



# QUARTELY REPORT

31. March 2021

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## At a glance

The EINHELL Group managed to significantly increase its business volume between January and March 2021 and generated revenue of EUR 229.6 million.

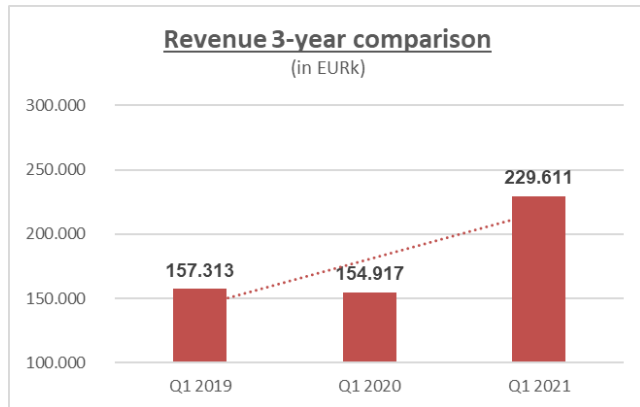
Profit before income taxes amounts to EUR 17.5 million and is thus significantly above the previous year's level. This corresponds to a margin before income taxes of about 7.6%. The Einhell Group was able to further increase revenue in the Power X-Change products segment. The increase in revenue was achieved in all markets relevant for the group.

## Financial figures

Revenue		
Q1 2021	229.611	+48,2%
Q1 2020	154.917	
Profit before income taxes		
Q1 2021	17.490	+117,9%
Q1 2020	8.026	
EBIT		
Q1 2021	18.067	+108,0%
Q1 2020	8.684	
Equity ratio		
Q1 2021	49,9%	-10,1%
Q1 2020	55,5%	
Profit per share (EUR)		
Q1 2021	3,3	+120,0%
Q1 2020	1,5	
Net debt (bank deposits / liabilities)		
Q1 2021	66.738	+14,2%
Q1 2020	58.444	
Staff		
Q1 2021	1.711	+8,2%
Q1 2020	1.581	

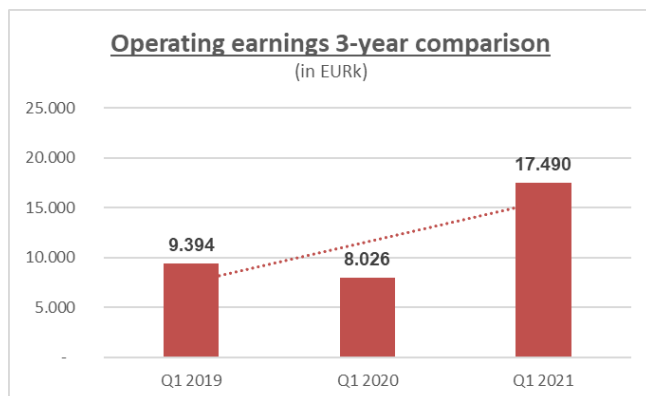
## Revenue, earnings and financial position

### Revenue



From January to March 2021, the EINHELL Group generated revenue of EUR 229.6 million (Q1 2020: EUR 154.9 million). This represents a substantial increase year-on-year. Revenue growth was mainly driven by an increase in market share as well as strong demand for Power X-Change products.

### Earnings



From January to March 2021, the EINHELL Group generated profit before income taxes of EUR 17.5 million (previous year: EUR 8.0 million). The pre-tax margin is 7.6% (previous year: 5.2%).

The earnings performance improved further compared to the previous year, driven by significantly higher revenues and stable gross profit margins. However, the Group continues to invest heavily in products and marketing to further strengthen the solid foundation for the future performance of the business.

Consolidated net profit after minority interest amounts to EUR 12.5 million in the period under review (previous year: EUR 5.6 million). Earnings per share amount to EUR 3.3 (previous year: EUR 1.5 per share).

Personnel expenses are up compared to the prior-year period at EUR 24.8 million (previous year: EUR 19.3 million). The increase is primarily due to the higher number of employees and increased provisions for variable compensation components.

Depreciation & amortisation rose slightly in financial year 2021 to EUR 2.5 million (previous year: EUR 2.3 million). The higher investments in property, plant and equipment made last year will lead to increased depreciation in financial year 2021.

