

Buy EUR 92.00 Price EUR 75.20 Upside 22.3 %	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: 283.8 No. of shares (m): 3.8 EV: 299.2 Freefloat MC: 283.8 Ø Trad. Vol. (30d): 129.65 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: 1.2 x Equity Ratio: 56 % Net Fin. Debt / EBITDA: 0.2 x Net Debt / EBITDA: 0.3 x

Strong Q2 sales growth supported by all regions; FY guidance confirmed

Stated Figures Q2/2020:					Comment on Figures:				
FY End: 31.12. in EUR m	Q2 20	Q2 20e	Q2 19	yoy	6M 20	6M 20e	6M 19	yoy	
Sales	186.6	185.1	165.7	13 %	341.6	340.0	323.0	6 %	<ul style="list-style-type: none"> ■ Preliminary Q2/H1 sales and EBT numbers already released in mid-July. ■ Strong sales recovery in the course of Q2 after temporary decline in March/April following Covid-19 business restrictions in all major markets. ■ Positive gross margin development, driven by a higher share of sales with Power-X-Change products.
Gross profit	67.6	n.a.	56.3	20 %	118.3	n.a.	106.8	11 %	
<i>Margin</i>	36.2 %	n.a.	34.0 %		34.6 %	n.a.	33.1 %		
EBT	15.3	15.0	10.9	40 %	23.3	23.0	20.3	15 %	
<i>Margin</i>	8.2 %	8.1 %	6.6 %		6.8 %	6.8 %	6.3 %		
Net income	10.8	10.4	8.4	29 %	16.4	15.9	15.1	9 %	
EPS	2.86	2.75	2.23	28 %	4.34	4.22	3.99	9 %	

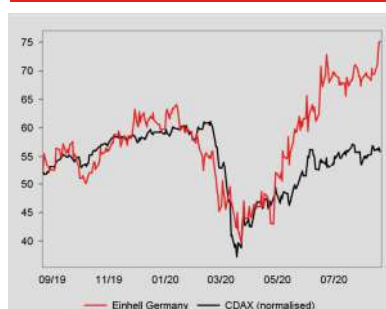
Einhell was able to **significantly increase its sales and earnings in Q2**. The business was driven by high consumer demand in the DIY and gardening categories in the current environment. All regions contributed to the positive sales performance in Q2 (DACH region +12%, Western Europe +13%, Eastern Europe +6%, Overseas +30%).

Key driver remains the important **Power-X-Change battery platform** with currently around 170 devices. In the long term, management is aiming for a sales share with Power-X-Change products of 40-50% (2019: 24.5%). With the roll-out of the Power-X-Change series and the early focus on battery-driven products, Einhell has clearly increased brand awareness and its market position. In Germany, the group has reached the number one position in terms of units sold for battery-driven garden tools and is among the top-three sellers of cordless power tools.

The group **confirmed the financial guidance** for the current year. Management expects sales of EUR 620-630m and an EBT margin in the range of 5.5-6.0% in FY 2020. Until 2023/24, Einhell plans with sales of EUR 750m. The sustainable average EBT margin is expected to be between 5-6%.

Together with the Q2/H1 report, Einhell gave an update regarding the **current international expansion projects**. While the start in the US market with a local partner has not yet made as much progress as had been expected, the joint venture for the distribution in Scandinavia already acquired a large DIY chain as a new customer. South Africa and South East Asia also remain potential expansion targets.

