

**Buy** (old: Buy)

**Price target: EUR 30.50** (old: EUR 30.50)

**Price:** EUR 19.95      **Next result:** Q1 10 04.05.10  
**Bloomberg:** EUZ GR      **Market cap:** EUR 113.6 m  
**Reuters:** EUZG.DE      **Enterprise Value:** EUR 110.6 m

30-April-10

**Marie-Therese Gruebner**

marie-therese.gruebner@ha-research.de

Tel.: +49 40 414 3885 80

## Solid Q1 expected

**Q1 2010 results due on Tuesday May 4th, conference call at 10:00 AM CET**

**Sales are expected up some 4.9% yoy at € 25.5m (€ 24.3m)**, with the radioactive waste management business acquired through Nuclitec in Q1 2009 contributing some EUR 1m in sales and explaining the bulk of growth.

A recent conversation with the company suggested that the oil drill-bits business (est. 8% of Group sales) remains very strong, with clients such as Halliburton or Schlumberger still making sustained use of directional drilling requiring this radioactive component in complex oil fields. Strong pricing power on this product line leads us believe that the **gross margin should be showing some improvement yoy**, adding an estimated 1.3 points at 53% of sales.

**EBIT is seen up a very strong 35.6% yoy at € 4.5m (€ 3.3m)**. The integration of major competitor Nuclitec in the Nuclear Medicine and Industry division should be complete by now with the overlaps in distribution and administration addressed (some € 1m in one-offs in 2009). The EBIT margin is seen up some 4pp yoy at 18% as a result and also including the positive mix effect generated by oil drill-bits.

**Net profit is expected up 11% at € 2.4m (€ 2.2m) due to a higher tax rate** estimated at 30% vs. a particularly low rate of 20% in Q1 2009, when the company could activate some tax-losses carry-forwards at its French subsidiary mainly. **EPS is estimated at € 0.46 (€ 0.61) and down some 25% yoy** as the number of shares outstanding is up 38% following the € 21.5m capital increase of December 2009.

**Altogether a strong Q1 is expected at EBIT level**. Estimates for full year 2010 nevertheless feature a more sedate 4% yoy increase in recurring EBIT at € 15.2m (€ 14.6m) as the company is on the verge of major product launches in Therapy and Radiopharmacy that are expected to entail accelerating Sales and Marketing as well as R&D spend over the course of the year. Remains a BUY, PT € 30.50

*Continued*

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	1.1 %	1.1 %	1.4 %	2.0 %	2.0 %	2.0 %	2.0 %
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	1.5	1.4	1.1	0.9	1.0	1.0	0.8
EV/EBITDA	7.0	7.8	4.3	4.3	4.9	4.5	3.9
EV/EBIT	12.5	12.6	8.3	6.4	7.3	6.5	5.6
PER	24.9	36.0	15.5	11.2	13.1	12.0	10.8
Adjusted FCF yield	5.5 %	4.1 %	12.6 %	13.1 %	9.0 %	10.4 %	12.8 %

Source: Company data, Hauck & Aufhäuser Close price as of: 29.04.2010



Source: Company data, Hauck & Aufhäuser

**High/low 52 weeks:** 24.40 / 8.00

**Price/Book Ratio:** 1.2

**Relative performance (SDAX):**

3 months -12.3 %

6 months -10.7 %

12 months 95.3 %

### Changes in estimates

		Sales	EBIT	EPS
2010	old:	105.6	15.2	1.70
	Δ	0.0%	-	-
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 62.1 %

