

**Buy** (old: Buy)

**Price target: EUR 38.50** (old: EUR 37.40)

<b>Price:</b>	EUR 29.75	<b>Next result:</b>	FY 2010 30.03.11
<b>Bloomberg:</b>	EUZ GR	<b>Market cap:</b>	EUR 152.8 m
<b>Reuters:</b>	EUZG.DE	<b>Enterprise Value:</b>	EUR 143.8 m

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### Roadshow Feedback Paris, Est. & PT up

The sales **guidance** for 2011 of € 110m - € 120m, given with the release of full year 2010 results appears to be **conservative** as:

**1. In the RadPharm division (e20% of group sales)**, Gallium-68 generators should be coming to the market in Q3. Gallium is used in endocrine tumour diagnosis conducted by PET scanners. The company could be selling ca.10 of those by year end, resulting in a revenue increment of € 500k over current divisional sales projections (e 20% of group sales).

**2. Environmental services (e4% of group sales)** should be starting to open new accounts in 2011 with several waste processing tenders out. Hence a sales increment of € 1m over initial estimates should be factored in.

Many investors were also interested in assessing the overall **long-term market opportunity in Germany for environmental services**.

Hospitals, industrials and power plants are collectively sitting on some 480,000 metric tons of waste that needs to be processed and stored. EZAG is one of a handful of operators authorised to deal with such waste and has already got regulation-compliant concrete containers. Based on a price per container of €120,000k, the **market opportunity would amount to € 4.3 billion overall**.

EZAG should be eventually in a position to process, capacity-wise, **€ 50m worth of revenues annually**. The ultimate trigger to this market is the opening of a government-owned storage site, which will oblige all market participants to store their waste there. This site should be up and running anytime between 2014 and 2018, suggesting little impact on EZAG in the foreseeable future.

Putting it differently however, **this opportunity is a free option**, offered to holders of the stock today, not included in our model.

**EPS 2011E is revised 3.2%**, given higher revenues and a better cost base in Isotope Products (80% of group earnings). The Isotope Products division has terminated at year end 2010 a series of services previously sub-contracted to GE at expensive rates and that were inherited from Nuclitec. **EPS is revised up 3% into 2013E on average, as growth rates are unchanged.**

*-Continued-*

Y/E 31.12 (EUR m)	2007	2008	2009	2010	2011E	2012E	2013E
Sales	54.4	71.6	101.4	111.1	120.6	128.4	135.0
Sales growth	8 %	32 %	42 %	10 %	9 %	6 %	5 %
EBITDA	9.7	18.7	22.6	26.4	32.4	35.2	35.6
EBIT	6.0	9.6	15.5	16.6	21.8	23.8	23.6
Net income	1.9	4.5	13.3	9.4	11.9	13.1	13.4
Net debt	6.8	10.9	-23.8	-7.6	-15.8	-24.6	-32.3
Net gearing	18.7 %	26.6 %	-31.2 %	-11.2 %	-21.2 %	-29.3 %	-25.2 %
Net Debt/EBITDA	0.7	0.6	0.0	0.0	0.0	0.0	0.0
EPS fully diluted	0.61	1.43	3.48	1.81	2.28	2.51	2.58
CPS	0.93	1.16	3.71	1.01	1.71	2.23	2.34
DPS	0.25	0.30	0.45	0.60	0.76	0.83	0.00
Dividend yield	0.8 %	1.0 %	1.5 %	2.0 %	2.5 %	2.8 %	2.9 %
Gross profit margin	49.3 %	47.7 %	50.4 %	52.0 %	52.0 %	52.0 %	52.0 %
EBITDA margin	17.8 %	26.2 %	22.2 %	23.8 %	26.9 %	27.4 %	26.3 %
EBIT margin	11.0 %	13.4 %	15.2 %	14.9 %	18.0 %	18.6 %	17.5 %
ROCE	11.1 %	10.4 %	14.4 %	16.2 %	18.9 %	18.9 %	16.3 %
EV/sales	1.8	1.4	1.3	1.4	1.2	1.1	0.9
EV/EBITDA	10.2	5.5	6.1	5.7	4.4	3.8	3.6
EV/EBIT	16.6	10.8	9.0	9.1	6.6	5.7	5.4
PER	48.4	20.9	15.1	16.4	13.0	11.9	11.5
Adjusted FCF yield	3.1 %	9.7 %	9.4 %	7.7 %	10.0 %	11.8 %	12.4 %

