

Buy EUR 81.00 Price EUR 58.60 Upside 38.2 %	Value Indicators: EUR DCF: 82.69 FCF-Value Potential 22e: 70.67	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: 221.2 No. of shares (m): 3.8 EV: 233.9 Freefloat MC: 221.2 Ø Trad. Vol. (30d): 236.69 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: 1.0 x Equity Ratio: 56 % Net Fin. Debt / EBITDA: 0.3 x Net Debt / EBITDA: 0.4 x

Q1 results in line with expectations; Outlook on Q2 sales better than assumed

Stated Figures Q1/2020: FY End: 31.12. in EUR m								Comment on Figures: <ul style="list-style-type: none"> Q1 sales slightly down despite strong business in January/February. Business in March was hit by government measures to contain the spread of the coronavirus in many countries (especially temporary store closures of Einhell's customers). Weaker Q1 sales performance in Western Europe (France, UK, Italy, Spain) largely offset by positive organic growth momentum in core DACH region. Q1 sales in other regions (Eastern Europe, Overseas) almost at last year's level. Gross margin slightly improved versus last year's Q1. EBT margin decline owing to the lower sales volume in March. 									
	Q1	Q1	Q1														
	20	20e	19	yoy	20e	19	yoy										
Sales	154.9	154.0	157.3	-2 %	567.0	605.7	-6 %										
Gross profit	50.7	50.0	50.6	0 %	190.1	206.6	-8 %										
Margin	32.8 %	32.5 %	32.1 %		33.5 %	34.1 %											
EBIT	8.7	8.3	10.0	-13 %	24.1	35.0	-31 %										
EBT	8.0	7.7	9.4	-15 %	21.9	32.5	-33 %										
Margin	5.2 %	5.0 %	6.0 %		3.9 %	5.4 %											
Net income	5.6	5.3	6.7	-17 %	14.4	24.3	-41 %										
EPS	1.48	1.40	1.77	-16 %	3.82	6.44	-41 %										

Einhell released quarterly numbers in line with our expectations. The Q1 statement reflects the sharp business deterioration in March with the start of the corona crisis. However, with an EBT margin of 5.2% the group still achieved a solid earnings margin.

Management stated that a financial forecast for FY 2020 is not possible due to high uncertainties in the current crisis. On April 7, the initial guidance for the current year (sales of EUR 610m, EBT margin ca. 5.5%) was withdrawn. Since the beginning of April the situation has stabilised, so that management already confirmed its dividend proposal for 2019 at the end of April. With the current update the group announced a sales decline of 10-15% in April, which is significantly better than feared owing to the shutdown across many countries and segments. Moreover, the first weeks of May show a highly promising sales trend according to the group.

Therefore, the Q2 performance so far seems to be clearly better than our current scenario (Q2 sales -22%, H2 sales flat, FY sales -6.4%). This underpins the good strategic position in core regions, especially with the Power-X-Change series. Moreover, the group can benefit from a strong consumer demand in the DIY & gardening categories in the current stay-at-home environment. This could also lead to catch-up revenues in the following months.

Overall, Einhell's mid-term strategy with a focus on product quality and brand awareness is well on track. For the current year we are leaving our cautious estimates unchanged. For 2021/22 we expect Einhell to return to its growth path and to the 2019 earnings level. This will be driven by international expansion and a further enlargement of Power-X-Change products. The strong balance sheet with an equity ratio above 50% supports the steady growth.

The promising mid-term view is not reflected in the current share price. Based on 2021 earnings, valuation multiples are rather low. Currently, the share trades at the book value of EUR 58. We confirm our Buy recommendation with an unchanged PT of EUR 81.