Founders 35.2 %

Eckert & Ziegler AG 2.5 %

### 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.

# Eckert & Ziegler AG

EUR		Q1 10 est.	Q1 09	yoy
<b>Sales</b>		<b>25.5</b>	<b>24.3</b>	4.9%
	Nuclear Medicine and Industry	13.0	12.7	2.0%
	Therapy	7.1	6.9	3.0%
	Radiopharmacy	5.0	4.9	2.0%
	Environment	1.0	n.a.	n.a.
<b>Gross profit</b>		<b>13.5</b>	<b>12.6</b>	7.4%
	<i>Gross margin</i>	<b>53.0%</b>	<b>51.7%</b>	<b>+ 1.3 pp</b>
<b>EBIT</b>		<b>4.5</b>	<b>3.3</b>	35.6%
	<i>Margin</i>	<b>17.8%</b>	<b>13.8%</b>	<b>+ 4.0 pp</b>
	Nuclear Medicine and Industry	3.6	2.2	61.4%
	<i>Margin</i>	<b>28.0%</b>	<b>17.7%</b>	<b>+ 10.3 pp</b>
	Therapy	0.9	0.9	-1.8%
	<i>Margin</i>	<b>12.4%</b>	<b>13.0%</b>	<b>- 0.6 pp</b>
	Radiopharmacy	0.7	0.7	2.0%
	<i>Margin</i>	<b>13.4%</b>	<b>13.4%</b>	<b>+ 0.0 pp</b>
	Environment	-0.5	n.a.	n.a.
	<i>Margin</i>	<i>n.m</i>	<i>n.a.</i>	<i>n.a.</i>
<b>Net profit</b>		<b>2.4</b>	<b>2.2</b>	10.9%
	<i>Net margin</i>	<b>9.4%</b>	<b>8.9%</b>	<b>+ 0.5 pp</b>
<b>EPS</b>		<b>0.46</b>	<b>0.61</b>	-25.3%

Source: Company data, Hauck & Aufhäuser

## Financials

Profit and loss (EUR m)	2006	2007	2008	2009	2010E	2011E	2012E
<b>Sales</b>	<b>50.4</b>	<b>54.4</b>	<b>71.6</b>	<b>101.4</b>	<b>105.6</b>	<b>111.9</b>	<b>119.5</b>
<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
<b>Gross profit</b>	<b>23.9</b>	<b>26.9</b>	<b>34.2</b>	<b>51.1</b>	<b>54.4</b>	<b>57.6</b>	<b>61.6</b>
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
<b>EBITDA</b>	<b>10.5</b>	<b>9.7</b>	<b>18.7</b>	<b>22.6</b>	<b>22.5</b>	<b>23.9</b>	<b>26.0</b>
Depreciation	4.6	3.7	9.2	7.1	7.3	7.4	8.0
<b>EBITA</b>	<b>5.9</b>	<b>6.0</b>	<b>9.6</b>	<b>15.5</b>	<b>15.2</b>	<b>16.6</b>	<b>18.0</b>
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
<b>EBIT</b>	<b>5.9</b>	<b>6.0</b>	<b>9.6</b>	<b>15.5</b>	<b>15.2</b>	<b>16.6</b>	<b>18.0</b>
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
<b>Recurring pretax income from continuing operations</b>	<b>4.7</b>	<b>4.9</b>	<b>8.3</b>	<b>15.2</b>	<b>13.8</b>	<b>15.2</b>	<b>16.8</b>
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Earnings before taxes</b>	<b>4.7</b>	<b>4.9</b>	<b>8.3</b>	<b>15.2</b>	<b>13.8</b>	<b>15.2</b>	<b>16.8</b>
Taxes	1.6	2.8	5.3	-6.7	4.2	4.6	5.0
<b>Net income from continuing operations</b>	<b>3.1</b>	<b>2.2</b>	<b>3.0</b>	<b>21.9</b>	<b>9.7</b>	<b>10.6</b>	<b>11.7</b>
Result from discontinued operations (net of tax)	0.6	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income</b>	<b>2.5</b>	<b>2.2</b>	<b>3.0</b>	<b>21.9</b>	<b>9.7</b>	<b>10.6</b>	<b>11.7</b>
Minority interest	0.3	0.2	-1.5	8.6	0.8	0.9	0.9
<b>Net income (net of minority interest)</b>	<b>2.2</b>	<b>1.9</b>	<b>4.5</b>	<b>13.3</b>	<b>8.9</b>	<b>9.8</b>	<b>10.8</b>
Average number of shares	3.1	3.1	3.1	3.8	5.3	5.3	5.3
<b>EPS reported</b>	<b>0.71</b>	<b>0.62</b>	<b>1.43</b>	<b>3.48</b>	<b>1.70</b>	<b>1.86</b>	<b>2.05</b>