Other expenses increased from EUR 21.8 million to EUR 34.3 million. This is mainly owed to the increase in revenue, which led to higher freight costs as well as marketing expenses.

The financial result of EUR -0.6 million is nearly on a par with the previous year (previous year: EUR -0.7 million).

### Financial position

The material items in the statement of financial position as at 31 March 2021 and 31 March 2020 are as follows:

in EUR million	Q1 2021	Q1 2020
Non-current assets incl. deferred tax assets	99.9	77.1
Inventories	204.8	152.7
Receivables and other assets	221.1	158.7
Cash and cash equivalents	13.5	5.7
Equity	269.0	218.9
Liabilities to banks	80.2	64.2

In the period under review, the EINHELL Group made investments amounting to EUR 1.7 million (previous year: EUR 2.3 million). The majority of this was spent on operating and office equipment and assets under construction. Moreover, non-current assets also include right-of-use assets for property, plant and equipment under rental and lease contracts in the amount of EUR 13.7 million (previous year: EUR 11.4 million).

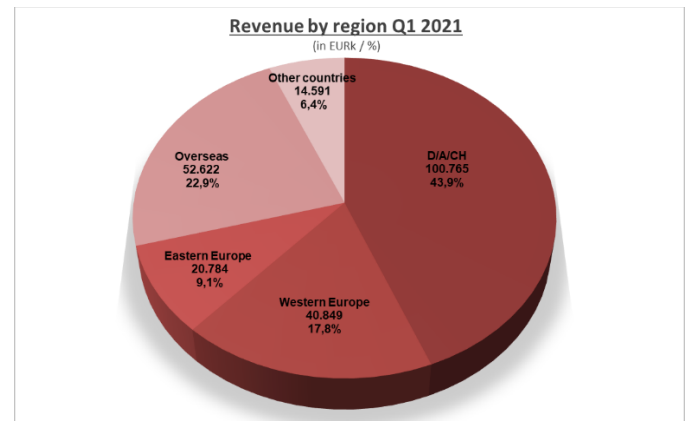
Goods inventories increased significantly as against the prior-year period to EUR 204.8 million (previous year: EUR 152.7 million). As a high capacity utilisation on the supplier side often leads to bottlenecks, the Board of Directors has decided to significantly increase inventory levels. The Group will continue to build up its inventories in the coming months as planned. This ensures that the Group companies are always in a position to deliver and meet customer requirements despite the strong growth in revenue and the full order book.

Trade receivables are shown after deduction of impairment for expected future credit defaults. Mainly driven by the revenue increase, trade receivables climbed by EUR 47.3 million year-on-year to EUR 177.1 million in the period under review (previous year: EUR 129.8 million). The COVID-19 crisis could in principle result in an increased risk of default for trade receivables in the coming months. For this reason, impairment valuation allowances corresponding to the expected default rate were formed as at 31 March 2021.

At EUR 29.6 million, other non-financial assets were above the previous year's level (previous year: EUR 17.9 million). The increase is driven by the increase in VAT receivables of our procurement companies in China.

Cash and cash equivalents amount to EUR 13.5 million on the reporting date (previous year: EUR 5.7 million). Liabilities to banks rose from EUR 64.2 million in the prior-year period to EUR 80.2 million. This is a result of the significant increase in inventories and trade receivables.

## Performance by region



The revenue performance was extremely strong in the first three months of financial year 2021.

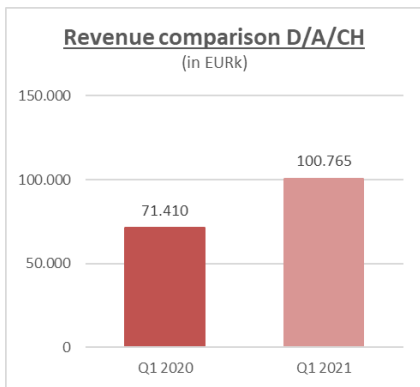
Revenue in the individual regions developed as follows:

in EURk	Q1 2021	Q1 2020
D/A/CH	100,765	71,410
Western Europe	40,849	28,133
Eastern Europe	20,784	15,594
Overseas	52,622	31,216
Other countries	14,591	8,564
<b>Einhell Group</b>	<b>229,611</b>	<b>154,917</b>