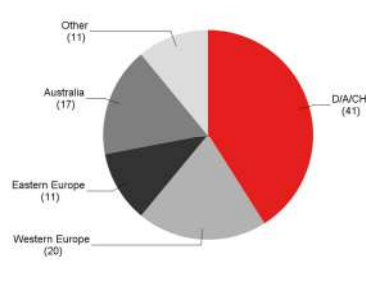
	FY End: 31.12. in EUR m	CAGR (19-22e)	2016	2017	2018	2019	2020e	2021e	2022e	
	Sales	2.1 %	487.2	553.4	577.9	605.7	567.0	614.0	645.0	
Change Sales yoy		9.8 %	13.6 %	4.4 %	4.8 %	-6.4 %	8.3 %	5.0 %		
Gross profit margin		32.2 %	34.6 %	34.2 %	34.1 %	33.5 %	33.5 %	33.5 %		
EBITDA	1.2 %	27.0	43.8	43.7	43.5	32.6	41.3	45.0		
Margin		5.5 %	7.9 %	7.6 %	7.2 %	5.8 %	6.7 %	7.0 %		
EBIT	1.0 %	20.5	38.5	38.9	35.0	24.1	32.6	36.1		
Margin		4.2 %	7.0 %	6.7 %	5.8 %	4.3 %	5.3 %	5.6 %		
EBT	1.4 %	17.0	35.7	36.2	32.5	21.9	30.4	33.9		
Margin		3.5 %	6.5 %	6.3 %	5.4 %	3.9 %	5.0 %	5.3 %		
Net income	-1.3 %	9.3	21.2	26.0	24.3	14.4	20.9	23.4		
EPS	-1.3 %	2.48	5.63	6.90	6.44	3.82	5.54	6.19		
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 %	2.4 %	2.4 %	2.4 %		
FCFPS		8.25	-5.65	-3.64	8.62	2.27	2.17	3.88		
FCF / Market cap		23.1 %	-9.1 %	-4.1 %	13.6 %	3.9 %	3.7 %	6.6 %		
EV / Sales		0.2 x	0.4 x	0.6 x	0.4 x	0.4 x	0.4 x	0.3 x		
EV / EBITDA		4.3 x	5.6 x	8.5 x	5.9 x	7.2 x	5.6 x	4.9 x		
EV / EBIT		5.7 x	6.4 x	9.5 x	7.3 x	9.7 x	7.1 x	6.1 x		
P / E		14.4 x	11.1 x	12.8 x	9.8 x	15.3 x	10.6 x	9.5 x		
FCF Potential Yield		12.6 %	9.3 %	6.9 %	10.0 %	4.9 %	7.9 %	9.4 %		
Net Debt		-18.3	11.1	35.9	16.4	12.7	10.0	0.7		
ROCE (NOPAT)		7.4 %	13.7 %	13.2 %	11.4 %	6.9 %	9.4 %	10.0 %		
Guidance:		2020: Sales and earnings decline								

Sales development
in EUR m



Source: Warburg Research

Sales by regions
2019; in %



Source: Warburg Research

Gross margin development
in %



Source: Warburg Research

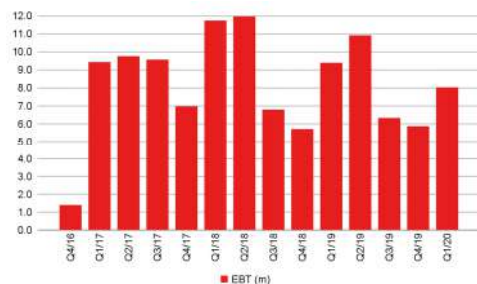
Company Background

- 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

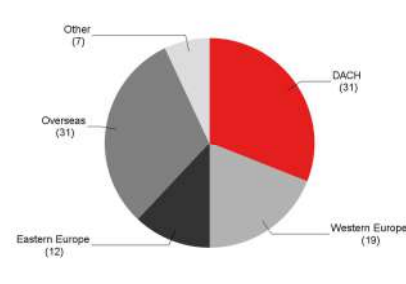
- Einhell successfully differentiates itself from its competitors by undercutting brand products such as Bosch or Black&Decker in price at a comparable quality level.
- At the same time the company stands out from low-cost providers thanks to its strong focus on quality and after-sales services.
- Einhell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