Overall, Einhell is well on track to achieve a new record turnover in 2020. The guidance seems to be conservative and implies flat H2 numbers owing to current economic uncertainties. The strong position in the segment of battery systems and the broad international presence offer further growth potential. **We confirm our Buy recommendation with a DCF-based PT of EUR 92.**

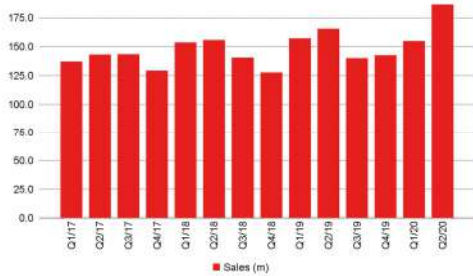


Rel. Performance vs CDAX:	
1 month:	12.0 %
6 months:	41.3 %
Year to date:	31.0 %
Trailing 12 months:	53.0 %

Company events:	

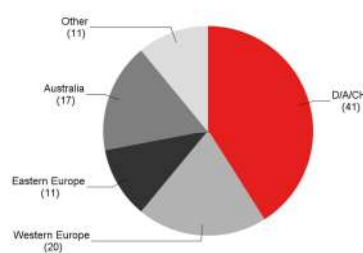
FY End: 31.12. in EUR m	CAGR (19-22e)	2016	2017	2018	2019	2020e	2021e	2022e
Sales	3.5 %	487.2	553.4	577.9	605.7	625.0	642.0	671.0
Change Sales yoy		9.8 %	13.6 %	4.4 %	4.8 %	3.2 %	2.7 %	4.5 %
<i>Gross profit margin</i>		32.2 %	34.6 %	34.2 %	34.1 %	33.8 %	33.7 %	33.6 %
EBITDA	5.4 %	27.0	43.8	43.7	43.5	46.8	48.3	50.9
<i>Margin</i>		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
<i>Margin</i>		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
<i>Margin</i>		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 %	1.9 %	1.9 %	1.9 %
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 %	8.4 %	7.3 %
EV / Sales		0.2 x	0.4 x	0.6 x	0.4 x	0.5 x	0.4 x	0.4 x
EV / EBITDA		4.3 x	5.6 x	8.5 x	5.9 x	6.4 x	5.8 x	5.2 x
EV / EBIT		5.7 x	6.4 x	9.5 x	7.3 x	7.8 x	7.1 x	6.4 x
P / E		14.4 x	11.1 x	12.8 x	9.8 x	11.5 x	11.2 x	10.4 x
FCF Potential Yield		12.6 %	9.3 %	6.9 %	10.0 %	7.4 %	8.3 %	9.4 %
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

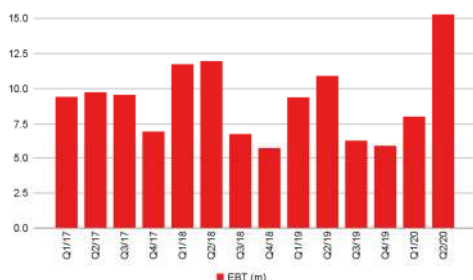
Company Background

- Einhell is a leading provider of power tools and garden equipment for household use. With around 40 subsidiaries, the products are sold globally.
- Particularly in the category of cordless battery-driven products, Einhell has built up a strong position. With the Power-X-Change series the company offers one of the leading systems in the market.
- Einhell's main customers are large DIY chains (58% of sales), e-commerce (16%) and specialised trade (14%). The share of business with discounters has been steadily reduced and is less than 10%.
- Einhell has long-standing expertise in product development, quality control, international distribution and after-sales services. The production is outsourced and supervised by Einhell's own unit in Asia.
- The company was founded in 1964 by Josef Thannhuber. In 1987 Einhell was listed at the stock exchange. The Thannhuber family holds the majority of the non-listed ordinary shares.

Competitive Quality

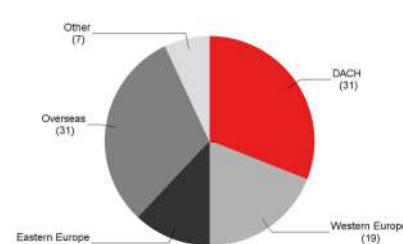
- Einhell has a high brand awareness in key markets, which will be further strengthened by marketing initiatives and presentation at the Point-of-Sale in the course of a long-term brand strategy.
- With its focus on innovative product development, the group can benefit from dynamic growth in the segment of cordless battery systems and gain market share.
- Under the Power-X-Change battery system, the group offers a broad assortment of more than 100 devices for house and garden, which can be further expanded also by cooperation with other manufacturers.
- Einhell shows a strong balance sheet as well as a high level of cost flexibility and generated clearly positive earnings even in economically challenging years.
- Continued international expansion (for example in North America, Scandinavia and South East Asia) offers additional growth potential and economies of scale.

