

**Buy** (old: Buy)

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

<b>Price:</b>	EUR 30.00	<b>Next result:</b>	Q2 02.08.11
<b>Bloomberg:</b>	EUZ GR	<b>Market cap:</b>	EUR 147.2 m
<b>Reuters:</b>	EUZG.DE	<b>Enterprise Value:</b>	EUR 139.0 m

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### Acquisition in the US supports consolidation story, BUY

- The target is the **radiopharmaceutical equipment business of Bioscan, a privately held US company that is a leading player in radioanalytics and radiochemistry**. The unit acquired involves both analytical instruments used in quality assurance and automated radiopharmaceutical synthesis units, similar to the EUZ's gallium generators. The latter are used by the pharma industry to produce short lived isotopes on-site. Hence the acquisition will enable to offer clients a one-stop shop. **EUZ is already present in the US** where it generates **27% of sales and about 35% of group earnings** thanks essentially in calibration sources, thanks to the acquisition of nuclitec in 2009 and of the sealed sources unit of North American scientific in 2008, hence **execution risks are limited**.
- Bioscan is selling this unit as it is focusing on its molecular imaging business, involving pre-clinical imaging products.
- Financials are not disclosed. We estimate the **target's sales at USD 3m** (€ 2.1m) with a very profitable **EBIT margin of 30%** at USD 1m (€ 0.7m) for FY 2011E, backed by market leadership. By contrast EUZ's RadPharm is expected to generate an expected EBIT margin of 20% for FY 2011 as it is ramping up cyclotron capacities and investing in the roll-out of its Yttriga product line, indefinitely approved in January by the EU after an initial test phase, to feature in the numerous drugs to treat liver, intestinal and blood cancers.
- The deal seems to have been non-recourse debt financed and the target will be consolidated as of July 1, 2011. **Impact on 2011E minimal**, so numbers unchanged. Current guidance is sales of € 110 to € 120m (€ 120.6m), net income of at least € 10m (eH&A € 11.9m). **Should Q2 be as strong as Q1, a guidance upgrade should be in the cards, adding further support to the mid term share price development.**
- The Bioscan deal fully supports our consolidation investment case for EUZ.** The company targets sales of € 200m by 2014E both organically and via external growth with an EBIT margin of at least 15%, which would imply a fair value of € 57 per share on 2014E and assuming half of the growth is external (@ 1x sales).
- Remains a BUY PT € 38.50 on FCF Yield 2011E (€ 44.5 on FCF Yield 2012E).**



Source: Company data, Hauck & Aufhäuser

**High/low 52 weeks:** 31.11 / 22.55

**Price/Book Ratio:** 2.1

**Relative performance (SDAX):**

3 months -5.5 %

6 months -3.9 %

12 months -12.3 %

### Changes in estimates

		Sales	EBIT	EPS
2011	old:	120.6	21.8	2.29
	Δ	-	-	-
2012	old:	128.4	23.8	2.51
	Δ	-	-	-
2013	old:	135.0	29.5	3.30
	Δ	-	-	-

### 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.

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	41.5
EBIT	6.0	9.6	15.5	16.6	21.8	23.8	29.5
Net income	1.9	4.5	13.3	9.4	11.9	13.1	17.1
Net debt	6.8	10.9	-23.8	-7.6	-15.0	-23.9	-35.7
Net gearing	18.7 %	26.6 %	-31.2 %	-11.2 %	-20.2 %	-28.5 %	-27.0 %
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	3.29
CPS	0.93	1.16	3.71	1.01	1.71	2.23	3.12
DPS	0.25	0.30	0.45	0.60	0.76	0.83	0.00
Dividend yield	0.9 %	1.0 %	1.6 %	2.1 %	2.6 %	2.9 %	3.8 %
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 %	30.7 %
EBIT margin	11.0 %	13.4 %	15.2 %	14.9 %	18.0 %	18.6 %	21.9 %
ROCE	11.1 %	10.4 %	14.4 %	16.2 %	19.0 %	19.0 %	20.2 %
EV/sales	1.8	1.4	1.3	1.3	1.2	1.0	0.9
EV/EBITDA	9.9	5.3	5.8	5.5	4.3	3.7	2.9
EV/EBIT	16.0	10.5	8.6	8.8	6.4	5.5	4.0
PER	46.7	20.1	14.5	15.8	12.6	11.4	8.7
Adjusted FCF yield	3.2 %	10.0 %	9.8 %	8.0 %	10.3 %	12.3 %	16.5 %

