



Buy (old: Buy)

Price target: EUR 39.00 (old: EUR 39.00)

Price:	EUR 21.39	Next result:	Q3 06.11.12
Bloomberg:	EUZ GR	Market cap:	EUR 109.8 m
Reuters:	EUZG.DE	Enterprise Value:	EUR 99.6 m

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Solid Q2 figures

Eckert & Ziegler reported Q2 figures this morning. A conference call will be held at 1:00 a.m. CEST. Dial-in: +49 (0) 6958 999 0805; ID: 4554994.

Q2 sales came in slightly above expectations at € 29m and were up 4.0% yoy. The Isotope Products segment (50% of sales) grew by 4.4% yoy as this largely recurring business benefited from a low EUR/USD exchange rate. Sales in the Therapy segment (24% of sales) were up by 7.1% yoy due to a solid afterloader business, driven by sound demand from emerging markets in particular as well as the introduction of the new MultiSource radiation device. Radiopharma (22% of sales) segment sales came in as expected and grew 1.7% yoy, however primarily driven by consolidation effects (H&A: € 0.7m) from the Bioscan acquisition last year in Q3. Environmental (5% of sales) segment sales were down by 2.9% yoy as some orders were already pulled forward into Q1.

Q2 EBIT met expectations with € 5.1m and came in at an EBIT margin of 17.8%. The margin was largely a result of sequentially stable margins of 32.7% in the Isotope Products segment (90% of Q2 EBIT) which underlines the highly recurring nature of the business as well as the strong market position the company holds in this field. In the Therapy segment EBIT margins dropped to 6.4% on the back of higher R&D and SG&A expenses while EBIT margins in the Radiopharma segment stood at 14.7% and benefited from slightly better operating leverage. Environmental EBIT was negative and significantly affected by the revaluation of cost positions.

Q2 net profit was solid at € 3.0m and was flat yoy, however benefited from a lower than expected tax rate (30%) due to the losses in the Environmental segment.

Moreover, **management reiterated its guidance for the FY 2012E** of € 117m and net income of € 10m (H&A: € 118m, € 11.0m). Also, Eckert & Ziegler **should remain acquisitive going forward**, most likely in the Therapy & Radiopharma segments, in our view, in order to enter new geographic/product markets.

Given the undemanding valuation at 10.2x PER 2012E, the resilience of the business model as well as external growth options, the stock remains a **BUY** at a **PT of € 39.00** based on FCFY 2012E.

- continued -

Y/E 31.12 (EUR m)	2008	2009	2010	2011	2012E	2013E	2014E
Sales	71.6	101.4	111.1	116.2	118.0	121.2	125.1
Sales growth	32 %	42 %	10 %	5 %	2 %	3 %	3 %
EBITDA	18.7	22.6	26.4	30.4	29.5	30.7	32.7
EBIT	9.6	15.5	16.6	22.9	21.2	22.2	23.9
Net income	4.5	13.3	9.4	10.4	11.0	11.6	14.5
Net debt	10.9	-23.8	-7.6	-14.3	-17.2	-25.5	-37.5
Net gearing	26.6 %	-31.2 %	-11.2 %	-18.9 %	-20.6 %	-27.2 %	-35.9 %
Net Debt/EBITDA	0.6	0.0	0.0	0.0	0.0	0.0	0.0
EPS fully diluted	1.43	3.48	1.81	1.98	2.09	2.20	2.75
CPS	1.16	3.71	1.01	2.46	1.82	2.57	3.22
DPS	0.30	0.45	0.60	0.60	0.63	0.67	0.91
Dividend yield	1.4 %	2.1 %	2.8 %	2.8 %	3.0 %	3.1 %	4.3 %
Gross profit margin	47.7 %	50.4 %	52.0 %	55.4 %	55.1 %	55.3 %	56.0 %
EBITDA margin	26.2 %	22.2 %	23.8 %	26.2 %	25.0 %	25.3 %	26.1 %
EBIT margin	13.4 %	15.2 %	14.9 %	19.7 %	18.0 %	18.3 %	19.1 %
ROCE	10.4 %	16.2 %	14.3 %	19.9 %	17.0 %	16.3 %	15.9 %
EV/sales	1.1	0.9	1.0	0.9	0.8	0.8	0.6
EV/EBITDA	4.1	4.2	4.1	3.4	3.4	3.0	2.4
EV/EBIT	8.1	6.1	6.5	4.5	4.7	4.1	3.3
PER	15.0	10.8	11.8	10.8	10.2	9.7	7.8
Adjusted FCF yield	13.0 %	13.6 %	10.8 %	13.2 %	15.0 %	17.1 %	19.7 %

