

Buy (old: Buy)

Price target: EUR 30.50 (old: EUR 30.50)

Price: EUR 24.82 **Next result:** H1 2010 03.08.10
Bloomberg: EUZ GR **Market cap:** EUR 127.5 m
Reuters: EUZG.DE **Enterprise Value:** EUR 124.4 m

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Preview Q2: On track to achieve full year numbers
Q2 2010 results due on Tuesday August 3rd, conference call at 10:00 AM CET

Sales are expected up 3.5% yoy at € 26.5m (€ 25.6m in 2009, adjusted for Russian JV). Nuclear Medicine and Industry sales are expected down 12.4% yoy, given and exceptionally strong Q1 2010 and an expected temporary slow down in the oil drill bits business. This is due to raw input bottlenecks which we highlighted in the past and which we view as temporary as the company seeks to diversify supply sources. EUZ has a solid track record in identifying and tapping isotope sources on world markets. Therapy sales are expected up 16% yoy once we adjust for Russian JV sales re-booked as prepayments in 2009 (approx. € 2.5m). Growth is supported by first shipments to the Russian seed implants JV founded last year. RadPharm is expected flat yoy, with the new line of Gallium generators shipped at year end.

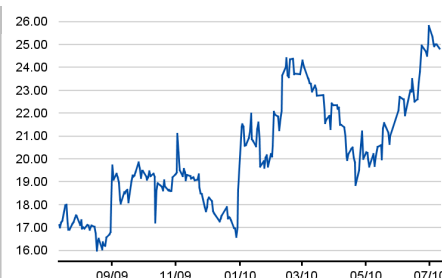
EBIT is seen up 5.3% € 4.3 m (€ 4.1m). The EBIT margin is seen down 70 bps yoy at 14% due to a lower oil-drill bits contribution and expected acceleration in R+D spend for plastic seed implants. **The EBIT margin for H1 is expected at 17.7%, up 340 bps yoy, supported by a very strong Q1.** The full year adjusted EBIT margin is expected up 10 bps down at 14.4%.

Net profit is expected up 11% at € 2.0m (€ 1.8m), thanks to lower minorities following the acquisition of a remaining 33.5% in Belgian subsidiary lbt, which closed early April. **EPS is estimated at € 0.38 (€ 0.48) and down some 21% yoy** as the number of shares outstanding is up 38% following the € 21.5m capital increase of December 2009.

Remains a BUY, PT € 30.50 on FCF Yield 2011E:

1. The stock is cheap: EV/EBIT 2011E 7.3x.
2. Nuclear medicine specialist whose competitive **quality comes down to know-how, access to hard-to-get isotopes and scale.**
3. **Acquisitive with a healthy balance sheet** and at least one deal currently in the pipeline, which should drive theme and growth further.

-Continued-



Source: Company data, Hauck & Aufhäuser

High/low 52 weeks: 25.80 / 16.00
Price/Book Ratio: 1.5
Relative performance (SDAX):
3 months 16.2 %
6 months -0.5 %
12 months 7.8 %

Changes in estimates

		Sales	EBIT	EPS
2010	old:	105.6	15.2	1.70
	Δ	-	-	-
2011	old:	111.9	16.6	1.86
	Δ	-	-	-
2012	old:	119.5	18.0	2.05
	Δ	-	-	-

Key share data:

Number of shares: (in m pcs) 5.3
Authorised capital: (in € m) 0.6
Book value per share: (in €) 16.7
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)	2006	2007	2008	2009	2010E	2011E	2012E
Sales	50.4	54.4	71.6	101.4	105.6	111.9	119.5
Sales growth	21 %	8 %	32 %	42 %	4 %	6 %	7 %
EBITDA	10.5	9.7	18.7	22.6	22.5	23.9	26.0
EBIT	5.9	6.0	9.6	15.5	15.2	16.6	18.0
Net income	2.2	1.9	4.5	13.3	8.9	9.8	10.8
Net debt	4.9	6.8	10.9	-23.8	-9.0	-13.1	-19.7
Net gearing	13.7 %	18.7 %	26.6 %	-31.2 %	-10.2 %	-13.5 %	-18.6 %
Net Debt/EBITDA	0.5	0.7	0.6	0.0	0.0	0.0	0.0
EPS fully diluted	0.70	0.61	1.43	3.48	1.69	1.85	2.04
CPS	-0.01	0.93	1.16	3.71	1.36	1.55	1.85
DPS	0.25	0.25	0.30	0.45	0.45	0.45	0.45
Dividend yield	1.0 %	1.0 %	1.2 %	1.8 %	1.8 %	1.8 %	1.8 %
Gross profit margin	47.5 %	49.3 %	47.7 %	50.4 %	51.5 %	51.5 %	51.5 %
EBITDA margin	20.8 %	17.8 %	26.2 %	22.2 %	21.3 %	21.4 %	21.8 %
EBIT margin	11.7 %	11.0 %	13.4 %	15.2 %	14.4 %	14.8 %	15.1 %
ROCE	11.1 %	11.1 %	10.4 %	14.4 %	11.9 %	12.0 %	12.3 %
EV/sales	1.6	1.5	1.2	1.1	1.2	1.1	1.0
EV/EBITDA	7.8	8.6	4.7	4.9	5.5	5.0	4.4
EV/EBIT	14.0	14.0	9.2	7.3	8.2	7.3	6.4
PER	27.9	40.4	17.4	12.6	14.7	13.4	12.2
Adjusted FCF yield	4.9 %	3.7 %	11.4 %	11.5 %	8.0 %	9.2 %	11.2 %

Source: Company data, Hauck & Aufhäuser Close price as of: 26.07.2010

EUR	Q2 10 est.	Q2 09	yoy	H1 10 est.	H1 09	yoy
Sales*	27.0	28.1	-3.9%	52.7	52.4	0.6%
Nuclear Medicine and Industry	12.5	14.3	-12.4%	25.7	27.0	-4.6%
Therapy	8.0	9.4	-15.1%	14.4	16.3	-11.8%
Radiopharmacy	5.0	4.8	4.2%	9.8	9.7	0.9%
Environment	1.5	n.a.	n.a.	2.8	n.a.	n.a.
Gross profit	14.8	15.0	-1.5%	28.9	27.6	4.6%
<i>Gross margin</i>	<i>54.8%</i>	<i>53.5%</i>	<i>+ 1.3 pp</i>	<i>54.8%</i>	<i>52.7%</i>	<i>+ 2.1 pp</i>
EBIT	4.3	4.1	5.3%	9.3	7.5	24.9%
<i>Margin</i>	<i>14.0%</i>	<i>14.7%</i>	<i>- 0.7 pp</i>	<i>17.7%</i>	<i>14.3%</i>	<i>+ 3.4 pp</i>
Nuclear Medicine and Industry	2.6	2.9	-9.6%	6.9	5.1	33.8%
<i>Margin</i>	<i>22.0%</i>	<i>20.2%</i>	<i>+ 1.8 pp</i>	<i>26.6%</i>	<i>19.0%</i>	<i>+ 7.6 pp</i>
Therapy	1.4	2.2	-35.5%	2.1	3.1	-34.2%
<i>Margin</i>	<i>18.0%</i>	<i>23.7%</i>	<i>- 5.7 pp</i>	<i>14.3%</i>	<i>19.2%</i>	<i>- 4.9 pp</i>
Radiopharmacy	0.3	0.0	n.a.	1.0	0.7	58.2%
<i>Margin</i>	<i>1.1%</i>	<i>0.0%</i>	<i>+ 1.1 pp</i>	<i>10.6%</i>	<i>6.8%</i>	<i>+ 3.9 pp</i>
Environment	0.0	n.a.	n.a.	0.0	n.a.	n.a.
<i>Margin</i>	<i>0.0%</i>	<i>n.a.</i>	<i>n.a.</i>	<i>0.0%</i>	<i>n.a.</i>	<i>n.a.</i>
Net profit	2.0	1.8	11.1%	4.5	4.0	14.0%
<i>Net margin</i>	<i>7.4%</i>	<i>6.4%</i>	<i>+ 1.0 pp</i>	<i>8.6%</i>	<i>7.6%</i>	<i>+ 1.0 pp</i>
EPS	0.38	0.48	-20.8%	0.86	1.09	-21.2%

* Includes € 2.5m in sales from shipments to the Russian JV in 2009, later reclassified as prepayments.