Source: Company data, Hauck & Aufhäuser Close price as of: 05.07.2011

## 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	-4.6
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>41.5</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>29.5</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>29.5</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	-1.6
<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>27.9</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>27.9</b>
Taxes	2.8	5.3	-6.7	3.9	6.4	7.0	9.2
<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>18.7</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>18.7</b>
Minority interest	0.2	-1.5	8.6	1.0	1.1	1.2	1.6
<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>17.1</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>3.30</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 %	-3.4 %
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>30.7 %</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>21.9 %</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>21.9 %</b>
Interest income	0.1 %	0.1 %	0.1 %	0.3 %	0.3 %	0.3 %	1.1 %
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 %	-1.2 %
<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>20.7 %</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>20.7 %</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>13.9 %</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>13.9 %</b>
Minority interest	0.4 %	-2.0 %	8.5 %	0.9 %	0.9 %	0.9 %	1.2 %
<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>12.7 %</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	36.8	45.7	57.5
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>91.8</b>	<b>104.3</b>	<b>119.0</b>
<b>TOTAL ASSETS</b>	<b>67.6</b>	<b>98.8</b>	<b>161.9</b>	<b>144.5</b>	<b>159.9</b>	<b>171.0</b>	<b>185.8</b>
SHAREHOLDERS EQUITY	36.1	40.9	76.4	68.3	74.4	84.1	131.9
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>185.8</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>22.0 %</b>
Property, plant and equipment	26.3 %	24.1 %	16.8 %	19.1 %	16.2 %	14.4 %	13.2 %
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>36.0 %</b>
Inventories	11.4 %	8.7 %	7.8 %	8.8 %	9.0 %	8.9 %	8.7 %
Accounts receivable	17.0 %	14.2 %	10.0 %	11.9 %	12.0 %	11.9 %	11.5 %
Other current assets	3.3 %	3.5 %	3.9 %	2.1 %	4.6 %	4.6 %	4.5 %
Liquid assets	8.0 %	7.7 %	27.1 %	20.4 %	23.0 %	26.8 %	30.9 %
Deferred taxes	4.6 %	1.2 %	7.3 %	8.5 %	8.8 %	8.7 %	8.5 %
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>57.4 %</b>	<b>61.0 %</b>	<b>64.0 %</b>
<b>TOTAL ASSETS</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>
SHAREHOLDERS EQUITY	53.5 %	41.4 %	47.2 %	47.3 %	46.5 %	49.2 %	71.0 %
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 %	8.6 %
Provisions for pensions and similar obligations	0.1 %	0.4 %	3.5 %	4.1 %	4.2 %	4.2 %	4.1 %
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>12.7 %</b>
short-term liabilities to banks	12.2 %	7.8 %	3.6 %	4.0 %	3.6 %	3.4 %	3.1 %
Accounts payable	5.7 %	4.3 %	2.7 %	3.0 %	2.9 %	2.9 %	2.8 %
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 %	10.3 %
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>16.3 %</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	18.7
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	31.0
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>28.0</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>57.5</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 %	17.9 %
EBIT growth	1.6 %	60.6 %	61.3 %	7.2 %	31.2 %	9.6 %	23.9 %
EPS growth	-12.6 %	131.0 %	143.0 %	-48.0 %	26.3 %	10.0 %	31.2 %
<b>Efficiency</b>							
Total operating costs / sales	38.4 %	34.3 %	35.2 %	37.1 %	34.0 %	33.4 %	30.1 %
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	16.0
Free cash flow/sales	4.5 %	3.6 %	20.5 %	6.6 %	8.7 %	10.0 %	11.8 %
FCF / net profit	126.7 %	57.9 %	156.9 %	77.5 %	88.2 %	98.3 %	93.3 %
FCF yield	2.8 %	2.9 %	14.1 %	5.0 %	7.1 %	8.7 %	10.9 %
Capex / depn	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	-15.0	-23.9	-35.7
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	9.7
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	0.8
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 %	19.0 %	19.0 %	20.2 %
ROE	5.4 %	11.0 %	17.3 %	13.8 %	16.0 %	15.5 %	13.0 %
<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	3.30
<b>Valuation ratios</b>							
P/BV	2.5	2.2	1.4	2.2	2.0	1.8	1.1
EV/sales	1.8	1.4	1.3	1.3	1.2	1.0	0.9
EV/EBITDA	9.9	5.3	5.8	5.5	4.3	3.7	2.9
EV/EBITA	16.0	10.5	5.8	8.8	6.4	5.5	4.0
EV/EBIT	16.0	10.5	8.6	8.8	6.4	5.5	4.0
EV/FCF	38.8	38.4	6.2	19.9	13.3	10.2	7.5
Dividend yield	0.9 %	1.0 %	1.6 %	2.1 %	2.6 %	2.9 %	3.8 %

Source: Company data, Hauck & Aufhäuser

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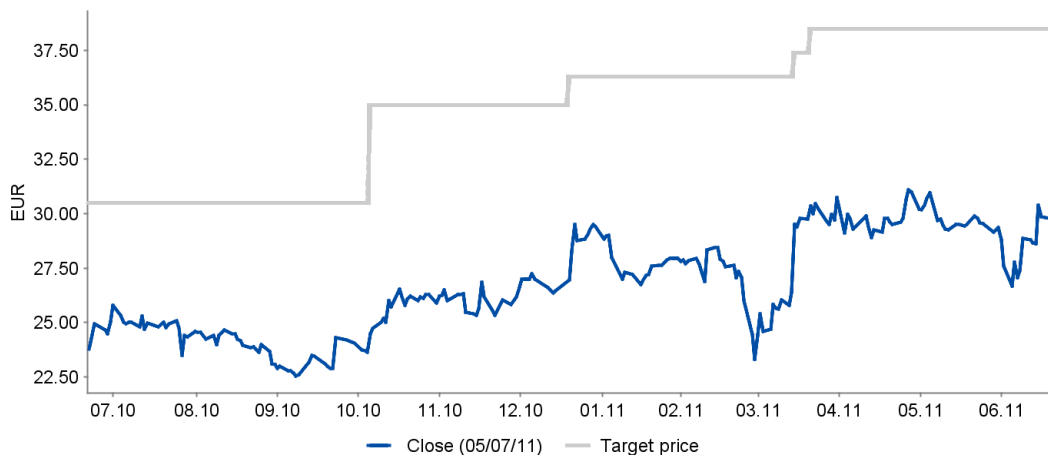
Company	Disclosure
Eckert & Ziegler AG	2

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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 06/07/11**

**Initiation coverage**  
08-April-10



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<b>Buy</b>	76.47 %	66.67 %
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**Buy:** Sustainable upside potential of more than 10% within 12 months.

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