

Buy (old: Buy)

Price target: EUR 30.50 (old: EUR 30.50)

Price:	EUR 24.82	Next result:	Q3 2010 02.11.10
Bloomberg:	EUZ GR	Market cap:	EUR 127.5 m
Reuters:	EUZG.DE	Enterprise Value:	EUR 124.2 m

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Q2 numbers slightly better than expected, 2010E up

Sales are overall in line, and are up 2.6% yoy, adjusting for sales to the Russian JV in 2009. Isotope products (Nuclear Medicine and Industry) sales are as expected down some 14% yoy, given an exceptionally strong Q1 2010 and a slow-down in oil drill bits sales. Therapy and RadPharm are in line with expectations.

Gross profit is down 5.4% yoy at € 14.2m (€ 15.0m), with the margin down 120 bps at 52.3% (53.5%), some 250 bps worse than expected. The mix in the Isotope products divisions (lower oil drill bits sales) explains most of this drop. We expect a full year gross margin of 51.5%, up 110 bps year on year, driven by a better gross margin in Therapy (seed implants contracts, Russian JV sales carrying higher margins) and overall better pricing conditions in Isotope products following the consolidation of major competitor nuclitec.

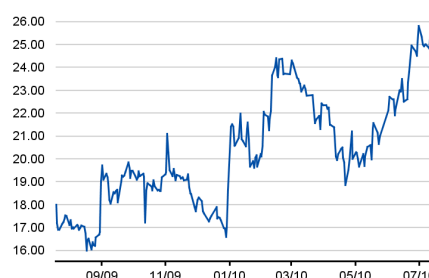
EBIT came in 12% better than expectations at € 4.8m (€ 4.6m) and is up 17% yoy (€4.1m), with the margin up 184 bps yoy at 17.8% (14% expected). This rise is driven by a strong 500 bps margin improvement in the Isotope Products division to 25.2%, following the integration of nuclitec, acquired early 2009. On a consolidated basis, lower R+D and Sales and Marketing costs compared to expectations explain the difference, as clinical trials (e.g. plastic seed) and roll-out campaigns (e.g. Gallium generators) are now expected later in the year.

EPS of € 0.50 is 31% better than expected due to lower interest costs, lower minorities and a lower tax rate.

Full year EPS is upgraded to € 1.73 per share (company guidance € 1.80) given a stronger Q2

Remains a BUY, PT € 30.50 on FCF 2011E. Beyond its apparent complexity EUZ is a **nuclear medicine specialist**, with a competitive quality boiling down to **know-how**, scale and access to isotopes. It is also bound to remain **very acquisitive** thanks to a **strong balance sheet**, which should support growth and thematic.

-Continued-



Source: Company data, Hauck & Aufhäuser

High/low 52 weeks: 25.80 / 16.00

Price/Book Ratio: 1.5

Relative performance (SDAX):

3 months 16.9 %

6 months 0.7 %

12 months 0.2 %

Changes in estimates

		Sales	EBIT	EPS
2010	<i>old:</i>	105.6	15.2	1.70
	Δ	0.0%	2.2%	2.4%
2011	<i>old:</i>	111.9	16.6	1.86
	Δ	-	-	-
2012	<i>old:</i>	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 €) 16.8
 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	22.8	23.9	26.0
EBIT	5.9	6.0	9.6	15.5	15.6	16.6	18.0
Net income	2.2	1.9	4.5	13.3	9.1	9.8	10.8
Net debt	4.9	6.8	10.9	-23.8	-9.2	-13.3	-19.9
Net gearing	13.7 %	18.7 %	26.6 %	-31.2 %	-10.4 %	-13.7 %	-18.8 %
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	1.73	1.85	2.04
CPS	-0.01	0.93	1.16	3.71	1.40	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 %	21.6 %	21.4 %	21.8 %
EBIT margin	11.7 %	11.0 %	13.4 %	15.2 %	14.7 %	14.8 %	15.1 %
ROCE	11.1 %	11.1 %	10.4 %	14.4 %	12.1 %	12.0 %	12.2 %
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	5.4	5.0	4.4
EV/EBIT	14.0	14.0	9.2	7.3	8.0	7.3	6.3
PER	27.9	40.4	17.4	12.6	14.4	13.4	12.2
Adjusted FCF yield	4.9 %	3.7 %	11.4 %	11.5 %	8.2 %	9.2 %	11.3 %