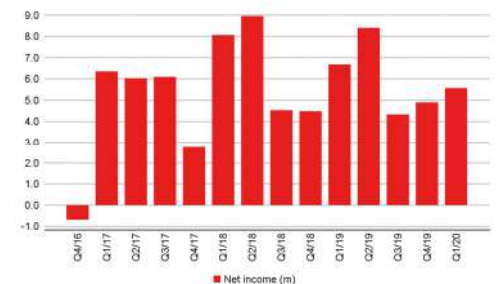
Source: Warburg Research

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	567.0	614.0	645.0	677.3	711.1	743.1	776.6	811.5	844.0	877.7	908.4	935.7	959.1	
Sales change	-6.4 %	8.3 %	5.0 %	5.0 %	5.0 %	4.5 %	4.5 %	4.5 %	4.0 %	4.0 %	3.5 %	3.0 %	2.5 %	1.5 %
EBIT	24.1	32.6	36.1	37.9	37.7	39.4	38.8	40.6	40.5	40.4	40.9	41.2	41.2	
EBIT-margin	4.3 %	5.3 %	5.6 %	5.6 %	5.3 %	5.3 %	5.0 %	5.0 %	4.8 %	4.6 %	4.5 %	4.4 %	4.3 %	
Tax rate (EBT)	33.0 %	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	16.2	22.8	25.3	26.5	26.4	27.6	27.2	28.4	28.4	28.3	28.6	28.8	28.9	
Depreciation	8.5	8.7	8.9	9.5	10.0	9.7	10.1	10.5	11.0	11.4	11.8	12.2	12.5	
in % of Sales	1.5 %	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	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	
Change in Liquidity from														
- Working Capital	-20.2	-2.0	8.0	9.2	6.6	5.7	5.8	5.9	4.9	4.9	8.3	7.4	6.3	
- Capex	14.0	11.0	11.0	10.8	10.7	10.4	10.1	10.5	11.0	11.4	11.8	12.2	12.5	
Capex in % of Sales	2.5 %	1.8 %	1.7 %	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)	26.4	18.7	11.2	16.1	19.3	21.3	21.6	22.7	23.7	23.6	20.5	21.6	22.7	26
PV of FCF	24.7	16.2	9.0	12.0	13.3	13.7	12.8	12.5	12.1	11.2	9.0	8.8	8.6	153
share of PVs	15.71 %			35.94 %										48.34 %

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	164		
Terminal Value	153		
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	312	Value per share (EUR)	82.69

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 %	67.93	68.83	69.80	70.83	71.94	73.12	74.40	1.51	8.8 %	42.79	52.14	61.48	70.83	80.18	89.52	98.87
1.41	8.3 %	72.79	73.89	75.06	76.32	77.67	79.14	80.72	1.41	8.3 %	46.07	56.16	66.24	76.32	86.40	96.48	106.56
1.35	8.0 %	75.48	76.69	77.99	79.38	80.89	82.52	84.29	1.35	8.0 %	47.91	58.40	68.89	79.38	89.87	100.37	110.86
1.30	7.8 %	78.36	79.70	81.14	82.69	84.37	86.20	88.19	1.30	7.8 %	49.89	60.82	71.76	82.69	93.63	104.56	115.50
1.25	7.5 %	81.47	82.95	84.55	86.28	88.16	90.21	92.46	1.25	7.5 %	52.03	63.45	74.86	86.28	97.70	109.11	120.53
1.19	7.3 %	84.81	86.46	88.24	90.18	92.30	94.61	97.15	1.19	7.3 %	54.37	66.31	78.24	90.18	102.12	114.06	126.00
1.09	6.8 %	92.35	94.41	96.65	99.11	101.81	104.79	108.10	1.09	6.8 %	59.71	72.84	85.97	99.11	112.24	125.37	138.51