Source: Company data, Hauck & Aufhäuser Close price as of: 04.04.2011



Source: Company data, Hauck & Aufhäuser

**High/low 52 weeks:** 29.78 / 18.86  
**Price/Book Ratio:** 2.1  
**Relative performance (SDAX):**  
3 months 5.4 %  
6 months 10.5 %  
12 months -3.1 %

### Changes in estimates

		Sales	EBIT	EPS
2011	<b>old:</b>	118.3	21.1	2.19
	<b>Δ</b>	1.9%	3.2%	4.5%
2012	<b>old:</b>	125.9	23.1	2.41
	<b>Δ</b>	2.0%	3.1%	4.4%
2013	<b>old:</b>	133.2	22.9	2.48
	<b>Δ</b>	1.3%	3.0%	4.0%

### Key share data:

Number of shares: (in m pcs) 5.2  
Authorised capital: (in € m) 0.6  
Book value per share: (in €) 14.3  
Ø trading volume: (12 months) 20,453

### Major shareholders:

Free float 64.2 %  
Founders 34.4 %  
Eckert & Ziegler AG 1.4 %

### Company description:

Produces and markets a wide range of industrial and medical applications featuring radioactive isotopes, including prostate seed implants, calibration standards and radiation afterloaders.

**The Theragenics deal was outlined to investors.** Please refer to the note dated March 18 for details: **a very value accretive deal at the current offer price of USD 2.2 per share made to the Board**, which would add approximately € 2.0 per share to our valuation.

This story **abounds with growth and value triggers** on top of a current business that remains undervalued. Remains a BUY PT € 38.50 (€ 37.40) on FCF Yield 2011E.

CEO also **reiterated his 2014 mid-term guidance of € 200m in sales**, to be reached organically and via acquisitions, coupled with an **EBIT margin of "at least" 15%**. Based on these metrics, the implied fair value would be **€ 55 per share**, if one assumes a € 15m net cash cushion and no capital increases.