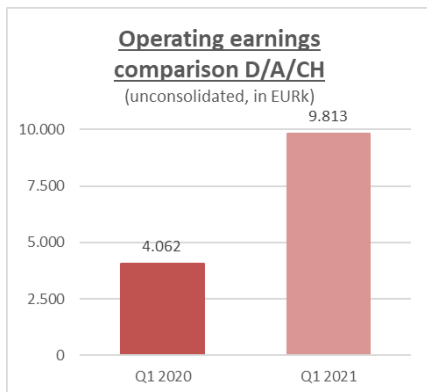
Not only revenue, but also the profit before income taxes increased significantly, now amounting to EUR 17.5 million (previous year: EUR 8.0 million). The development in the individual regions was as follows:

in EURk	Q1 2021	Q1 2020
D/A/CH	9,813	4,062
Western Europe	2,687	316
Eastern Europe	2,880	454
Overseas	5,486	2,319
Other countries	816	702
Reconciliation	-4,192	173
<b>Einhell Group</b>	<b>17,490</b>	<b>8,026</b>

**D/A/CH**

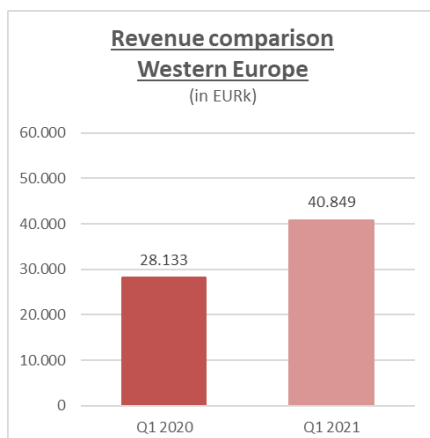


Revenue in the D/A/CH region increased significantly to EUR 100.8 million in the first three months of financial year 2021 (previous year: EUR 71.4 million). Revenue growth was driven by a continued increase in revenue with Power X-Change products as well as the fact that Einhell managed to further expand its market share, especially in the D/A/CH region.



High revenues and a stable gross profit margin led to a very strong profit before income taxes of EUR 9.8 million in the D/A/CH region.

**Western Europe**

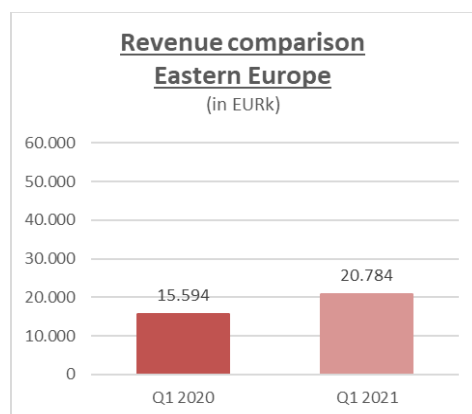


The Western Europe region was also able to generate significant revenue growth. Revenue increased significantly in almost all countries in the region compared to the previous year. The companies with the highest revenue in the Western Europe region were Einhell France with EUR 12.0 million, Einhell Italy with EUR 10.6 million and Einhell UK with EUR 6.9 million.



In the Western Europe region, profit before income taxes increased substantially to EUR 2.7 million. The most profitable countries in the Western Europe region were Italy and France.

**Eastern Europe**

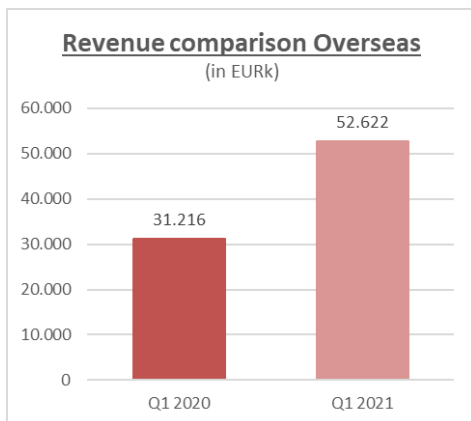


The Eastern Europe region also exceeded the previous year's revenue level. The companies with the highest revenue in the Eastern Europe region were Einhell Croatia and Einhell Turkey.