- 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	14.7	21.3	23.8	
+ Depreciation + Amortisation	6.5	5.2	4.8	8.4	8.5	8.7	8.9	
- Net Interest Income	-3.5	-2.8	-2.7	-2.5	-2.2	-2.2	-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	11.4	18.2	20.9	
FCF Potential Yield (on market EV)	12.6 %	9.3 %	6.9 %	10.0 %	4.9 %	7.9 %	9.4 %	
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	233.9	231.2	221.8	
= Fair Enterprise Value	187.8	293.5	326.2	327.5	146.0	233.4	267.4	
- Net Debt (Cash)	12.2	12.2	12.2	12.2	8.9	6.0	-3.3	
- 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	133.2	223.4	266.7	
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	35.30	59.19	70.67	
premium (-) / discount (+) in %					-39.8 %	1.0 %	20.6 %	
Sensitivity Fair value per Share (EUR)								
	10.80 %	31.58	51.81	58.06	58.32	24.55	42.01	50.99
	9.80 %	35.25	57.54	64.43	64.71	27.40	46.57	56.21
	8.80 %	39.75	64.58	72.25	72.56	30.90	52.16	62.62
WACC	7.80 %	45.40	73.41	82.07	82.42	35.30	59.19	70.67
	6.80 %	52.72	84.85	94.78	95.19	40.98	68.29	81.09
	5.80 %	62.56	100.24	111.88	112.35	48.63	80.52	95.10
	4.80 %	76.50	122.03	136.10	136.67	59.47	97.86	114.96

▪ 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	1.0 x	0.9 x	0.9 x
Book value per share ex intangibles	37.74	42.83	47.69	51.76	54.05	57.90	62.42
EV / Sales	0.2 x	0.4 x	0.6 x	0.4 x	0.4 x	0.4 x	0.3 x
EV / EBITDA	4.3 x	5.6 x	8.5 x	5.9 x	7.2 x	5.6 x	4.9 x
EV / EBIT	5.7 x	6.4 x	9.5 x	7.3 x	9.7 x	7.1 x	6.1 x
EV / EBIT adj.*	5.2 x	6.1 x	9.3 x	7.3 x	9.7 x	7.1 x	6.1 x
P / FCF	4.3 x	n.a.	n.a.	7.3 x	25.9 x	27.0 x	15.1 x
P / E	14.4 x	11.1 x	12.8 x	9.8 x	15.3 x	10.6 x	9.5 x
P / E adj.*	14.4 x	11.1 x	12.8 x	9.8 x	15.3 x	10.6 x	9.5 x
Dividend Yield	2.2 %	1.9 %	1.6 %	2.2 %	2.4 %	2.4 %	2.4 %
FCF Potential Yield (on market EV)	12.6 %	9.3 %	6.9 %	10.0 %	4.9 %	7.9 %	9.4 %