Source: Company data, Hauck & Aufhäuser Close price as of: 13.08.2012



Source: Company data, Hauck & Aufhäuser

High/low 52 weeks: 26.71 / 20.59

Price/Book Ratio: 1.3

Relative performance (SDAX):

3 months -10.1 %

6 months -4.4 %

12 months -22.7 %

Changes in estimates

		Sales	EBIT	EPS
2012	old:	118.0	21.2	2.09
	Δ	-	-	-
2013	old:	121.2	22.2	2.20
	Δ	-	-	-
2014	old:	125.1	23.9	2.75
	Δ	-	-	-

Key share data:

Number of shares: (in m pcs) 5.3

Authorised capital: (in € m) 0.6

Book value per share: (in €) 15.9

Ø trading volume: (12 months) 20,453

Major shareholders:

Free float 67.8 %

Founders 32.2 %

Eckert & Ziegler AG 0.1 %

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

Eckert & Ziegler Key Figures (€ m)	Q2 12	Q2 12 est	Q2 11	yoy	Q1 12	qoq	H1 12	H1 12 est	H1 11	yoy
Sales	28.6	27.8	27.5	4.0%	29.2	-2.1%	57.9	57.0	55.8	3.8%
Isotope Products	14.2	13.8	13.6	4.4%	14.0	1.4%	28.2	27.8	27.7	1.5%
Therapy	6.8	6.3	6.3	7.1%	7.2	-5.1%	14.0	13.5	13.0	7.4%
Radiopharma	6.3	6.3	6.2	1.7%	6.4	-0.9%	12.7	12.7	12.4	1.9%
Environment	1.4	1.4	1.4	-2.9%	1.7	-21.5%	3.1	3.1	2.6	18.8%
EBIT	5.1	4.8	5.5	-7.5%	4.9	3.7%	10.0	9.7	11.9	-15.9%
Margin	17.8%	17.1%	20.1%	-2.2 pp	16.8%	+1.0 pp	17.3%	17.0%	21.4%	-4.1 pp
Isotope Products	4.6	4.2	4.1	12.4%	4.5	3.1%	9.1	8.7	8.8	3.5%
Margin	32.7%	30.4%	30.4%	+2.3 pp	32.2%	+0.5 pp	32.5%	31.3%	31.9%	+0.6 pp
Therapy	0.4	0.5	0.8	-42.8%	0.5	-5.2%	0.9	0.9	1.4	-34.8%
Margin	6.4%	7.1%	12.0%	-5.6 pp	6.4%	-0.0 pp	6.4%	6.8%	10.6%	-4.2 pp
Radiopharma	0.9	0.8	0.8	21.7%	0.5	81.7%	1.4	1.3	2.3	-37.4%
Margin	14.7%	12.7%	12.3%	+2.4 pp	8.0%	+6.7 pp	11.3%	10.3%	18.4%	-7.1 pp
Environment	-0.7	-0.2	0.2	-401.3%	0.1	-1300.0%	-0.6	-0.1	0.4	-273.7%
Margin	-50.4%	-14.3%	16.2%	-66.6 pp	3.3%	-53.7 pp	-20.3%	-4.6%	13.9%	-34 pp
Others/Elimination	-0.2	-0.5	-0.4	-40.6%	-0.6	-64.7%	-0.8	-1.1	-0.9	-12.1%
Net profit	3.0	2.4	2.9	0.1%	2.5	18.3%	5.4	4.9	6.6	-17.1%
Net margin	10.3%	8.5%	10.7%	-0.4 pp	8.5%	+1.8 pp	9.4%	8.5%	11.8%	-0.2 pp
EPS	0.56	0.45	0.56	0.1%	0.47	18.3%	1.03	0.92	1.25	-17.1%