Financials

Profit and loss (EUR m)	2006	2007	2008	2009	2010E	2011E	2012E
Sales	50.4	54.4	71.6	101.4	105.6	111.9	119.5
<i>Sales growth</i>	20.5 %	8.1 %	31.5 %	41.6 %	4.1 %	6.0 %	6.8 %
Cost of sales	26.5	27.6	37.5	50.3	51.2	54.3	58.0
Gross profit	23.9	26.9	34.2	51.1	54.4	57.6	61.6
Sales and marketing	8.7	10.2	15.1	18.4	20.1	20.1	20.9
General and administration	10.3	10.5	14.6	19.1	19.8	20.7	21.8
Research and development	0.3	0.3	3.1	2.5	4.2	4.5	4.2
Other operating income	1.5	0.6	17.2	9.3	3.2	3.4	3.6
Other operating expenses	0.2	0.5	9.0	5.0	-1.8	-0.9	0.2
Unusual or infrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	10.5	9.7	18.7	22.6	22.5	23.9	26.0
Depreciation	4.6	3.7	9.2	7.1	7.3	7.4	8.0
EBITA	5.9	6.0	9.6	15.5	15.2	16.6	18.0
Amortisation of goodwill	0.0	0.0	0.0	4.4	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
EBIT	5.9	6.0	9.6	15.5	15.2	16.6	18.0
Interest income	0.0	0.1	0.1	0.1	0.4	0.4	0.4
Interest expenses	0.9	0.8	1.2	1.3	1.7	1.7	1.7
Other financial result	0.4	-0.3	-0.1	1.0	0.0	0.0	0.0
Financial result	-1.1	-1.1	-1.3	-0.3	-1.4	-1.3	-1.3
Recurring pretax income from continuing operations	4.7	4.9	8.3	15.2	13.8	15.2	16.8
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	4.7	4.9	8.3	15.2	13.8	15.2	16.8
Taxes	1.6	2.8	5.3	-6.7	4.2	4.6	5.0
Net income from continuing operations	3.1	2.2	3.0	21.9	9.7	10.6	11.7
Result from discontinued operations (net of tax)	0.6	0.0	0.0	0.0	0.0	0.0	0.0
Net income	2.5	2.2	3.0	21.9	9.7	10.6	11.7
Minority interest	0.3	0.2	-1.5	8.6	0.8	0.9	0.9
Net income (net of minority interest)	2.2	1.9	4.5	13.3	8.9	9.8	10.8
Average number of shares	3.1	3.1	3.1	3.8	5.3	5.3	5.3
EPS reported	0.71	0.62	1.43	3.48	1.70	1.86	2.05

Profit and loss (common size)	2006	2007	2008	2009	2010E	2011E	2012E
Sales	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Cost of sales	52.5 %	50.7 %	52.3 %	49.6 %	48.5 %	48.5 %	48.5 %
Gross profit	47.5 %	49.3 %	47.7 %	50.4 %	51.5 %	51.5 %	51.5 %
Sales and marketing	17.2 %	18.8 %	21.1 %	18.2 %	19.0 %	18.0 %	17.5 %
General and administration	20.5 %	19.2 %	20.4 %	18.8 %	18.8 %	18.5 %	18.3 %
Research and development	0.7 %	0.5 %	4.3 %	2.5 %	4.0 %	4.0 %	3.5 %
Other operating income	2.9 %	1.0 %	24.1 %	9.2 %	3.0 %	3.0 %	3.0 %
Other operating expenses	0.4 %	0.9 %	12.5 %	4.9 %	-1.7 %	-0.8 %	0.2 %
Unusual or infrequent items	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBITDA	20.8 %	17.8 %	26.2 %	22.2 %	21.3 %	21.4 %	21.8 %
Depreciation	9.1 %	6.9 %	12.8 %	7.0 %	6.9 %	6.6 %	6.7 %
EBITA	11.7 %	11.0 %	13.4 %	15.2 %	14.4 %	14.8 %	15.1 %
Amortisation of goodwill	0.0 %	0.0 %	0.0 %	4.3 %	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 %
EBIT	11.7 %	11.0 %	13.4 %	15.2 %	14.4 %	14.8 %	15.1 %
Interest income	0.0 %	0.1 %	0.1 %	0.1 %	0.4 %	0.4 %	0.4 %
Interest expenses	1.7 %	1.5 %	1.7 %	1.3 %	1.7 %	1.6 %	1.4 %
Other financial result	0.8 %	-0.5 %	-0.2 %	0.9 %	0.0 %	0.0 %	0.0 %
Financial result	-2.2 %	-1.9 %	-1.8 %	-0.3 %	-1.3 %	-1.2 %	-1.1 %
Recurring pretax income from continuing operations	9.4 %	9.0 %	11.6 %	14.9 %	13.1 %	13.6 %	14.0 %
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Earnings before taxes	9.4 %	9.0 %	11.6 %	14.9 %	13.1 %	13.6 %	14.0 %
Tax rate	33.9 %	56.3 %	63.4 %	-44.5 %	30.0 %	30.0 %	30.0 %
Net income from continuing operations	6.2 %	3.9 %	4.2 %	21.6 %	9.2 %	9.5 %	9.8 %
Result from discontinued operations (net of tax)	1.2 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income	5.1 %	3.9 %	4.2 %	21.6 %	9.2 %	9.5 %	9.8 %
Minority interest	0.6 %	0.4 %	-2.0 %	8.5 %	0.7 %	0.8 %	0.8 %
Net income (net of minority interest)	4.4 %	3.6 %	6.3 %	13.1 %	8.4 %	8.8 %	9.0 %