## Financials

Profit and loss (EUR m)	2007	2008	2009	2010	2011E	2012E	2013E
<b>Sales</b>	<b>54.4</b>	<b>71.6</b>	<b>101.4</b>	<b>111.1</b>	<b>120.6</b>	<b>128.4</b>	<b>135.0</b>
<i>Sales growth</i>	8.1 %	31.5 %	41.6 %	9.6 %	8.6 %	6.4 %	5.2 %
Cost of sales	27.6	37.5	50.3	53.3	57.9	61.6	64.8
<b>Gross profit</b>	<b>26.9</b>	<b>34.2</b>	<b>51.1</b>	<b>57.8</b>	<b>62.7</b>	<b>66.7</b>	<b>70.2</b>
Sales and marketing	10.2	15.1	18.4	18.9	21.1	22.5	23.6
General and administration	10.5	14.6	19.1	18.8	19.9	20.5	21.6
Research and development	0.3	3.1	2.5	2.9	3.1	3.3	3.5
Other operating income	0.6	17.2	9.3	2.9	3.1	3.3	3.5
Other operating expenses	0.5	9.0	5.0	3.5	-0.1	-0.1	1.4
Unusual or infrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBITDA</b>	<b>9.7</b>	<b>18.7</b>	<b>22.6</b>	<b>26.4</b>	<b>32.4</b>	<b>35.2</b>	<b>35.6</b>
Depreciation	3.7	9.2	7.1	9.8	10.7	11.4	12.0
<b>EBITA</b>	<b>6.0</b>	<b>9.6</b>	<b>15.5</b>	<b>16.6</b>	<b>21.8</b>	<b>23.8</b>	<b>23.6</b>
Amortisation of goodwill	0.0	0.0	4.4	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBIT</b>	<b>6.0</b>	<b>9.6</b>	<b>15.5</b>	<b>16.6</b>	<b>21.8</b>	<b>23.8</b>	<b>23.6</b>
Interest income	0.1	0.1	0.1	0.3	0.3	0.3	1.4
Interest expenses	0.8	1.2	1.3	2.5	2.7	2.9	3.1
Other financial result	-0.3	-0.1	1.0	0.0	0.0	0.0	0.0
Financial result	-1.1	-1.3	-0.3	-2.2	-2.4	-2.6	-1.7
<b>Recurring pretax income from continuing operations</b>	<b>4.9</b>	<b>8.3</b>	<b>15.2</b>	<b>14.4</b>	<b>19.3</b>	<b>21.3</b>	<b>21.9</b>
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Earnings before taxes</b>	<b>4.9</b>	<b>8.3</b>	<b>15.2</b>	<b>14.4</b>	<b>19.3</b>	<b>21.3</b>	<b>21.9</b>
Taxes	2.8	5.3	-6.7	3.9	6.4	7.0	7.2
<b>Net income from continuing operations</b>	<b>2.2</b>	<b>3.0</b>	<b>21.9</b>	<b>10.4</b>	<b>13.0</b>	<b>14.3</b>	<b>14.7</b>
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income</b>	<b>2.2</b>	<b>3.0</b>	<b>21.9</b>	<b>10.4</b>	<b>13.0</b>	<b>14.3</b>	<b>14.7</b>
Minority interest	0.2	-1.5	8.6	1.0	1.1	1.2	1.2
<b>Net income (net of minority interest)</b>	<b>1.9</b>	<b>4.5</b>	<b>13.3</b>	<b>9.4</b>	<b>11.9</b>	<b>13.1</b>	<b>13.4</b>
Average number of shares	3.1	3.1	3.8	5.2	5.2	5.2	5.2
<b>EPS reported</b>	<b>0.62</b>	<b>1.43</b>	<b>3.48</b>	<b>1.81</b>	<b>2.29</b>	<b>2.51</b>	<b>2.59</b>