Source: Company data, Hauck & Aufhäuser Close price as of: 02.08.2010

Financials

EUR	Q2 10	Q2 10 est.	Q2 09	yoy	H1 10	H1 10 est.	H1 09	yoy
Sales*	27.2	27.0	28.1	-3.3%	52.9	52.7	52.4	0.9%
Nuclear Medicine and Industry	12.3	12.5	14.3	-13.8%	25.5	25.7	27.0	-5.5%
Therapy	8.4	8.0	9.4	-10.8%	14.8	14.4	16.3	-11.8%
Radiopharmacy	5.2	5.0	4.8	8.3%	10.0	9.8	9.7	3.1%
Environment	1.4	1.5	n.a.	n.a.	2.7	2.8	n.a.	n.a.
Gross profit	14.2	14.8	15.0	-5.4%	28.3	28.9	27.6	2.5%
<i>Gross margin</i>	<i>52.3%</i>	<i>54.8%</i>	<i>53.5%</i>	<i>- 1.0 pp</i>	<i>53.5%</i>	<i>54.8%</i>	<i>52.7%</i>	<i>+ 0.0 pp</i>
EBIT	4.8	4.3	4.1	17.1%	10.0	9.3	7.5	34.1%
<i>Margin</i>	<i>17.8%</i>	<i>14.0%</i>	<i>14.7%</i>	<i>+ 184.3 pp</i>	<i>18.9%</i>	<i>17.7%</i>	<i>14.3%</i>	<i>+ 0.3 pp</i>
Nuclear Medicine and Industry	3.1	2.6	2.9	7.8%	7.4	6.9	5.1	290.2%
<i>Margin</i>	<i>25.2%</i>	<i>22.0%</i>	<i>20.2%</i>	<i>+ 0.2 pp</i>	<i>29.2%</i>	<i>26.6%</i>	<i>19.0%</i>	<i>+ 0.5 pp</i>
Therapy	1.7	1.4	2.2	-23.8%	2.4	2.1	3.1	-24.3%
<i>Margin</i>	<i>20.2%</i>	<i>18.0%</i>	<i>23.7%</i>	<i>- 0.1 pp</i>	<i>16.0%</i>	<i>14.3%</i>	<i>19.2%</i>	<i>- 0.2 pp</i>
Radiopharmacy	0.4	0.3	0.0	n.a.	1.1	1.0	0.7	63.7%
<i>Margin</i>	<i>7.7%</i>	<i>1.1%</i>	<i>0.0%</i>	<i>n.a.</i>	<i>10.8%</i>	<i>10.6%</i>	<i>6.8%</i>	<i>+ 0.6 pp</i>
Environment	0.0	0.0	n.a.	n.a.	0.0	0.0	n.a.	n.a.
<i>Margin</i>	<i>0.0%</i>	<i>0.0%</i>	<i>n.a.</i>	<i>n.a.</i>	<i>-0.1%</i>	<i>0.0%</i>	<i>n.a.</i>	<i>n.a.</i>
Net profit	2.6	2.0	1.8	44.4%	5.1	4.5	4.0	29.5%
<i>Net margin</i>	<i>9.6%</i>	<i>7.4%</i>	<i>6.4%</i>	<i>+ 0.5 pp</i>	<i>9.7%</i>	<i>8.6%</i>	<i>7.6%</i>	<i>+ 0.3 pp</i>
EPS	0.50	0.38	0.48	4.2%	0.98	0.86	1.09	-10.1%

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

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
Sales growth	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	-2.1	-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	22.8	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	15.6	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	15.6	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	14.2	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	14.2	15.2	16.8
Taxes	1.6	2.8	5.3	-6.7	4.3	4.6	5.0
Net income from continuing operations	3.1	2.2	3.0	21.9	9.9	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	9.9	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	9.1	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	1.74	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 %	-2.0 %	-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 %	21.6 %	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 %	14.7 %	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 %	14.7 %	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 %	13.4 %	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 %	13.4 %	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 %	9.4 %	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 %	9.4 %	9.5 %	9.8 %
Minority interest	0.6 %	0.4 %	-2.0 %	8.5 %	0.8 %	0.8 %	0.8 %
Net income (net of minority interest)	4.4 %	3.6 %	6.3 %	13.1 %	8.7 %	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	36.6	40.7	47.3
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	85.5	92.4	102.6
TOTAL ASSETS	64.2	67.6	98.8	161.9	171.5	180.1	190.2
SHAREHOLDERS EQUITY	35.9	36.1	40.9	76.4	88.8	96.8	105.8
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	171.5	180.1	190.2