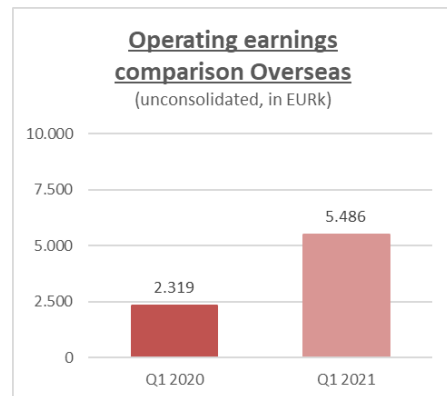
The companies in Eastern Europe were also able to significantly exceed their prior-year profit levels. Einhell Turkey in particular achieved strong growth in revenue and earnings compared to the previous year, despite the difficult environment. At the same time, all other countries in this region were also able to achieve profit growth.

**Overseas**



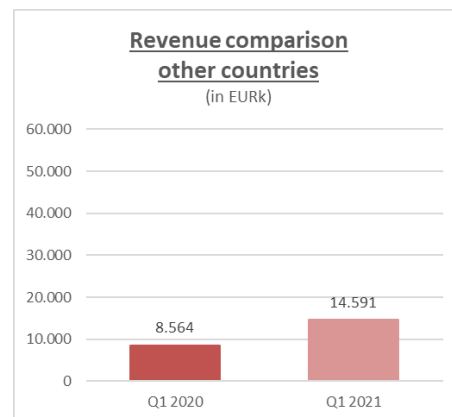
The Overseas region generated extremely high revenues in the first three months of financial year 2021.

Revenue increased significantly from EUR 31.2 million to EUR 52.6 million. The Einhell Group was able to record significant revenue growth in Australia, but also with the South American companies.



Profit before income taxes is clearly above the previous year's level in the first three months of financial year 2021. Noteworthy was the fact that not only Australia, but also the companies in South America achieved significant increases in earnings.

**Other countries**



The Other countries were also able to achieve an increase in revenue. This region comprises almost exclusively the revenues generated by our companies in Hong Kong.



Despite the increase in revenue, profit in the Other countries region did not increase significantly. The procurement companies in Asia made a significant contribution to the Group's global distribution activities. Related expenses led to a smaller profit margin in this region.

### Group structure

The corporate structure of the Einhell Group did not change in the period under review.

### Current strategic developments

We will continue to develop our international distribution network in the medium term in order to be able to achieve our medium-term revenue targets. For this purpose, we will both unlock additional potential in the existing markets and tap into new DIY markets where we are not yet present. The two South African companies in which we acquired shares in 2020 are to be integrated into our Einhell organisation. Furthermore, Einhell plans to establish a new subsidiary or successfully conclude a contract with another partner in a new country.

The main focus in the next few years will be on our Power X-Change platform. The revenue share of the Power X-Change platform is to be expanded to about 40% in the medium term. To achieve this goal, we strive to offer more than 200 Power X-Change units on our platform by the end of 2021.

The online trading segment continues to grow. Einhell will systematically continue on its path towards digital leadership in the B2B segment. Various projects and measures are planned to promote future revenue growth, which will increasingly be driven by digital distribution channels. The focus will be on social media, additions to the website, product advisors for Power X-Change products and the expansion and optimisation of product detail pages.

### Events after reporting date

No further events took place after the reporting date that could have a significant impact on net assets, financial position and results of operations.

### Outlook

The Board of Directors' assumptions and forecasts are based on the information currently available. The future business development depends on numerous factors, and especially on the development of the COVID-19 pandemic in the markets relevant for Einhell.

For financial year 2021 the Einhell Group forecast revenue of EUR 739 million to EUR 746 million and a pre-tax-yield of around 7.0%.

Despite the very positive business performance in the first three months of financial year 2021, the Board of Directors is not adjusting its forecast upwards. The reason for this is the challenges resulting from a significant increase in freight rates due to scarcity of freight resources. Prices for sea freight to the destination ports relevant for Einhell have multiplied compared to 2020. At the same time, commodity prices have risen significantly. Both factors could have an impact on further developments in 2021.

However, the Board of Directors is still very optimistic about Einhell's further development. Fully intact strategic growth drivers support the Group's future development in the medium and long term in a highly dynamic way.