Profit and loss (common size)	2006	2007	2008	2009	2010E	2011E	2012E
<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	52.5 %	50.7 %	52.3 %	49.6 %	48.5 %	48.5 %	48.5 %
<b>Gross profit</b>	<b>47.5 %</b>	<b>49.3 %</b>	<b>47.7 %</b>	<b>50.4 %</b>	<b>51.5 %</b>	<b>51.5 %</b>	<b>51.5 %</b>
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 %
<b>EBITDA</b>	<b>20.8 %</b>	<b>17.8 %</b>	<b>26.2 %</b>	<b>22.2 %</b>	<b>21.3 %</b>	<b>21.4 %</b>	<b>21.8 %</b>
Depreciation	9.1 %	6.9 %	12.8 %	7.0 %	6.9 %	6.6 %	6.7 %
<b>EBITA</b>	<b>11.7 %</b>	<b>11.0 %</b>	<b>13.4 %</b>	<b>15.2 %</b>	<b>14.4 %</b>	<b>14.8 %</b>	<b>15.1 %</b>
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 %
<b>EBIT</b>	<b>11.7 %</b>	<b>11.0 %</b>	<b>13.4 %</b>	<b>15.2 %</b>	<b>14.4 %</b>	<b>14.8 %</b>	<b>15.1 %</b>
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 %
<b>Recurring pretax income from continuing operations</b>	<b>9.4 %</b>	<b>9.0 %</b>	<b>11.6 %</b>	<b>14.9 %</b>	<b>13.1 %</b>	<b>13.6 %</b>	<b>14.0 %</b>
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Earnings before taxes</b>	<b>9.4 %</b>	<b>9.0 %</b>	<b>11.6 %</b>	<b>14.9 %</b>	<b>13.1 %</b>	<b>13.6 %</b>	<b>14.0 %</b>
Tax rate	33.9 %	56.3 %	63.4 %	-44.5 %	30.0 %	30.0 %	30.0 %
<b>Net income from continuing operations</b>	<b>6.2 %</b>	<b>3.9 %</b>	<b>4.2 %</b>	<b>21.6 %</b>	<b>9.2 %</b>	<b>9.5 %</b>	<b>9.8 %</b>
Result from discontinued operations (net of tax)	1.2 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Net income</b>	<b>5.1 %</b>	<b>3.9 %</b>	<b>4.2 %</b>	<b>21.6 %</b>	<b>9.2 %</b>	<b>9.5 %</b>	<b>9.8 %</b>
Minority interest	0.6 %	0.4 %	-2.0 %	8.5 %	0.7 %	0.8 %	0.8 %
<b>Net income (net of minority interest)</b>	<b>4.4 %</b>	<b>3.6 %</b>	<b>6.3 %</b>	<b>13.1 %</b>	<b>8.4 %</b>	<b>8.8 %</b>	<b>9.0 %</b>

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2006	2007	2008	2009	2010E	2011E	2012E
<b>Intangible assets</b>	<b>18.0</b>	<b>18.2</b>	<b>38.7</b>	<b>42.1</b>	<b>55.3</b>	<b>55.3</b>	<b>55.3</b>
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
<b>FIXED ASSETS</b>	<b>36.1</b>	<b>37.7</b>	<b>63.9</b>	<b>71.1</b>	<b>86.0</b>	<b>87.6</b>	<b>87.6</b>
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
<b>CURRENT ASSETS</b>	<b>28.1</b>	<b>29.9</b>	<b>34.9</b>	<b>90.8</b>	<b>85.2</b>	<b>92.2</b>	<b>102.4</b>
<b>TOTAL ASSETS</b>	<b>64.2</b>	<b>67.6</b>	<b>98.8</b>	<b>161.9</b>	<b>171.2</b>	<b>179.8</b>	<b>190.0</b>
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
<b>Non-current liabilities</b>	<b>10.9</b>	<b>7.7</b>	<b>27.7</b>	<b>38.2</b>	<b>45.8</b>	<b>46.1</b>	<b>46.6</b>
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
<b>Current liabilities</b>	<b>17.0</b>	<b>23.4</b>	<b>28.3</b>	<b>37.0</b>	<b>35.9</b>	<b>35.3</b>	<b>35.0</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>64.2</b>	<b>67.6</b>	<b>98.8</b>	<b>161.9</b>	<b>171.2</b>	<b>179.8</b>	<b>190.0</b>