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2006	2007	2008	2009	2010E	2011E	2012E
Intangible assets	18.0	18.2	38.7	42.1	55.3	55.3	55.3
Property, plant and equipment	15.9	17.7	23.8	27.3	29.0	30.6	30.6
Financial assets	2.2	1.7	1.4	1.8	1.8	1.8	1.8
FIXED ASSETS	36.1	37.7	63.9	71.1	86.0	87.6	87.6
Inventories	5.9	7.7	8.6	12.6	13.2	14.0	14.9
Accounts receivable	11.1	11.5	14.0	16.2	16.9	17.9	19.1
Other current assets	0.0	2.2	3.5	6.2	6.5	6.9	7.4
Liquid assets	5.8	5.4	7.6	43.9	36.4	40.4	47.1
Deferred taxes	4.1	3.1	1.2	11.8	12.3	13.0	13.9
Deferred charges and prepaid expenses	1.2	0.0	0.0	0.0	0.0	0.0	0.0
CURRENT ASSETS	28.1	29.9	34.9	90.8	85.2	92.2	102.4
TOTAL ASSETS	64.2	67.6	98.8	161.9	171.2	179.8	190.0
SHAREHOLDERS EQUITY	35.9	36.1	40.9	76.4	88.6	96.5	105.6
MINORITY INTEREST	0.4	0.4	2.0	10.3	1.0	1.9	2.8
Long-term debt	7.3	3.9	10.8	14.3	21.6	21.6	21.6
Provisions for pensions and similar obligations	0.1	0.1	0.4	5.7	5.9	6.3	6.7
Other provisions	3.4	3.7	16.5	18.3	18.3	18.3	18.3
Non-current liabilities	10.9	7.7	27.7	38.2	45.8	46.1	46.6
short-term liabilities to banks	3.4	8.3	7.8	5.8	5.8	5.8	5.8
Accounts payable	3.9	3.9	4.3	4.4	4.5	4.8	5.1
Advance payments received on orders	0.3	0.3	1.0	8.0	6.0	4.0	2.0
Other liabilities (incl. from lease and rental contracts)	5.2	7.4	12.3	14.4	15.0	15.9	17.0
Deferred taxes	2.0	1.3	1.1	2.6	2.7	2.8	3.0
Deferred income	2.2	2.3	1.8	1.8	1.9	2.0	2.1
Current liabilities	17.0	23.4	28.3	37.0	35.9	35.3	35.0
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	64.2	67.6	98.8	161.9	171.2	179.8	190.0