Balance sheet (common size)	2006	2007	2008	2009	2010E	2011E	2012E
Intangible assets	28.0 %	27.0 %	39.2 %	26.0 %	32.2 %	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 %	9.8 %	9.9 %	10.0 %
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 %	21.4 %	22.6 %	24.9 %
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 %	51.8 %	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 %	11.3 %
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 %	10.1 %	9.6 %
Non-current liabilities	17.0 %	11.4 %	28.0 %	23.6 %	26.7 %	25.6 %	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	9.9	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	17.5	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	14.6	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	-16.5	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	-11.5	4.1	n/a
Liquid assets at end of period	5.8	5.4	7.6	48.1	36.6	40.7	47.3

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 %	1.3 %	4.8 %	8.8 %
EBIT growth	131.7 %	1.6 %	60.6 %	61.3 %	0.6 %	6.4 %	8.9 %
EPS growth	38.4 %	-12.6 %	131.0 %	143.0 %	-50.1 %	7.2 %	10.3 %
Efficiency							
Total operating costs / sales	35.8 %	38.4 %	34.3 %	35.2 %	36.8 %	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	43.1	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	5.6	6.4	8.9
Free cash flow/sales	0.8 %	4.5 %	3.6 %	20.5 %	5.3 %	5.7 %	7.5 %
FCF / net profit	18.0 %	126.7 %	57.9 %	156.9 %	61.6 %	65.0 %	82.7 %
FCF yield	0.5 %	3.2 %	3.4 %	16.3 %	4.4 %	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	-9.2	-13.3	-19.9
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	8.9	9.5	10.8
Dividend payout ratio	40.4 %	44.5 %	14.1 %	17.4 %	25.3 %	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 %	12.1 %	12.0 %	12.2 %
ROE	6.2 %	5.4 %	11.0 %	17.3 %	10.3 %	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	1.74	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	5.4	5.0	4.4
EV/EBITA	14.0	14.0	9.2	4.9	8.0	7.3	6.3
EV/EBIT	14.0	14.0	9.2	7.3	8.0	7.3	6.3
EV/FCF	205.4	34.0	33.9	5.3	22.1	18.9	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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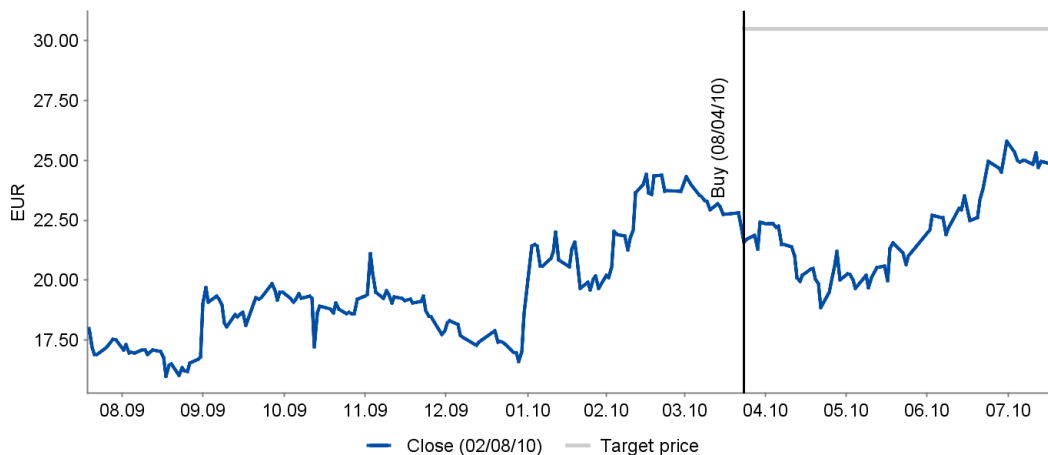
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Eckert & Ziegler AG	2

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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 03/08/10

Initiation coverage
08-April-10



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