Profit and loss (common size)	2007	2008	2009	2010	2011E	2012E	2013E
<b>Sales</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>
Cost of sales	50.7 %	52.3 %	49.6 %	48.0 %	48.0 %	48.0 %	48.0 %
<b>Gross profit</b>	<b>49.3 %</b>	<b>47.7 %</b>	<b>50.4 %</b>	<b>52.0 %</b>	<b>52.0 %</b>	<b>52.0 %</b>	<b>52.0 %</b>
Sales and marketing	18.8 %	21.1 %	18.2 %	17.0 %	17.5 %	17.5 %	17.5 %
General and administration	19.2 %	20.4 %	18.8 %	16.9 %	16.5 %	16.0 %	16.0 %
Research and development	0.5 %	4.3 %	2.5 %	2.6 %	2.6 %	2.6 %	2.6 %
Other operating income	1.0 %	24.1 %	9.2 %	2.6 %	2.6 %	2.6 %	2.6 %
Other operating expenses	0.9 %	12.5 %	4.9 %	3.1 %	-0.1 %	-0.1 %	1.0 %
Unusual or infrequent items	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>EBITDA</b>	<b>17.8 %</b>	<b>26.2 %</b>	<b>22.2 %</b>	<b>23.8 %</b>	<b>26.9 %</b>	<b>27.4 %</b>	<b>26.3 %</b>
Depreciation	6.9 %	12.8 %	7.0 %	8.9 %	8.9 %	8.9 %	8.9 %
<b>EBITA</b>	<b>11.0 %</b>	<b>13.4 %</b>	<b>15.2 %</b>	<b>14.9 %</b>	<b>18.0 %</b>	<b>18.6 %</b>	<b>17.5 %</b>
Amortisation of goodwill	0.0 %	0.0 %	4.3 %	0.0 %	0.0 %	0.0 %	0.0 %
Amortisation of intangible assets	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Impairment charges	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>EBIT</b>	<b>11.0 %</b>	<b>13.4 %</b>	<b>15.2 %</b>	<b>14.9 %</b>	<b>18.0 %</b>	<b>18.6 %</b>	<b>17.5 %</b>
Interest income	0.1 %	0.1 %	0.1 %	0.3 %	0.3 %	0.3 %	1.0 %
Interest expenses	1.5 %	1.7 %	1.3 %	2.3 %	2.3 %	2.3 %	2.3 %
Other financial result	-0.5 %	-0.2 %	0.9 %	0.0 %	0.0 %	0.0 %	0.0 %
Financial result	-1.9 %	-1.8 %	-0.3 %	-2.0 %	-2.0 %	-2.0 %	-1.3 %
<b>Recurring pretax income from continuing operations</b>	<b>9.0 %</b>	<b>11.6 %</b>	<b>14.9 %</b>	<b>12.9 %</b>	<b>16.0 %</b>	<b>16.6 %</b>	<b>16.2 %</b>
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Earnings before taxes</b>	<b>9.0 %</b>	<b>11.6 %</b>	<b>14.9 %</b>	<b>12.9 %</b>	<b>16.0 %</b>	<b>16.6 %</b>	<b>16.2 %</b>
Tax rate	56.3 %	63.4 %	-44.5 %	27.4 %	33.0 %	33.0 %	33.0 %
<b>Net income from continuing operations</b>	<b>3.9 %</b>	<b>4.2 %</b>	<b>21.6 %</b>	<b>9.4 %</b>	<b>10.7 %</b>	<b>11.1 %</b>	<b>10.9 %</b>
Result from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Net income</b>	<b>3.9 %</b>	<b>4.2 %</b>	<b>21.6 %</b>	<b>9.4 %</b>	<b>10.7 %</b>	<b>11.1 %</b>	<b>10.9 %</b>
Minority interest	0.4 %	-2.0 %	8.5 %	0.9 %	0.9 %	0.9 %	0.9 %
<b>Net income (net of minority interest)</b>	<b>3.6 %</b>	<b>6.3 %</b>	<b>13.1 %</b>	<b>8.5 %</b>	<b>9.8 %</b>	<b>10.2 %</b>	<b>10.0 %</b>

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2007	2008	2009	2010	2011E	2012E	2013E
<b>Intangible assets</b>	<b>18.2</b>	<b>38.7</b>	<b>42.1</b>	<b>40.9</b>	<b>40.9</b>	<b>40.9</b>	<b>40.9</b>
Property, plant and equipment	17.7	23.8	27.3	27.6	25.9	24.5	24.6
Financial assets	1.7	1.4	1.8	1.3	1.3	1.3	1.3
<b>FIXED ASSETS</b>	<b>37.7</b>	<b>63.9</b>	<b>71.1</b>	<b>69.8</b>	<b>68.1</b>	<b>66.8</b>	<b>66.8</b>
Inventories	7.7	8.6	12.6	12.7	14.4	15.3	16.1
Accounts receivable	11.5	14.0	16.2	17.3	19.2	20.4	21.5
Other current assets	2.2	3.5	6.2	3.1	7.4	7.9	8.3
Liquid assets	5.4	7.6	43.9	29.4	37.6	46.4	54.1
Deferred taxes	3.1	1.2	11.8	12.2	14.0	14.9	15.7
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>CURRENT ASSETS</b>	<b>29.9</b>	<b>34.9</b>	<b>90.8</b>	<b>74.7</b>	<b>92.5</b>	<b>104.9</b>	<b>115.6</b>
<b>TOTAL ASSETS</b>	<b>67.6</b>	<b>98.8</b>	<b>161.9</b>	<b>144.5</b>	<b>160.7</b>	<b>171.7</b>	<b>182.4</b>
SHAREHOLDERS EQUITY	36.1	40.9	76.4	68.3	74.4	84.1	128.4
MINORITY INTEREST	0.4	2.0	10.3	5.3	6.4	7.6	0.0
Long-term debt	3.9	10.8	14.3	16.0	16.0	16.0	16.0
Provisions for pensions and similar obligations	0.1	0.4	5.7	5.9	6.8	7.2	7.6
Other provisions	3.7	16.5	18.3	19.5	19.5	19.5	0.0
<b>Non-current liabilities</b>	<b>7.7</b>	<b>27.7</b>	<b>38.2</b>	<b>41.5</b>	<b>42.3</b>	<b>42.8</b>	<b>23.6</b>
short-term liabilities to banks	8.3	7.8	5.8	5.8	5.8	5.8	5.8
Accounts payable	3.9	4.3	4.4	4.3	4.7	5.0	5.3
Advance payments received on orders	0.3	1.0	8.0	3.4	4.0	2.0	0.0
Other liabilities (incl. from lease and rental contracts)	7.4	12.3	14.4	15.3	17.1	18.2	19.2
Deferred taxes	1.3	1.1	2.6	0.0	3.1	3.3	0.0
Deferred income	2.3	1.8	1.8	0.6	2.1	2.3	0.0
<b>Current liabilities</b>	<b>23.4</b>	<b>28.3</b>	<b>37.0</b>	<b>29.4</b>	<b>36.8</b>	<b>36.5</b>	<b>30.2</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>67.6</b>	<b>98.8</b>	<b>161.9</b>	<b>144.4</b>	<b>159.9</b>	<b>171.0</b>	<b>182.2</b>