Source: company data, Hauck&Aufhäuser

Financials

Profit and loss (EUR m)	2008	2009	2010	2011	2012E	2013E	2014E
Sales	71.6	101.4	111.1	116.2	118.0	121.2	125.1
<i>Sales growth</i>	31.5 %	41.6 %	9.6 %	4.6 %	1.5 %	2.7 %	3.3 %
Cost of sales	37.5	50.3	53.3	51.8	53.0	54.2	55.1
Gross profit	34.2	51.1	57.8	64.4	65.0	67.0	70.1
Sales and marketing	15.1	18.4	18.9	19.5	19.8	20.4	21.0
General and administration	14.6	19.1	18.8	19.2	18.9	19.4	20.0
Research and development	3.1	2.5	2.9	3.0	3.5	3.6	3.8
Other operating income	17.2	9.3	3.9	4.7	3.5	3.6	3.8
Other operating expenses	9.0	5.0	4.5	4.5	5.1	5.1	5.1
Unusual or infrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	18.7	22.6	26.4	30.4	29.5	30.7	32.7
Depreciation	9.2	7.1	9.8	7.5	8.3	8.5	8.8
EBITA	9.6	15.5	16.6	22.9	21.2	22.2	23.9
Amortisation of goodwill	0.0	4.4	0.0	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
EBIT	9.6	15.5	16.6	22.9	21.2	22.2	23.9
Interest income	0.1	0.1	0.3	0.2	0.2	0.3	1.3
Interest expenses	1.2	1.3	2.5	2.9	2.9	2.9	0.8
Other financial result	-0.1	1.0	0.0	0.0	0.0	0.0	0.0
Financial result	-1.3	-0.3	-2.2	-2.7	-2.7	-2.6	0.5
Recurring pretax income from continuing operations	8.3	15.2	14.4	20.2	18.6	19.6	24.4
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	8.3	15.2	14.4	20.2	18.6	19.6	24.4
Taxes	5.3	-6.7	3.9	8.8	6.5	6.9	8.5
Net income from continuing operations	3.0	21.9	10.4	11.4	12.1	12.7	15.9
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	3.0	21.9	10.4	11.4	12.1	12.7	15.9
Minority interest	-1.5	8.6	1.0	1.0	1.1	1.1	1.4
Net income (net of minority interest)	4.5	13.3	9.4	10.4	11.0	11.6	14.5
Average number of shares	3.1	3.8	5.2	5.3	5.3	5.3	5.3
EPS reported	1.43	3.48	1.81	1.98	2.09	2.20	2.75

Profit and loss (common size)	2008	2009	2010	2011	2012E	2013E	2014E
Sales	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Cost of sales	52.3 %	49.6 %	48.0 %	44.6 %	44.9 %	44.7 %	44.0 %
Gross profit	47.7 %	50.4 %	52.0 %	55.4 %	55.1 %	55.3 %	56.0 %
Sales and marketing	21.1 %	18.2 %	17.0 %	16.8 %	16.8 %	16.8 %	16.8 %
General and administration	20.4 %	18.8 %	16.9 %	16.5 %	16.0 %	16.0 %	16.0 %
Research and development	4.3 %	2.5 %	2.6 %	2.6 %	3.0 %	3.0 %	3.0 %
Other operating income	24.1 %	9.2 %	3.5 %	4.0 %	3.0 %	3.0 %	3.0 %
Other operating expenses	12.5 %	4.9 %	4.0 %	3.8 %	4.3 %	4.2 %	4.1 %
Unusual or infrequent items	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBITDA	26.2 %	22.2 %	23.8 %	26.2 %	25.0 %	25.3 %	26.1 %
Depreciation	12.8 %	7.0 %	8.9 %	6.5 %	7.0 %	7.0 %	7.0 %
EBITA	13.4 %	15.2 %	14.9 %	19.7 %	18.0 %	18.3 %	19.1 %
Amortisation of goodwill	0.0 %	4.3 %	0.0 %	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 %
EBIT	13.4 %	15.2 %	14.9 %	19.7 %	18.0 %	18.3 %	19.1 %
Interest income	0.1 %	0.1 %	0.3 %	0.2 %	0.2 %	0.2 %	1.0 %
Interest expenses	1.7 %	1.3 %	2.3 %	2.5 %	2.5 %	2.4 %	0.6 %
Other financial result	-0.2 %	0.9 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Financial result	-1.8 %	-0.3 %	-2.0 %	-2.3 %	-2.3 %	-2.1 %	0.4 %
Recurring pretax income from continuing operations	11.6 %	14.9 %	12.9 %	17.4 %	15.7 %	16.2 %	19.5 %
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Earnings before taxes	11.6 %	14.9 %	12.9 %	17.4 %	15.7 %	16.2 %	19.5 %
Tax rate	63.4 %	-44.5 %	27.4 %	43.6 %	35.0 %	35.0 %	35.0 %
Net income from continuing operations	4.2 %	21.6 %	9.4 %	9.8 %	10.2 %	10.5 %	12.7 %
Result from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income	4.2 %	21.6 %	9.4 %	9.8 %	10.2 %	10.5 %	12.7 %
Minority interest	-2.0 %	8.5 %	0.9 %	0.9 %	0.9 %	0.9 %	1.1 %
Net income (net of minority interest)	6.3 %	13.1 %	8.5 %	9.0 %	9.3 %	9.6 %	11.6 %