EBT development
in EUR m



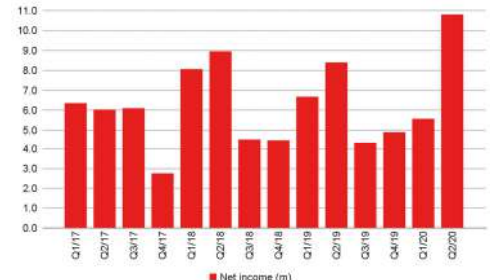
Source: Warburg Research

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 %	7.4 %	8.3 %	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	299.2	280.7	265.2	
= 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 %					-5.9 %	5.8 %	19.6 %	
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 expected in the coming years.

Valuation

	2016	2017	2018	2019	2020e	2021e	2022e
Price / Book	0.8 x	1.3 x	1.7 x	1.1 x	1.2 x	1.1 x	1.0 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	0.5 x	0.4 x	0.4 x
EV / EBITDA	4.3 x	5.6 x	8.5 x	5.9 x	6.4 x	5.8 x	5.2 x
EV / EBIT	5.7 x	6.4 x	9.5 x	7.3 x	7.8 x	7.1 x	6.4 x
EV / EBIT adj.*	5.2 x	6.1 x	9.3 x	7.3 x	7.8 x	7.1 x	6.4 x
P / FCF	4.3 x	n.a.	n.a.	7.3 x	149.7 x	11.8 x	13.6 x
P / E	14.4 x	11.1 x	12.8 x	9.8 x	11.5 x	11.2 x	10.4 x
P / E adj.*	14.4 x	11.1 x	12.8 x	9.8 x	11.5 x	11.2 x	10.4 x
Dividend Yield	2.2 %	1.9 %	1.6 %	2.2 %	1.9 %	1.9 %	1.9 %
FCF Potential Yield (on market EV)	12.6 %	9.3 %	6.9 %	10.0 %	7.4 %	8.3 %	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	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:

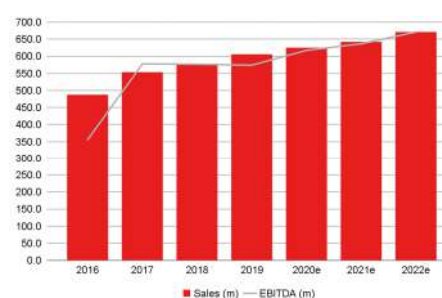
Guidance: 2020: Sales EUR 620-630m, EBT margin 5.5-6.0%