Balance sheet (common size)	2006	2007	2008	2009	2010E	2011E	2012E
<b>Intangible assets</b>	<b>28.0 %</b>	<b>27.0 %</b>	<b>39.2 %</b>	<b>26.0 %</b>	<b>32.3 %</b>	<b>30.7 %</b>	<b>29.1 %</b>
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 %
<b>FIXED ASSETS</b>	<b>56.2 %</b>	<b>55.8 %</b>	<b>64.7 %</b>	<b>43.9 %</b>	<b>50.2 %</b>	<b>48.7 %</b>	<b>46.1 %</b>
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 %
<b>CURRENT ASSETS</b>	<b>43.8 %</b>	<b>44.2 %</b>	<b>35.3 %</b>	<b>56.1 %</b>	<b>49.8 %</b>	<b>51.3 %</b>	<b>53.9 %</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	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 %
<b>Non-current liabilities</b>	<b>17.0 %</b>	<b>11.4 %</b>	<b>28.0 %</b>	<b>23.6 %</b>	<b>26.7 %</b>	<b>25.7 %</b>	<b>24.5 %</b>
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 %
<b>Current liabilities</b>	<b>26.4 %</b>	<b>34.7 %</b>	<b>28.6 %</b>	<b>22.9 %</b>	<b>20.9 %</b>	<b>19.6 %</b>	<b>18.4 %</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)	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
<b>Cash flow from operating activities</b>	<b>4.6</b>	<b>6.6</b>	<b>8.6</b>	<b>26.5</b>	<b>14.4</b>	<b>15.4</b>	<b>16.9</b>
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
<b>Cash flow from investing activities</b>	<b>-2.7</b>	<b>-4.7</b>	<b>-5.5</b>	<b>-9.7</b>	<b>-31.2</b>	<b>-9.0</b>	<b>-8.0</b>
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
<b>Cash flow from financing activities</b>	<b>-1.9</b>	<b>-2.2</b>	<b>-0.3</b>	<b>24.0</b>	<b>5.0</b>	<b>-2.3</b>	<b>-2.3</b>
Increase/decrease in liquid assets	-1.6	-0.1	2.9	40.5	-11.8	4.1	n/a
<b>Liquid assets at end of period</b>	<b>5.8</b>	<b>5.4</b>	<b>7.6</b>	<b>48.1</b>	<b>36.4</b>	<b>40.4</b>	<b>47.1</b>

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 %
<b>TTL</b>	<b>50.4</b>	<b>54.4</b>	<b>71.6</b>	<b>101.4</b>	<b>105.6</b>	<b>111.9</b>	<b>119.5</b>
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
<b>P&amp;L growth analysis</b>							
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 %
<b>Efficiency</b>							
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
<b>Balance sheet analysis</b>							
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
<b>Cash flow analysis</b>							
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	0.6 %	3.6 %	3.8 %	18.3 %	4.7 %	5.6 %	7.9 %
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 %
<b>Security</b>							
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 %
<b>Asset utilisation</b>							
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
<b>Returns</b>							
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 %
<b>Other</b>							
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
<b>Valuation ratios</b>							
P/BV	2.0	1.9	1.7	1.1	1.3	1.2	1.1
EV/sales	1.5	1.4	1.1	0.9	1.0	1.0	0.8
EV/EBITDA	7.0	7.8	4.3	4.3	4.9	4.5	3.9
EV/EBITA	12.5	12.6	8.3	4.3	7.3	6.5	5.6
EV/EBIT	12.5	12.6	8.3	6.4	7.3	6.5	5.6
EV/FCF	184.5	30.6	30.7	4.6	20.5	16.8	11.3
Dividend yield	1.1 %	1.1 %	1.4 %	2.0 %	2.0 %	2.0 %	2.0 %

Source: Company data, Hauck & Aufhäuser

## Disclosure in respect of section 34b of the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG)

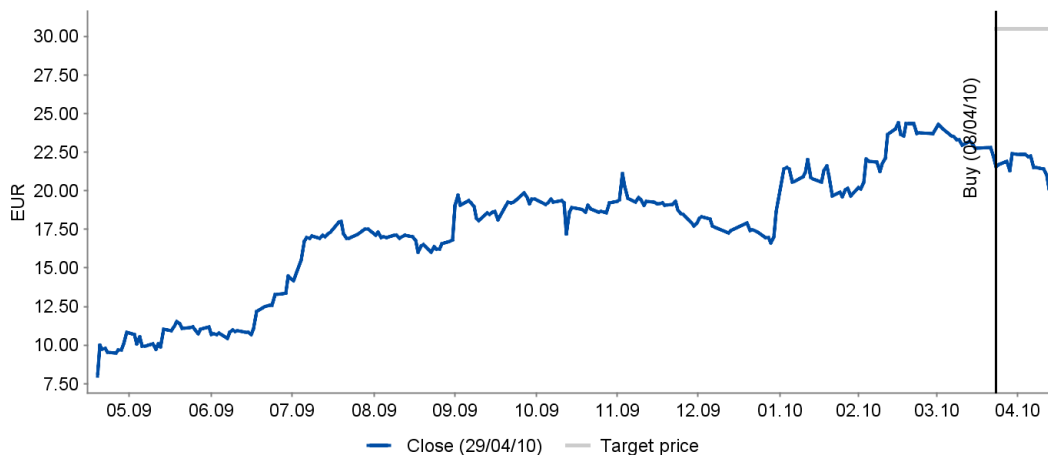
Company	Disclosure
Eckert & Ziegler AG	2, 8