*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	567.0	614.0	645.0
Change Sales yoy	9.8 %	13.6 %	4.4 %	4.8 %	-6.4 %	8.3 %	5.0 %
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	0.3	0.2	0.0	0.0	0.0
Total Sales	487.2	553.4	578.2	605.9	567.0	614.0	645.0
Material expenses	330.1	361.9	380.2	399.3	376.9	408.1	428.7
Gross profit	157.1	191.4	197.9	206.6	190.1	205.9	216.3
<i>Gross profit margin</i>	<i>32.2 %</i>	<i>34.6 %</i>	<i>34.2 %</i>	<i>34.1 %</i>	<i>33.5 %</i>	<i>33.5 %</i>	<i>33.5 %</i>
Personnel expenses	63.2	72.4	76.2	78.5	78.5	82.1	84.8
Other operating income	6.2	7.8	11.0	6.9	8.0	8.5	8.5
Other operating expenses	73.1	83.1	88.9	91.5	87.0	91.0	95.0
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	32.6	41.3	45.0
<i>Margin</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>	<i>7.0 %</i>
Depreciation of fixed assets	3.9	3.1	3.4	7.9	8.0	8.1	8.2
EBITA	23.1	40.6	40.3	35.6	24.6	33.2	36.8
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	24.1	32.6	36.1
<i>Margin</i>	<i>4.2 %</i>	<i>7.0 %</i>	<i>6.7 %</i>	<i>5.8 %</i>	<i>4.3 %</i>	<i>5.3 %</i>	<i>5.6 %</i>
EBIT adj.	22.3	40.3	39.8	35.0	24.1	32.6	36.1
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	-1.0	-1.0	-1.0
EBT	17.0	35.7	36.2	32.5	21.9	30.4	33.9
<i>Margin</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>	<i>5.3 %</i>
Total taxes	7.3	14.2	9.9	7.9	7.2	9.1	10.2
Net income from continuing operations	9.6	21.6	26.3	24.6	14.7	21.3	23.8
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	14.7	21.3	23.8
Minority interest	0.3	0.3	0.3	0.3	0.3	0.4	0.4
Net income	9.3	21.2	26.0	24.3	14.4	20.9	23.4
<i>Margin</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>	<i>3.6 %</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	3.82	5.54	6.19
EPS adj.	2.48	5.63	6.90	6.44	3.82	5.54	6.19

*Adjustments made for:

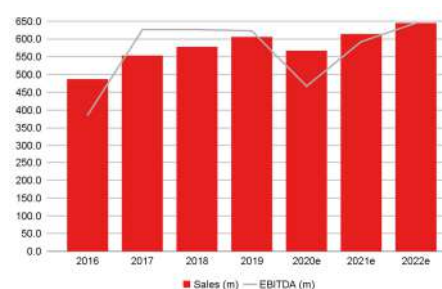
Guidance: 2020: Sales and earnings decline

Financial Ratios

	2016	2017	2018	2019	2020e	2021e	2022e
Total Operating Costs / Sales	95.7 %	93.5 %	94.4 %	94.0 %	95.7 %	94.7 %	94.3 %
Operating Leverage	4.9 x	6.5 x	0.2 x	-2.1 x	4.9 x	4.3 x	2.1 x
EBITDA / Interest expenses	12.8 x	19.8 x	29.2 x	44.6 x	27.2 x	34.4 x	37.5 x
Tax rate (EBT)	43.2 %	39.6 %	27.3 %	24.4 %	33.0 %	30.0 %	30.0 %
Dividend Payout Ratio	31.3 %	21.0 %	20.1 %	21.5 %	36.0 %	24.8 %	22.2 %
Sales per Employee	357,193	374,392	368,326	384,323	361,146	384,953	398,148