Balance sheet (common size)	2006	2007	2008	2009	2010E	2011E	2012E
Intangible assets	28.0 %	27.0 %	39.2 %	26.0 %	32.3 %	30.7 %	29.1 %
Property, plant and equipment	24.8 %	26.3 %	24.1 %	16.8 %	16.9 %	17.0 %	16.1 %
Financial assets	3.4 %	2.6 %	1.4 %	1.1 %	1.0 %	1.0 %	0.9 %
FIXED ASSETS	56.2 %	55.8 %	64.7 %	43.9 %	50.2 %	48.7 %	46.1 %
Inventories	9.2 %	11.4 %	8.7 %	7.8 %	7.7 %	7.8 %	7.9 %
Accounts receivable	17.3 %	17.0 %	14.2 %	10.0 %	9.9 %	9.9 %	10.1 %
Other current assets	0.0 %	3.3 %	3.5 %	3.9 %	3.8 %	3.8 %	3.9 %
Liquid assets	9.0 %	8.0 %	7.7 %	27.1 %	21.2 %	22.5 %	24.8 %
Deferred taxes	6.4 %	4.6 %	1.2 %	7.3 %	7.2 %	7.2 %	7.3 %
Deferred charges and prepaid expenses	1.9 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
CURRENT ASSETS	43.8 %	44.2 %	35.3 %	56.1 %	49.8 %	51.3 %	53.9 %
TOTAL ASSETS	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
SHAREHOLDERS EQUITY	55.9 %	53.5 %	41.4 %	47.2 %	51.7 %	53.7 %	55.6 %
MINORITY INTEREST	0.7 %	0.5 %	2.0 %	6.3 %	0.6 %	1.0 %	1.5 %
Long-term debt	11.4 %	5.8 %	10.9 %	8.8 %	12.6 %	12.0 %	11.4 %
Provisions for pensions and similar obligations	0.2 %	0.1 %	0.4 %	3.5 %	3.5 %	3.5 %	3.5 %
Other provisions	5.4 %	5.4 %	16.7 %	11.3 %	10.7 %	10.2 %	9.6 %
Non-current liabilities	17.0 %	11.4 %	28.0 %	23.6 %	26.7 %	25.7 %	24.5 %
short-term liabilities to banks	5.2 %	12.2 %	7.8 %	3.6 %	3.4 %	3.2 %	3.1 %
Accounts payable	6.0 %	5.7 %	4.3 %	2.7 %	2.6 %	2.7 %	2.7 %
Advance payments received on orders	0.5 %	0.4 %	1.0 %	4.9 %	3.5 %	2.2 %	1.1 %
Other liabilities (incl. from lease and rental contracts)	8.0 %	10.9 %	12.5 %	8.9 %	8.8 %	8.8 %	8.9 %
Deferred taxes	3.1 %	2.0 %	1.2 %	1.6 %	1.6 %	1.6 %	1.6 %
Deferred income	3.5 %	3.4 %	1.8 %	1.1 %	1.1 %	1.1 %	1.1 %
Current liabilities	26.4 %	34.7 %	28.6 %	22.9 %	20.9 %	19.6 %	18.4 %
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

Source: Company data, Hauck & Aufhäuser

Cash flow statement (EUR m)	2006	2007	2008	2009	2010E	2011E	2012E
Net profit/loss	2.5	2.2	3.0	15.7	9.7	10.6	11.7
Depreciation of fixed assets (incl. leases)	4.6	3.7	9.2	7.0	7.3	7.4	8.0
Amortisation of goodwill	0.0	0.0	0.0	4.4	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	-1.0	1.9	-5.0	-0.8	0.2	0.4	0.4
Cash flow from operations before changes in w/c	6.2	7.8	7.1	26.3	17.2	18.4	20.2
Increase/decrease in inventory	-0.1	-2.1	-0.8	-4.1	-0.6	-0.8	-1.0
Increase/decrease in accounts receivable	-1.9	0.1	-2.5	-2.2	-0.7	-1.0	-1.2
Increase/decrease in accounts payable	0.3	0.1	0.4	0.1	0.1	0.3	0.3
Increase/decrease in other working capital positions	0.1	0.6	4.4	6.3	-1.7	-1.5	-1.4
Increase/decrease in working capital	-1.6	-1.2	1.5	0.2	-2.8	-3.0	-3.2
Cash flow from operating activities	4.6	6.6	8.6	26.5	14.4	15.4	16.9
CAPEX	4.2	4.2	6.0	5.7	9.0	9.0	8.0
Payments for acquisitions	0.0	0.7	0.2	5.3	22.2	0.0	0.0
Financial investments	-1.4	0.1	-0.5	0.0	0.0	0.0	0.0
Income from asset disposals	0.1	0.2	0.2	1.3	0.0	0.0	0.0
Cash flow from investing activities	-2.7	-4.7	-5.5	-9.7	-31.2	-9.0	-8.0
Cash flow before financing	1.9	1.9	3.1	16.8	-16.8	6.4	2.3
Increase/decrease in debt position	-1.3	-1.2	0.6	1.9	7.3	0.0	0.0
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	24.4	0.0	0.0	0.0
Dividends paid	0.5	0.8	0.8	0.6	2.3	2.3	2.3
Others	-0.3	-0.3	-0.1	-1.6	0.0	0.0	0.0
Effects of exchange rate changes on cash	-1.6	0.2	0.1	-0.3	0.0	0.0	0.0
Cash flow from financing activities	-1.9	-2.2	-0.3	24.0	5.0	-2.3	-2.3
Increase/decrease in liquid assets	-1.6	-0.1	2.9	40.5	-11.8	4.1	n/a
Liquid assets at end of period	5.8	5.4	7.6	48.1	36.4	40.4	47.1