- (1) Hauck & Aufhäuser or its affiliate(s) was Lead Manager or Co-Lead Manager over the previous 12 months of a public offering of this company.
- (2) Hauck & Aufhäuser acts as Designated Sponsor for this company or offers Equity Advisory Services.
- (3) Over the previous 12 months, Hauck & Aufhäuser and/or its affiliate(s) has effected an agreement with this company for investment banking services or received compensation or a promise to pay from this company for investment banking services.
- (4) Hauck & Aufhäuser and/or its affiliate(s) holds 5 % or more of the share capital of this company.
- (5) Hauck & Aufhäuser holds a trading position in shares of this company.
- (6) Hauck & Aufhäuser and/or its affiliate(s) holds a net short position of 1 % or more of the share capital of this company, calculated by methods required by German law as of the last trading day of the past month.
- (7) Within the last five years Hauck & Aufhäuser was a member of the issuing syndicate of this company.
- (8) The research report has been made available to the company prior to its publication / dissemination. Thereafter, only factual changes have been made to the report

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

#### Price and Rating History Eckert & Ziegler AG as of 30/04/10

**Initiation coverage**  
08-April-10



### Hauck & Aufhäuser distribution of ratings and in proportion to investment banking services

<b>Buy</b>	80.77 %	66.67 %
<b>Sell</b>	15.38 %	0.00 %
<b>Hold</b>	3.85 %	33.33 %

### Valuation basis/rating key

**Buy:** Sustainable upside potential of more than 10% within 12 months.

**Sell:** Sustainable downside potential of more than 10% within 12 months.

**Hold:** Upside/downside potential limited. No immediate catalyst visible.

### Competent supervisory authority

Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin – (Federal Financial Supervisory Authority), Graurheindorfer Straße 108, 53117 Bonn and Lurgiallee 12, 60439 Frankfurt am Main, Germany

## Important Disclosures

This research report has been prepared by Hauck & Aufhäuser Institutional Research GmbH, Hamburg, or one of its affiliates (“**Hauck & Aufhäuser**”).

Hauck & Aufhäuser has made every effort to carefully research all information contained in this financial analysis. The information on which the financial analysis is based has been obtained from sources which we believe to be reliable such as, for example, Reuters, Bloomberg and the relevant specialised press as well as the company which is the subject of this financial analysis.

Only that part of the research note is made available to the issuer, who is the subject of this analysis, which is necessary to properly reconcile with the facts. Should this result change considerably, a reference is made in the research note.

Opinions expressed in this financial analysis are the current, personal opinions of the analyst responsible for the document as of the issuing date indicated on this document and are subject to change without notice. Hauck & Aufhäuser does not commit itself in advance to whether and in which intervals an update is made. Also, the opinions in this document do not necessarily correspond to the opinions of Hauck & Aufhäuser.

The document and the recommendations and estimations contained therein are not linked - whether directly or indirectly - to the compensation of the analyst responsible for the document.

No representation, guarantees or warranties are made by Hauck & Aufhäuser with regard to the accuracy, completeness or suitability regarding all the information on the stocks, stock markets or developments referred to in it.

On no account should the document be regarded as a substitute for the recipient's procuring information for himself or exercising his own judgements.

The document has been produced for information purposes only, and only for institutional clients or market professionals. In particular, it is not intended to be distributed to private investors or private customers. Private investors or private customers, into whose possession this document comes, should discuss possible investment decisions with their customer service officer as differing views and opinions may exist with regard to the stocks referred to in this document.

This document is not a recommendation, offer or solicitation to buy or sell the mentioned stock and will not form the basis or a part of any contract.

The document may include certain descriptions, statements, estimates, and conclusions underlining potential market and company development. These reflect assumptions, which may turn out to be incorrect. Past performance is not a guide to future results. The price of securities may decrease or increase and as a result investors may lose the amount originally invested. Changes in exchange rates may also cause the value of investments to decrease or increase. Hauck & Aufhäuser and/or its directors, officers and employees accept no responsibility or liability whatsoever for any direct or consequential loss or damages of any kind arising out of the use of this document or any part of its content. To the extent this research report is being transmitted in connection with an existing contractual relationship, e.g. financial advisory or similar services, the liability of Hauck & Aufhäuser shall be restricted to gross negligence and wilful misconduct. In any case, the liability of Hauck & Aufhäuser is limited to typical, foreseeable damages and liability for any indirect damages is excluded.