Balance sheet (common size)	2007	2008	2009	2010	2011E	2012E	2013E
<b>Intangible assets</b>	<b>27.0 %</b>	<b>39.2 %</b>	<b>26.0 %</b>	<b>28.3 %</b>	<b>25.6 %</b>	<b>23.9 %</b>	<b>22.4 %</b>
Property, plant and equipment	26.3 %	24.1 %	16.8 %	19.1 %	16.2 %	14.4 %	13.5 %
Financial assets	2.6 %	1.4 %	1.1 %	0.9 %	0.8 %	0.8 %	0.7 %
<b>FIXED ASSETS</b>	<b>55.8 %</b>	<b>64.7 %</b>	<b>43.9 %</b>	<b>48.3 %</b>	<b>42.6 %</b>	<b>39.0 %</b>	<b>36.7 %</b>
Inventories	11.4 %	8.7 %	7.8 %	8.8 %	9.0 %	8.9 %	8.8 %
Accounts receivable	17.0 %	14.2 %	10.0 %	11.9 %	12.0 %	11.9 %	11.8 %
Other current assets	3.3 %	3.5 %	3.9 %	2.1 %	4.6 %	4.6 %	4.6 %
Liquid assets	8.0 %	7.7 %	27.1 %	20.4 %	23.5 %	27.1 %	29.7 %
Deferred taxes	4.6 %	1.2 %	7.3 %	8.5 %	8.8 %	8.7 %	8.6 %
Deferred charges and prepaid expenses	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>CURRENT ASSETS</b>	<b>44.2 %</b>	<b>35.3 %</b>	<b>56.1 %</b>	<b>51.7 %</b>	<b>57.9 %</b>	<b>61.4 %</b>	<b>63.5 %</b>
<b>TOTAL ASSETS</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.5 %</b>	<b>100.4 %</b>	<b>100.1 %</b>
SHAREHOLDERS EQUITY	53.5 %	41.4 %	47.2 %	47.3 %	46.5 %	49.2 %	70.4 %
MINORITY INTEREST	0.5 %	2.0 %	6.3 %	3.7 %	4.0 %	4.4 %	0.0 %
Long-term debt	5.8 %	10.9 %	8.8 %	11.1 %	10.0 %	9.4 %	8.8 %
Provisions for pensions and similar obligations	0.1 %	0.4 %	3.5 %	4.1 %	4.2 %	4.2 %	4.2 %
Other provisions	5.4 %	16.7 %	11.3 %	13.5 %	12.2 %	11.4 %	0.0 %
<b>Non-current liabilities</b>	<b>11.4 %</b>	<b>28.0 %</b>	<b>23.6 %</b>	<b>28.7 %</b>	<b>26.5 %</b>	<b>25.0 %</b>	<b>13.0 %</b>
short-term liabilities to banks	12.2 %	7.8 %	3.6 %	4.0 %	3.6 %	3.4 %	3.2 %
Accounts payable	5.7 %	4.3 %	2.7 %	3.0 %	2.9 %	2.9 %	2.9 %
Advance payments received on orders	0.4 %	1.0 %	4.9 %	2.3 %	2.5 %	1.2 %	0.0 %
Other liabilities (incl. from lease and rental contracts)	10.9 %	12.5 %	8.9 %	10.6 %	10.7 %	10.7 %	10.5 %
Deferred taxes	2.0 %	1.2 %	1.6 %	0.0 %	1.9 %	1.9 %	0.0 %
Deferred income	3.4 %	1.8 %	1.1 %	0.4 %	1.3 %	1.3 %	0.0 %
<b>Current liabilities</b>	<b>34.7 %</b>	<b>28.6 %</b>	<b>22.9 %</b>	<b>20.3 %</b>	<b>23.0 %</b>	<b>21.4 %</b>	<b>16.6 %</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>