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2006	2007	2008	2009	2010E	2011E	2012E
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	26.1	30.8	43.9	61.9	64.4	68.2	72.9
yoy change	27.9 %	18.0 %	42.5 %	40.9 %	4.1 %	6.0 %	6.8 %
NAFTA	18.4	19.0	20.3	27.4	29.6	32.4	35.9
yoy change	-1.1 %	3.3 %	6.8 %	34.9 %	8.0 %	9.7 %	10.5 %
Asia Pacific	2.8	2.6	6.2	10.1	10.6	10.1	9.6
yoy change	27.3 %	-7.1 %	138.5 %	63.5 %	4.1 %	-4.6 %	-5.0 %
Rest of world	3.1	2.0	1.2	2.0	1.1	1.1	1.2
yoy change	416.7 %	-35.5 %	-40.0 %	69.0 %	-47.9 %	6.0 %	6.8 %
TTL	50.4	54.4	71.6	101.4	105.6	111.9	119.5
yoy change	20.6 %	7.9 %	31.6 %	41.6 %	4.1 %	6.0 %	6.8 %

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2006	2007	2008	2009	2010E	2011E	2012E
P&L growth analysis							
Sales growth	20.5 %	8.1 %	31.5 %	41.6 %	4.1 %	6.0 %	6.8 %
EBITDA growth	62.5 %	-7.4 %	93.1 %	20.4 %	-0.2 %	6.3 %	8.8 %
EBIT growth	131.7 %	1.6 %	60.6 %	61.3 %	-1.6 %	8.7 %	8.9 %
EPS growth	38.4 %	-12.6 %	131.0 %	143.0 %	-51.3 %	9.8 %	10.3 %
Efficiency							
Total operating costs / sales	35.8 %	38.4 %	34.3 %	35.2 %	37.1 %	36.7 %	36.4 %
Sales per employee	183.2	174.5	181.3	202.8	199.2	207.2	217.3
EBITDA per employee	38.1	31.1	47.4	45.1	42.5	44.3	47.3
Balance sheet analysis							
Avg. working capital / sales	24.0 %	25.6 %	22.5 %	16.6 %	17.0 %	19.1 %	20.9 %
Inventory turnover (sales/inventory)	8.6	7.1	8.4	8.0	8.0	8.0	8.0
Trade debtors in days of sales	80.5	76.8	71.3	58.3	58.3	58.3	58.3
A/P turnover [(A/P*365)/sales]	53.2	51.4	41.8	32.1	32.1	32.1	32.1
Cash conversion cycle (days)	108.5	127.5	112.9	117.9	120.3	120.3	120.3
Cash flow analysis							
Free cash flow	0.4	2.5	2.6	20.8	5.4	6.4	8.9
Free cash flow/sales	0.8 %	4.5 %	3.6 %	20.5 %	5.1 %	5.7 %	7.5 %
FCF / net profit	18.0 %	126.7 %	57.9 %	156.9 %	60.5 %	65.0 %	82.7 %
FCF yield	0.5 %	3.2 %	3.4 %	16.3 %	4.2 %	5.0 %	7.0 %
