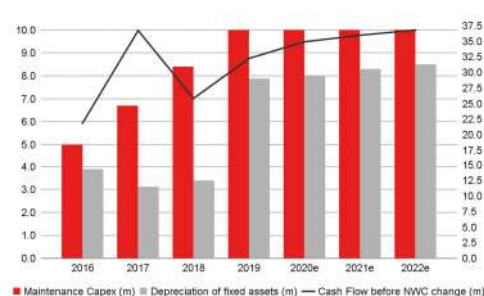
In EUR m	2016	2017	2018	2019	2020e	2021e	2022e
Net income	17.0	35.7	36.2	32.5	35.8	37.0	39.5
Depreciation of fixed assets	3.9	3.1	3.4	7.9	8.0	8.3	8.5
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	2.6	2.1	1.4	0.5	0.5	0.6	0.7
Increase/decrease in long-term provisions	5.7	10.0	-5.3	-0.7	1.4	1.2	0.0
Other non-cash income and expenses	-7.3	-14.2	-9.9	-7.9	-10.7	-11.1	-11.8
Cash Flow before NWC change	21.9	36.8	25.8	32.3	34.9	36.0	36.8
Increase / decrease in inventory	11.4	-52.4	-8.4	15.2	-13.7	-2.0	-5.0
Increase / decrease in accounts receivable	-5.2	-14.4	-5.8	-4.7	-5.1	1.0	-2.0
Increase / decrease in accounts payable	7.8	15.1	-17.0	9.7	3.8	4.0	6.0
Increase / decrease in other working capital positions	0.0	0.0	0.0	-4.0	-4.0	-4.0	-4.0
Increase / decrease in working capital (total)	14.0	-51.7	-31.2	16.2	-19.0	-1.0	-5.0
Net cash provided by operating activities [1]	35.9	-15.0	-5.4	48.5	15.9	35.0	31.8
Investments in intangible assets	-0.5	-0.7	-0.7	-1.7	-2.0	-2.0	-2.0
Investments in property, plant and equipment	-4.2	-5.6	-7.7	-14.2	-12.0	-9.0	-9.0
Payments for acquisitions	0.0	0.3	0.4	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]	-4.7	-6.0	-8.0	-15.9	-14.0	-11.0	-11.0
Change in financial liabilities	0.6	-10.7	24.2	-8.7	-5.0	0.0	0.0
Dividends paid	-2.3	-3.0	-4.5	-5.3	-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]	-1.6	-13.8	19.7	-14.0	-10.3	-5.3	-5.3
Change in liquid funds [1]+[2]+[3]	29.5	-34.8	6.4	18.5	-8.4	18.7	15.5
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	53.8	19.9	20.8	32.6	17.3	40.0	55.5

Financial Ratios

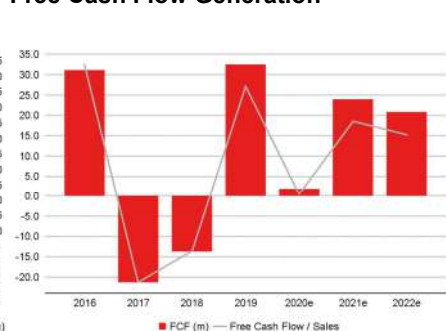
	2016	2017	2018	2019	2020e	2021e	2022e
Cash Flow							
FCF	31.1	-21.3	-13.7	32.5	1.9	24.0	20.8
Free Cash Flow / Sales	6.4 %	-3.9 %	-2.4 %	5.4 %	0.3 %	3.7 %	3.1 %
Free Cash Flow Potential	14.6	22.9	25.4	25.5	22.0	23.2	25.0
Free Cash Flow / Net Profit	333.3 %	-100.4 %	-52.7 %	133.7 %	7.7 %	94.2 %	76.6 %
Interest Received / Avg. Cash	0.3 %	0.6 %	1.2 %	1.1 %	0.0 %	0.0 %	0.0 %
Interest Paid / Avg. Debt	6.4 %	7.9 %	4.3 %	2.3 %	3.4 %	3.6 %	3.6 %
Management of Funds							
Investment ratio	1.0 %	1.1 %	1.4 %	2.6 %	2.2 %	1.7 %	1.6 %
Maint. Capex / Sales	1.0 %	1.2 %	1.5 %	1.7 %	1.6 %	1.6 %	1.5 %
Capex / Dep	73.4 %	120.8 %	173.1 %	189.3 %	164.7 %	123.6 %	119.6 %
Avg. Working Capital / Sales	27.1 %	27.3 %	33.3 %	32.7 %	31.3 %	31.4 %	29.9 %
Trade Debtors / Trade Creditors	96.5 %	96.3 %	128.7 %	118.8 %	119.5 %	112.8 %	107.6 %
Inventory Turnover	2.6 x	2.0 x	2.0 x	2.3 x	2.2 x	2.3 x	2.3 x
Receivables collection period (days)	51	54	56	56	57	55	54
Payables payment period (days)	78	86	66	71	72	74	75
Cash conversion cycle (Days)	114	150	171	143	150	143	137

CAPEX and Cash Flow

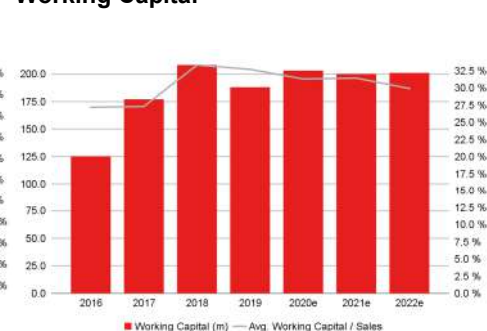
in EUR m



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.

WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING

Rating	Number of stocks	% of Universe
Buy	128	62
Hold	58	28
Sell	12	6
Rating suspended	7	3
Total	205	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	33	83
Hold	5	13
Sell	0	0
Rating suspended	2	5
Total	40	100

PRICE AND RATING HISTORY EINHELL AS OF 16.07.2020


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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