Source: Company data, Hauck & Aufhäuser

Cash flow statement (EUR m)	2007	2008	2009	2010	2011E	2012E	2013E
Net profit/loss	2.2	3.0	15.7	10.4	13.0	14.3	14.7
Depreciation of fixed assets (incl. leases)	3.7	9.2	7.0	9.8	10.7	11.4	12.0
Amortisation of goodwill	0.0	0.0	4.4	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Others	1.9	-5.0	-0.8	1.6	0.9	0.4	0.4
Cash flow from operations before changes in w/c	7.8	7.1	26.3	16.9	24.5	26.1	27.0
Increase/decrease in inventory	-2.1	-0.8	-4.1	0.0	-1.7	-0.9	-0.8
Increase/decrease in accounts receivable	0.1	-2.5	-2.2	-1.0	-1.9	-1.2	-1.1
Increase/decrease in accounts payable	0.1	0.4	0.1	-0.1	0.4	0.3	0.3
Increase/decrease in other working capital positions	0.6	4.4	6.3	-0.6	-1.8	-1.4	-1.5
Increase/decrease in working capital	-1.2	1.5	0.2	-1.8	-5.0	-3.2	-3.1
<b>Cash flow from operating activities</b>	<b>6.6</b>	<b>8.6</b>	<b>26.5</b>	<b>15.0</b>	<b>19.5</b>	<b>22.8</b>	<b>24.0</b>
CAPEX	4.2	6.0	5.7	7.7	9.0	10.0	12.0
Payments for acquisitions	0.7	0.2	5.3	22.8	0.0	0.0	0.0
Financial investments	0.1	-0.5	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	0.2	0.2	1.3	0.2	0.0	0.0	0.0
<b>Cash flow from investing activities</b>	<b>-4.7</b>	<b>-5.5</b>	<b>-9.7</b>	<b>-30.4</b>	<b>-9.0</b>	<b>-10.0</b>	<b>-12.0</b>
Cash flow before financing	1.9	3.1	16.8	-15.4	10.5	3.9	4.3
Increase/decrease in debt position	-1.2	0.6	1.9	1.7	0.0	0.0	0.0
Purchase of own shares	0.0	0.0	4.5	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	24.4	1.3	0.0	0.0	0.0
Dividends paid	0.8	0.8	0.6	2.3	3.1	3.9	4.3
Others	-0.3	-0.1	-1.6	0.0	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.2	0.1	-0.3	0.4	0.0	0.0	0.0
<b>Cash flow from financing activities</b>	<b>-2.2</b>	<b>-0.3</b>	<b>19.5</b>	<b>0.7</b>	<b>-3.1</b>	<b>-3.9</b>	<b>-4.3</b>
Increase/decrease in liquid assets	-0.1	2.9	36.0	-14.2	7.4	n/a	n/a
<b>Liquid assets at end of period</b>	<b>5.4</b>	<b>7.6</b>	<b>43.6</b>	<b>29.4</b>	<b>36.8</b>	<b>45.7</b>	<b>53.4</b>