Hauck & Aufhäuser may act as market-maker or underwrite issues for any securities mentioned in this document, derivatives thereon or related financial products or perform or seek to perform capital market or underwriting services.

Hauck & Aufhäuser reserves all the rights in this document. No part of the document or its content may be rewritten, copied, photocopied or duplicated in any form by any means or redistributed without Hauck & Aufhäuser's prior written consent.

**Please note that our research is only for the personal use of Hauck & Aufhäuser institutional clients. Do not pass on to third parties or make available to third parties.**

By accepting this document, a recipient hereof agrees to be bound by the foregoing limitations.

## Remarks regarding foreign investors

The preparation of this document is subject to regulation by German law. The distribution of this document in other jurisdictions may be restricted by law, and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions



## Contacts: Hauck&Aufhäuser Investment Banking

### Hauck & Aufhäuser Research

Hauck & Aufhäuser  
Institutional Research GmbH  
Harvestehuder Weg 48

20149 Hamburg  
Germany

Tel.: +49 (0) 40 414 3885 - 70  
Fax: +49 (0) 40 414 3885 - 71  
Email: [info@ha-research.de](mailto:info@ha-research.de)  
[www.ha-research.de](http://www.ha-research.de)

#### Sascha Berresch, CFA Analyst

Tel.: +49 (0)40 414 3885 - 85  
E-Mail: [sascha.berresch@ha-research.de](mailto:sascha.berresch@ha-research.de)

#### Tim Wunderlich Analyst

Tel.: +49 (0)40 414 3885 - 81  
E-Mail: [tim.wunderlich@ha-research.de](mailto:tim.wunderlich@ha-research.de)

#### Marc Osigus, CFA Analyst

Tel.: +49 (0)40 414 3885 - 90  
E-Mail: [marc.osigus@ha-research.de](mailto:marc.osigus@ha-research.de)

#### Bastian Timm Analyst

Tel.: +49 (0)40 414 3885 - 82  
E-Mail: [bastian.timm@ha-research.de](mailto:bastian.timm@ha-research.de)

#### Thomas Wissler Analyst

Tel.: +49 (0)40 414 3885 - 80  
E-Mail: [thomas.wissler@ha-research.de](mailto:thomas.wissler@ha-research.de)

#### Marie-Therese Gruebner Analyst

Tel.: +49 (0)40 414 3885 - 83  
E-Mail: [marie-therese.gruebner@ha-research.de](mailto:marie-therese.gruebner@ha-research.de)

### Senior Advisors

#### Dr. Alexander Klemm Senior Advisor

Tel.: +49 (0) 69 50 500 49- 82  
E-Mail: [alexander.klemm@ha-ib.com](mailto:alexander.klemm@ha-ib.com)

#### Graeme Davies Senior Advisor

Tel.: +49 (0)40 414 3885 - 72  
E-Mail: [graeme.davies@ha-research.de](mailto:graeme.davies@ha-research.de)

#### Jeronimo Bremer Senior Advisor

Tel.: +49 (0)40 414 3885 - 73  
E-Mail: [jeronimo.bremer@ha-research.de](mailto:jeronimo.bremer@ha-research.de)

### Hauck & Aufhäuser Sales Trading

Hauck & Aufhäuser  
Privatbankiers KGaA  
Kaiserstraße 24

60311 Frankfurt am Main  
Germany

Tel.: +49 (0) 69 2161- 0  
Fax: +49 (0) 69 2161- 1340  
Email: [info@hauck-aufhaeuser.de](mailto:info@hauck-aufhaeuser.de)  
[www.hauck-aufhaeuser.de](http://www.hauck-aufhaeuser.de)

#### Thomas Seibert Trading

Tel.: +49 (0)69 2161 - 1555  
E-Mail: [thomas.seibert@hauck-aufhaeuser.de](mailto:thomas.seibert@hauck-aufhaeuser.de)

#### Oliver Hauer Trading

Tel.: +49 (0) 69 2161 - 1556  
E-Mail: [oliver.hauer@hauck-aufhaeuser.de](mailto:oliver.hauer@hauck-aufhaeuser.de)

#### Kirsten Meissner-Lange Trading

Tel.: +49 (0)69 2161 - 1225  
E-Mail: [kirsten.meissner@hauck-aufhaeuser.lu](mailto:kirsten.meissner@hauck-aufhaeuser.lu)