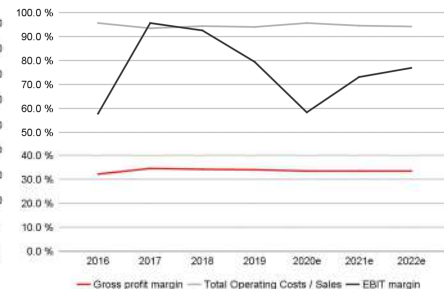
Sales, EBITDA

in EUR m

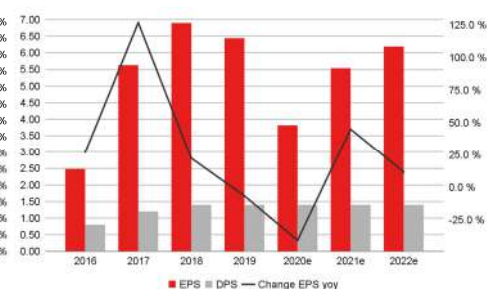


Operating Performance

in %



Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

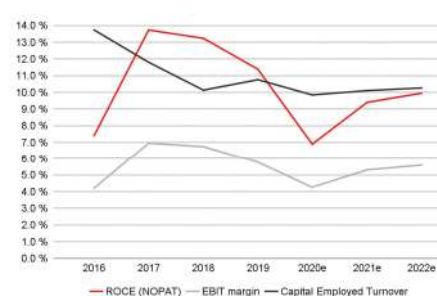
Consolidated balance sheet

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	53.8	54.6
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	73.4	75.2
Inventories	127.7	180.1	188.5	173.3	172.0	183.0	190.0
Accounts receivable	67.9	82.3	88.1	92.9	89.0	93.0	95.0
Liquid assets	54.7	14.4	14.1	25.7	24.0	26.9	36.2
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	324.0	341.9	360.2
Total Assets	323.3	352.8	371.8	397.4	395.4	415.3	435.5
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	132.9	151.9	173.4	189.6	171.4	180.5	196.2
Other equity components	-7.0	-8.7	-13.2	-12.9	14.4	20.9	23.4
Shareholders' equity	162.2	179.5	196.5	213.0	222.2	237.8	255.9
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	224.2	239.8	257.9
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	75.0	82.0	88.0
Other liabilities	33.8	31.4	31.4	40.6	40.1	40.2	40.4
Liabilities	159.2	171.2	173.1	182.5	175.2	183.5	189.7
Total liabilities and shareholders' equity	323.3	352.8	371.8	397.4	399.4	423.3	447.6

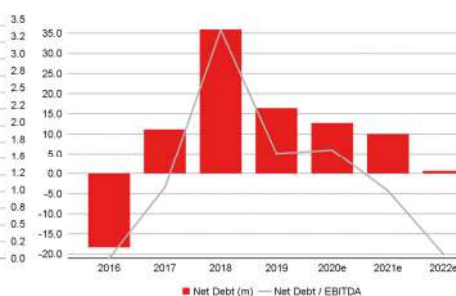
Financial Ratios

	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	2.4 x	2.5 x	2.5 x
ROA	23.3 %	52.3 %	60.3 %	36.3 %	20.2 %	28.5 %	31.0 %
Return on Capital							
ROCE (NOPAT)	7.4 %	13.7 %	13.2 %	11.4 %	6.9 %	9.4 %	10.0 %
ROE	5.9 %	12.4 %	13.8 %	11.9 %	6.6 %	9.1 %	9.5 %
Adj. ROE	5.9 %	12.4 %	13.8 %	11.9 %	6.6 %	9.1 %	9.5 %
Balance sheet quality							
Net Debt	-18.3	11.1	35.9	16.4	12.7	10.0	0.7
Net Financial Debt	-21.5	8.0	32.6	12.2	8.9	6.0	-3.3
Net Gearing	-11.2 %	6.1 %	18.1 %	7.6 %	5.7 %	4.2 %	0.3 %
Net Fin. Debt / EBITDA	n.a.	18.3 %	74.4 %	28.1 %	27.4 %	14.6 %	n.a.
Book Value / Share	43.0	47.6	52.1	56.4	58.9	63.0	67.8
Book value per share ex intangibles	37.7	42.8	47.7	51.8	54.1	57.9	62.4

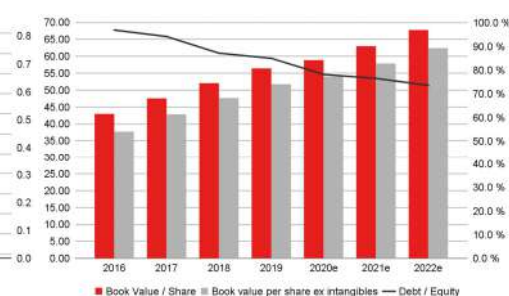
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