Capex / depn	60.3 %	113.8 %	59.7 %	49.8 %	123.5 %	121.9 %	100.0 %
Capex / maintenance capex	0.0 %	0.0 %	0.0 %	0.0 %	121.1 %	121.1 %	107.7 %
Capex / sales	5.5 %	7.8 %	7.6 %	5.6 %	8.5 %	8.0 %	6.7 %
Security							
Net debt	4.9	6.8	10.9	-23.8	-9.0	-13.1	-19.7
Net Debt/EBITDA	0.5	0.7	0.6	0.0	0.0	0.0	0.0
Net debt / equity	0.1	0.2	0.3	-0.3	-0.1	-0.1	-0.2
Interest cover	6.8	7.2	7.7	11.6	8.7	9.5	10.8
Dividend payout ratio	40.4 %	44.5 %	14.1 %	17.4 %	25.9 %	23.6 %	21.4 %
Asset utilisation							
Capital employed turnover	1.0	1.0	0.9	0.8	0.8	0.8	0.8
Operating assets turnover	1.8	1.7	1.7	2.3	2.2	2.1	2.1
Plant turnover	3.2	3.1	3.0	3.7	3.6	3.7	3.9
Inventory turnover (sales/inventory)	8.6	7.1	8.4	8.0	8.0	8.0	8.0
Returns							
ROCE	11.1 %	11.1 %	10.4 %	14.4 %	11.9 %	12.0 %	12.3 %
ROE	6.2 %	5.4 %	11.0 %	17.3 %	10.1 %	10.1 %	10.2 %
Other							
Interest paid / avg. debt	7.4 %	7.3 %	8.1 %	6.9 %	7.3 %	6.3 %	6.1 %
No. employees (average)	275	312	395	500	530	540	550
Number of shares	3.1	3.1	3.1	3.8	5.3	5.3	5.3
DPS	0.3	0.3	0.3	0.5	0.5	0.5	0.5
EPS reported	0.71	0.62	1.43	3.48	1.70	1.86	2.05
Valuation ratios							
P/BV	2.2	2.2	1.9	1.2	1.5	1.4	1.2
EV/sales	1.6	1.5	1.2	1.1	1.2	1.1	1.0
EV/EBITDA	7.8	8.6	4.7	4.9	5.5	5.0	4.4
EV/EBITA	14.0	14.0	9.2	4.9	8.2	7.3	6.4
EV/EBIT	14.0	14.0	9.2	7.3	8.2	7.3	6.4
EV/FCF	205.4	34.0	33.9	5.3	23.1	19.0	12.8
Dividend yield	1.0 %	1.0 %	1.2 %	1.8 %	1.8 %	1.8 %	1.8 %

Source: Company data, Hauck & Aufhäuser

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Company	Disclosure
Eckert & Ziegler AG	2

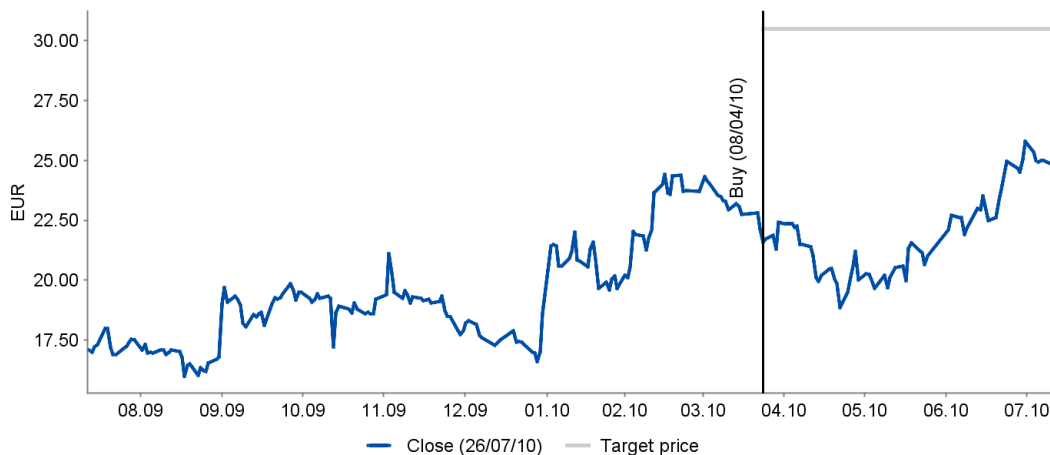
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Historical target price and rating changes for Eckert & Ziegler AG in the last 12 months

Price and Rating History Eckert & Ziegler AG as of 27/07/10

Initiation coverage

08-April-10



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