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

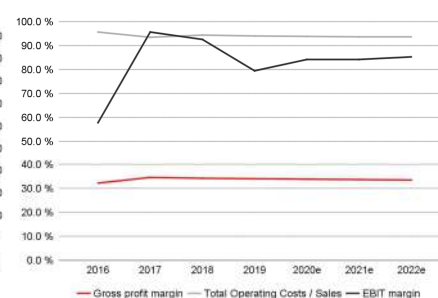
Sales, EBITDA

in EUR m

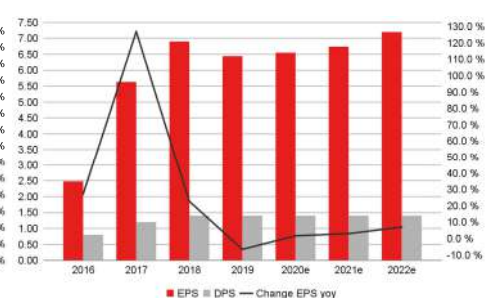


Operating Performance

in %



Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

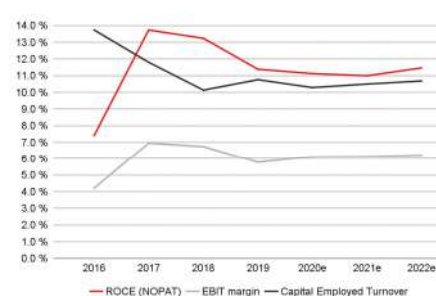
Consolidated balance sheet

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

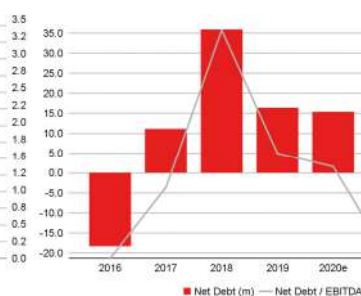
Financial Ratios

	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

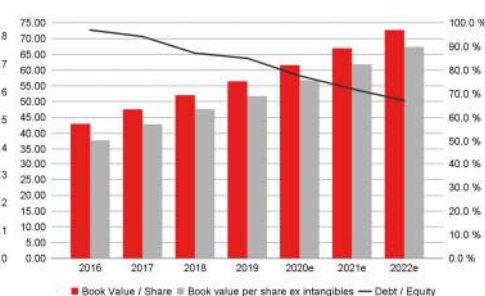
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

Consolidated cash flow statement

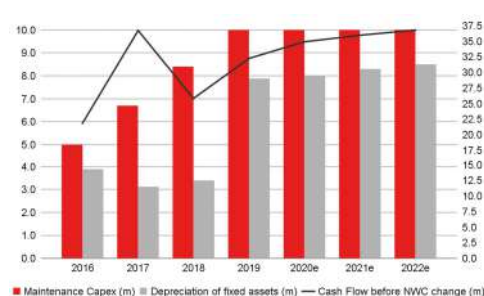
In EUR m	2016	2017	2018	2019	2020e	2021e	2022e
Net income	17.0	35.7	36.2	32.5	35.8	37.0	39.5
Depreciation of fixed assets	3.9	3.1	3.4	7.9	8.0	8.3	8.5
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	2.6	2.1	1.4	0.5	0.5	0.6	0.7
Increase/decrease in long-term provisions	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

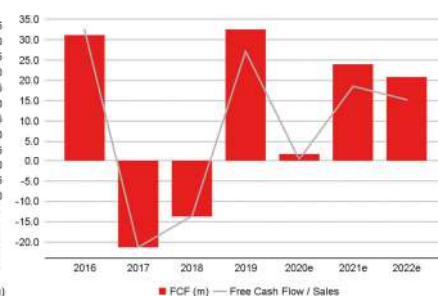
	2016	2017	2018	2019	2020e	2021e	2022e
Cash Flow							
FCF	31.1	-21.3	-13.7	32.5	1.9	24.0	20.8
Free Cash Flow / Sales	6.4 %	-3.9 %	-2.4 %	5.4 %	0.3 %	3.7 %	3.1 %
Free Cash Flow Potential	14.6	22.9	25.4	25.5	22.0	23.2	25.0
Free Cash Flow / Net Profit	333.3 %	-100.4 %	-52.7 %	133.7 %	7.7 %	94.2 %	76.6 %
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

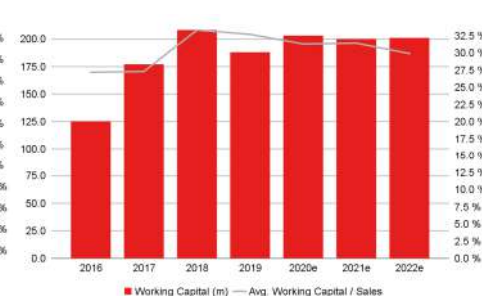
in EUR m



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	132	65
Hold	56	27
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	35	88
Hold	3	8
Sell	0	0
Rating suspended	2	5
Total	40	100

PRICE AND RATING HISTORY EINHELL AS OF 21.08.2020


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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