**Consolidated statement of financial position (IFRS) as at 31 March 2021**

Assets (in EURk)	31.03.2021	31.03.2020
<b>NON-CURRENT ASSETS</b>		
Intangible assets	20,081	16,796
Property, plant and equipment	46,596	36,960
Right-of-use assets	13,651	11,400
Non-derivative financial assets	333	406
Derivative financial assets	3,993	279
Other non-financial assets	1,509	2,096
Deferred tax assets	13,696	9,175
	<b>99,859</b>	<b>77,112</b>
<b>CURRENT ASSETS</b>		
Inventories	204,823	152,746
Trade receivables	177,056	129,796
Derivative financial assets	13,258	7,965
Income tax receivables	1,186	3,075
Other non-financial assets	29,561	17,888
Cash and cash equivalents	13,453	5,711
	<b>439,337</b>	<b>317,181</b>
	<b><u>539,196</u></b>	<b><u>394,293</u></b>

Equity and liabilities (in EURk)	31.03.2021	31.03.2020
<b>EQUITY</b>		
Subscribed capital	9,662	9,662
Capital reserve	26,677	26,677
Retained earnings	237,076	195,137
Other reserves	-7,309	-14,388
Equity of shareholders of EINHELL Germany AG	266,106	217,088
Non-controlling interest	2,847	1,845
	<b>268,953</b>	<b>218,933</b>
<b>NON-CURRENT LIABILITIES</b>		
Provisions for other risks	1,263	1,154
Liabilities from debt capital	18,757	21,894
Deferred tax liabilities	6,868	4,450
Employee benefits	7,894	4,249
Lease liabilities	9,107	8,861
Derivative financial liabilities	124	133
Other liabilities	1,861	24
	<b>45,874</b>	<b>40,765</b>
<b>CURRENT LIABILITIES</b>		
Trade payables	58,820	34,922
Income tax liabilities	6,895	1,791
Provisions for other risks	38,359	22,338
Liabilities from debt capital	61,434	42,261
Employee benefits	20,031	14,886
Lease liabilities	4,644	2,813
Derivative financial liabilities	3,850	677
Other liabilities	30,336	14,907
	<b>224,369</b>	<b>134,595</b>
	<b><u>539,196</u></b>	<b><u>394,293</u></b>



**Consolidated income statement (IFRS) for the period from 1 January to 31 March 2021**

(in EURk)	01.01. – 31.03.2021	01.01. – 31.03.2020
Revenue	229,611	154,917
Own work capitalised	96	0
Other operating income	1,232	1,401
Cost of materials	-151,294	-104,174
Personnel expenses	-24,832	-19,316
Depreciation and amortisation	-2,492	-2,343
Other operating expenses	-34,254	-21,801
Financial result	-577	-658
<b>Profit before income taxes</b>	<b>17,490</b>	<b>8,026</b>
Income taxes	4,520	-2,415
<b>Consolidated net profit</b>	<b>12,970</b>	<b>5,611</b>
<b>Thereof share of minority shareholders in consolidated net profit/loss</b>	<b>429</b>	<b>39</b>
<b>Thereof share in consolidated net profit/loss of shareholders of EINHELL Germany AG</b>	<b>12,541</b>	<b>5,572</b>