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2007	2008	2009	2010	2011E	2012E	2013E
Domestic	0.0	0.0	0.0	0.0	0.0	0.0	0.0
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Rest of Europe	30.8	43.9	61.9	67.8	73.6	78.3	82.4
yoy change	18.0 %	42.5 %	40.9 %	9.6 %	8.6 %	6.4 %	5.2 %
NAFTA	19.0	20.3	27.4	31.1	35.0	38.5	40.5
yoy change	3.3 %	6.8 %	34.9 %	13.6 %	12.4 %	10.1 %	5.2 %
Asia Pacific	2.6	6.2	10.1	11.1	10.9	10.3	10.8
yoy change	-7.1 %	138.5 %	63.5 %	9.6 %	-2.3 %	-5.4 %	5.2 %
Rest of world	2.0	1.2	2.0	1.1	1.2	1.3	1.4
yoy change	-35.5 %	-40.0 %	69.0 %	-45.2 %	8.6 %	6.4 %	5.2 %
<b>TTL</b>	<b>54.4</b>	<b>71.6</b>	<b>101.4</b>	<b>111.1</b>	<b>120.6</b>	<b>128.4</b>	<b>135.0</b>
yoy change	7.9 %	31.6 %	41.6 %	9.6 %	8.6 %	6.4 %	5.2 %

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2007	2008	2009	2010	2011E	2012E	2013E
<b>P&amp;L growth analysis</b>							
Sales growth	8.1 %	31.5 %	41.6 %	9.6 %	8.6 %	6.4 %	5.2 %
EBITDA growth	-7.4 %	93.1 %	20.4 %	17.1 %	22.8 %	8.5 %	1.0 %
EBIT growth	1.6 %	60.6 %	61.3 %	7.2 %	31.2 %	9.6 %	-1.0 %
EPS growth	-12.6 %	131.0 %	143.0 %	-48.0 %	26.3 %	10.0 %	2.9 %
<b>Efficiency</b>							
Total operating costs / sales	38.4 %	34.3 %	35.2 %	37.1 %	34.0 %	33.4 %	34.5 %
Sales per employee	174.5	181.3	202.8	209.6	223.4	233.4	n/a
EBITDA per employee	31.1	47.4	45.1	49.8	60.1	64.0	n/a
<b>Balance sheet analysis</b>							
Avg. working capital / sales	25.6 %	22.5 %	16.6 %	17.4 %	19.5 %	20.8 %	22.6 %
Inventory turnover (sales/inventory)	7.1	8.4	8.0	8.8	8.4	8.4	8.4
Trade debtors in days of sales	76.8	71.3	58.3	56.7	58.0	58.0	58.0
A/P turnover [(A/P*365)/sales]	51.4	41.8	32.1	29.6	29.6	29.6	29.6
Cash conversion cycle (days)	127.5	112.9	117.9	113.9	118.9	118.9	n/a
<b>Cash flow analysis</b>							
Free cash flow	2.5	2.6	20.8	7.3	10.5	12.8	12.0
Free cash flow/sales	4.5 %	3.6 %	20.5 %	6.6 %	8.7 %	10.0 %	8.9 %
FCF / net profit	126.7 %	57.9 %	156.9 %	77.5 %	88.2 %	98.3 %	88.9 %
FCF yield	2.7 %	2.8 %	13.6 %	4.8 %	6.9 %	8.4 %	7.8 %
Capex / depre	113.8 %	59.7 %	49.8 %	78.5 %	84.2 %	87.9 %	100.3 %
Capex / maintenance capex	0.0 %	0.0 %	0.0 %	78.5 %	84.2 %	87.9 %	100.3 %
Capex / sales	7.8 %	7.6 %	5.6 %	7.0 %	7.5 %	7.8 %	8.9 %
<b>Security</b>							
Net debt	6.8	10.9	-23.8	-7.6	-15.8	-24.6	-32.3
Net Debt/EBITDA	0.7	0.6	0.0	0.0	0.0	0.0	0.0
Net debt / equity	0.2	0.3	-0.3	-0.1	-0.2	-0.3	-0.3
Interest cover	7.2	7.7	11.6	6.6	8.0	8.2	7.7
Dividend payout ratio	44.5 %	14.1 %	17.4 %	32.7 %	32.8 %	32.8 %	36.2 %
<b>Asset utilisation</b>							
Capital employed turnover	1.0	0.9	0.8	1.0	1.0	1.0	0.9
Operating assets turnover	1.7	1.7	2.3	2.2	2.4	2.4	2.4
Plant turnover	3.1	3.0	3.7	4.0	4.7	5.2	5.5
Inventory turnover (sales/inventory)	7.1	8.4	8.0	8.8	8.4	8.4	8.4
<b>Returns</b>							
ROCE	11.1 %	10.4 %	14.4 %	16.2 %	18.9 %	18.9 %	16.3 %
ROE	5.4 %	11.0 %	17.3 %	13.8 %	16.0 %	15.5 %	10.5 %
<b>Other</b>							
Interest paid / avg. debt	7.3 %	8.1 %	6.9 %	12.0 %	12.5 %	13.3 %	14.0 %
No. employees (average)	312	395	500	530	540	550	0
Number of shares	3.1	3.1	3.8	5.2	5.2	5.2	5.2
DPS	0.3	0.3	0.5	0.6	0.8	0.8	0.0
EPS reported	0.62	1.43	3.48	1.81	2.29	2.51	2.59
<b>Valuation ratios</b>							
P/BV	2.6	2.3	1.5	2.3	2.1	1.8	1.2
EV/sales	1.8	1.4	1.3	1.4	1.2	1.1	0.9
EV/EBITDA	10.2	5.5	6.1	5.7	4.4	3.8	3.6
EV/EBITA	16.6	10.8	6.1	9.1	6.6	5.7	5.4
EV/EBIT	16.6	10.8	9.0	9.1	6.6	5.7	5.4
EV/FCF	40.2	39.7	6.5	20.7	13.7	10.5	10.7
Dividend yield	0.8 %	1.0 %	1.5 %	2.0 %	2.5 %	2.8 %	2.9 %