Consolidated cash flow statement

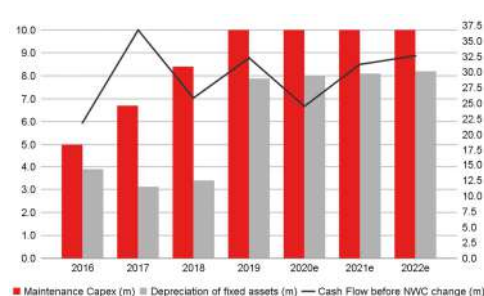
In EUR m	2016	2017	2018	2019	2020e	2021e	2022e
Net income	17.0	35.7	36.2	32.5	21.9	30.4	33.9
Depreciation of fixed assets	3.9	3.1	3.4	7.9	8.0	8.1	8.2
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	2.6	2.1	1.4	0.5	0.5	0.6	0.7
Increase/decrease in long-term provisions	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	-7.2	-9.1	-10.2
Cash Flow before NWC change	21.9	36.8	25.8	32.3	24.6	31.2	32.7
Increase / decrease in inventory	11.4	-52.4	-8.4	15.2	1.3	-11.0	-7.0
Increase / decrease in accounts receivable	-5.2	-14.4	-5.8	-4.7	3.9	-4.0	-2.0
Increase / decrease in accounts payable	7.8	15.1	-17.0	9.7	-3.2	7.0	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	-2.0	-12.0	-7.0
Net cash provided by operating activities [1]	35.9	-15.0	-5.4	48.5	22.6	19.2	25.7
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	-1.8	2.9	9.4
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	24.0	26.9	36.2

Financial Ratios

	2016	2017	2018	2019	2020e	2021e	2022e
Cash Flow							
FCF	31.1	-21.3	-13.7	32.5	8.6	8.2	14.7
Free Cash Flow / Sales	6.4 %	-3.9 %	-2.4 %	5.4 %	1.5 %	1.3 %	2.3 %
Free Cash Flow Potential	14.6	22.9	25.4	25.5	11.4	18.2	20.9
Free Cash Flow / Net Profit	333.3 %	-100.4 %	-52.7 %	133.7 %	59.3 %	39.2 %	62.7 %
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 %	2.5 %	1.8 %	1.7 %
Maint. Capex / Sales	1.0 %	1.2 %	1.5 %	1.7 %	1.8 %	1.6 %	1.6 %
Capex / Dep	73.4 %	120.8 %	173.1 %	189.3 %	164.7 %	126.4 %	123.6 %
Avg. Working Capital / Sales	27.1 %	27.3 %	33.3 %	32.7 %	33.0 %	30.9 %	30.3 %
Trade Debtors / Trade Creditors	96.5 %	96.3 %	128.7 %	118.8 %	118.7 %	113.4 %	108.0 %
Inventory Turnover	2.6 x	2.0 x	2.0 x	2.3 x	2.2 x	2.2 x	2.3 x
Receivables collection period (days)	51	54	56	56	57	55	54
Payables payment period (days)	78	86	66	71	73	73	75
Cash conversion cycle (Days)	114	150	171	143	151	146	141

CAPEX and Cash Flow

in EUR m



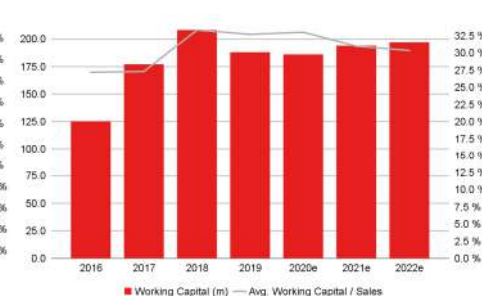
Source: Warburg Research

Free Cash Flow Generation



Source: Warburg Research

Working Capital



Source: Warburg Research

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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.
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“-“	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	130	63
Hold	60	29
Sell	9	4
Rating suspended	6	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	34	81
Hold	5	12
Sell	0	0
Rating suspended	3	7
Total	42	100

PRICE AND RATING HISTORY EINHELL AS OF 20.05.2020



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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