## Consolidated statement of cash flows (IFRS) for the period from 1 January to 31 March 2021

in EURk	01.01. – 31.03.2021	01.01. – 31.03.2020
<b>Cash flows from/used in operating activities</b>		
Earnings before tax (EBT)	17,490	8,026
+ Depreciation and amortisation of intangible assets and property, plant and equipment	2,492	2,343
- Interest income	-40	-34
+ Interest expenses	284	211
+/- Other non-cash expenses and income	408	541
<b>Operating profit before changes in net working capital</b>	<b>20,634</b>	<b>11,087</b>
+/- Decrease/increase in trade receivables	-57,200	-38,996
+/- Decrease/increase in inventories	-8,681	17,035
+/- Decrease/increase in other assets	1,525	-1,507
+/- Decrease/increase in assets held for sale	0	2,256
+/- Increase/decrease in non-current liabilities	250	398
+/- Increase/decrease in current liabilities	11,908	-1,800
+/- Increase/decrease in trade payables	-39,249	-43,155
+/- Increase/decrease in liabilities in connection with assets held for sale	0	-79
<b>Cash flows generated from operating activities</b>	<b>-70,813</b>	<b>-54,761</b>
- Taxes paid	-3,397	-2,626
+ Interest received	37	33
- Interest paid	-219	-159
<b>Net cash from/used in operating activities</b>	<b>-74,392</b>	<b>-57,513</b>
<b>Cash flows from/used in investing activities</b>		
- Payments to acquire assets	-1,677	-2,172
- Payments for acquisition of consolidated companies	0	0
+ Proceeds from disposal of assets	32	15
+/- Increase/decrease in goodwill	0	0
+ Proceeds from disposal of consolidated companies	0	0
- Payments for investments in financial assets	0	0
- Cash-outflow from changes to companies included in the consolidation	0	0
<b>Net cash used in investing activities</b>	<b>-1,645</b>	<b>-2,157</b>
<b>Cash flows from/used in financing activities</b>		
+ Proceeds from taking out financial liabilities	58,327	40,345
- Payments for repayment of financial liabilities	-781	0
- Payments for acquisition of equity investments	0	0
+ Proceeds from non-controlling interest	0	0
- Dividend payments to shareholders of EINHELL Germany AG	0	0
- Dividend payments to non-controlling interest	-53	0
- Payments for redemption portion of lease liabilities	-1,268	-1,068
<b>Net cash used in financing activities</b>	<b>56,225</b>	<b>39,277</b>
Changes to cash and cash equivalents due to currency exchange	1,178	375
<b>Net decrease/increase in cash and cash equivalents</b>	<b>-18,634</b>	<b>-20,018</b>
Cash and cash equivalents at beginning of reporting period	32,087	25,729
<b>Cash and cash equivalents at end of reporting period</b>	<b>13,453</b>	<b>5,711</b>

## Segment reporting

The identification of reportable operating segments pursuant to IFRS 8 is based on the so-called management approach concept. The division of the EINHELL Group into regions reflects the Group's internal management and reporting structures. The regions are: "D/A/CH region", "Western Europe", "Eastern Europe", "Overseas" and "Other countries".

Income and expenses that cannot be directly allocated to the individual regions are shown in the reconciliation item.

### Segment reporting by region

March 2021 in EURk	D/A/CH	Western Europe	Eastern Europe	Overseas	Other countries	Reconciliation	Group
Revenue based on registered office of the invoicing party	100,765	40,849	20,784	52,622	14,591	0	229,611
Revenue based on registered office of the invoice recipient	102,536	46,238	21,980	56,425	2,432	0	229,611
Profit before income taxes	9,813	2,687	2,880	5,486	816	-4,192	17,490

March 2020 in EURk	D/A/CH	Western Europe	Eastern Europe	Overseas	Other countries	Reconciliation	Group
Revenue based on registered office of the invoicing party	71,410	28,133	15,594	31,216	8,564	0	154,917
Revenue based on registered office of the invoice recipient	71,377	32,884	16,348	33,705	603	0	154,917
Profit before income taxes	4,062	316	454	2,319	702	173	8,026

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## Financial calendar 2021

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Annual General Meeting 2021	Friday, 18 June 2021
Half year financial report, 30 June 2021	Mid-August 2021
Quarterly notification, 30 September 2021	Mid-November 2021

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## Legal company information

EINHELL Germany AG

Wiesenweg 22

94405 Landau an der Isar

[www.einhell.com](http://www.einhell.com)

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Investor Relations

Telephone: +49 (9951) 942-166

Fax: +49 (9951) 942-162

E-mail: [investor-relations@einhell.com](mailto:investor-relations@einhell.com)

Please visit our website at [www.einhell.com](http://www.einhell.com) showing extensive information and reports on EINHELL Germany AG.

## Disclaimer

This quarterly notification contains forward-looking statements. Forward-looking statements are based on specific assumptions and expectations at the time this notification is published. They are therefore subject to risks and uncertainties and actual results may differ considerably from such forward-looking statements. Various risks and uncertainties are determined by factors that do not lie in the EINHELL Group's sphere of influence and can therefore not be estimated with certainty at present. This includes, without limitation, future market conditions and the economic trends as well as legal and political decisions.

Unless otherwise stipulated, all amounts are stated in thousands of euros (EURk). There may be minor deviations in this report and in other reports due to rounding of totals and the calculation of percentage figures.

Einhell Germany AG  
Wiesenweg 22  
D-94405 Landau a. d. Isar

Phone (09951) 942-0  
Fax (09951) 1702

[investor-relations@einhell.com](mailto:investor-relations@einhell.com)  
[www.einhell.com](http://www.einhell.com)