Source: Company data, Hauck & Aufhäuser

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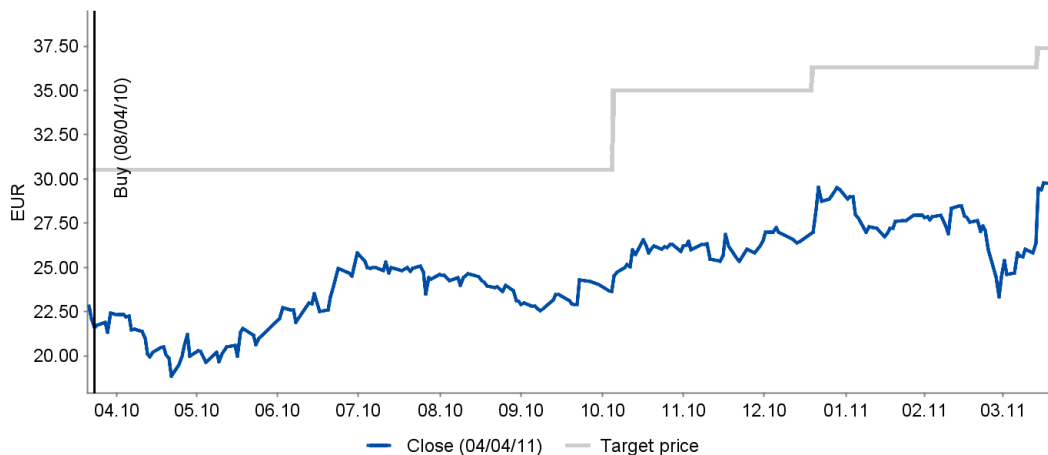
Company	Disclosure
Eckert & Ziegler AG	2

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### Historical target price and rating changes for Eckert & Ziegler AG in the last 12 months

#### Price and Rating History Eckert & Ziegler AG as of 05/04/11

**Initiation coverage**  
08-April-10



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