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2008	2009	2010	2011	2012E	2013E	2014E
Intangible assets	38.7	42.1	40.9	45.0	45.0	45.0	45.0
Property, plant and equipment	23.8	27.3	27.6	28.9	31.6	34.1	34.4
Financial assets	1.4	1.8	1.3	1.4	1.4	1.4	1.4
FIXED ASSETS	63.9	71.1	69.8	75.3	78.0	80.5	80.8
Inventories	8.6	12.6	12.7	14.2	14.4	14.8	15.3
Accounts receivable	14.0	16.2	17.3	18.1	18.7	19.3	19.5
Other current assets	3.5	6.2	3.1	4.7	7.3	7.5	7.7
Liquid assets	7.6	43.9	29.4	32.3	33.3	39.9	50.5
Deferred taxes	1.2	11.8	12.2	9.5	9.6	9.9	10.2
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CURRENT ASSETS	34.9	90.8	74.7	78.8	83.4	91.3	103.3
TOTAL ASSETS	98.8	161.9	144.5	154.0	161.4	171.8	184.0
SHAREHOLDERS EQUITY	40.9	76.4	68.3	75.9	83.7	93.4	104.3
MINORITY INTEREST	2.0	10.3	5.3	5.7	6.7	7.9	9.2
Long-term debt	10.8	14.3	16.0	12.9	11.0	9.3	7.9
Provisions for pensions and similar obligations	0.4	5.7	5.9	6.8	7.0	7.1	7.2
Other provisions	16.5	18.3	19.5	21.1	21.6	22.0	22.4
Non-current liabilities	27.7	38.2	41.5	40.8	39.5	38.4	37.6
short-term liabilities to banks	7.8	5.8	5.8	5.1	5.1	5.1	5.1
Accounts payable	4.3	4.4	4.3	5.3	5.4	5.6	5.6
Advance payments received on orders	1.0	8.0	3.4	1.3	1.3	1.3	1.3
Other liabilities (incl. from lease and rental contracts)	12.3	14.4	15.3	17.1	16.8	17.2	17.8
Deferred taxes	1.1	2.6	0.0	1.8	1.8	1.9	2.0
Deferred income	1.8	1.8	0.6	1.0	1.0	1.0	1.1
Current liabilities	28.3	37.0	29.4	31.6	31.5	32.1	32.9
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	98.8	161.9	144.4	154.0	161.4	171.8	184.0

Balance sheet (common size)	2008	2009	2010	2011	2012E	2013E	2014E
Intangible assets	39.2 %	26.0 %	28.3 %	29.2 %	27.9 %	26.2 %	24.5 %
Property, plant and equipment	24.1 %	16.8 %	19.1 %	18.8 %	19.6 %	19.9 %	18.7 %
Financial assets	1.4 %	1.1 %	0.9 %	0.9 %	0.8 %	0.8 %	0.7 %
FIXED ASSETS	64.7 %	43.9 %	48.3 %	48.9 %	48.3 %	46.9 %	43.9 %
Inventories	8.7 %	7.8 %	8.8 %	9.2 %	8.9 %	8.6 %	8.3 %
Accounts receivable	14.2 %	10.0 %	11.9 %	11.7 %	11.6 %	11.2 %	10.6 %
Other current assets	3.5 %	3.9 %	2.1 %	3.0 %	4.5 %	4.3 %	4.2 %
Liquid assets	7.7 %	27.1 %	20.4 %	21.0 %	20.6 %	23.2 %	27.4 %
Deferred taxes	1.2 %	7.3 %	8.5 %	6.2 %	6.0 %	5.8 %	5.6 %
Deferred charges and prepaid expenses	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
CURRENT ASSETS	35.3 %	56.1 %	51.7 %	51.1 %	51.7 %	53.1 %	56.1 %
TOTAL ASSETS	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
SHAREHOLDERS EQUITY	41.4 %	47.2 %	47.3 %	49.3 %	51.9 %	54.4 %	56.7 %
MINORITY INTEREST	2.0 %	6.3 %	3.7 %	3.7 %	4.2 %	4.6 %	5.0 %
Long-term debt	10.9 %	8.8 %	11.1 %	8.4 %	6.8 %	5.4 %	4.3 %
Provisions for pensions and similar obligations	0.4 %	3.5 %	4.1 %	4.4 %	4.3 %	4.1 %	3.9 %
Other provisions	16.7 %	11.3 %	13.5 %	13.7 %	13.4 %	12.8 %	12.2 %
Non-current liabilities	28.0 %	23.6 %	28.7 %	26.5 %	24.5 %	22.3 %	20.4 %
short-term liabilities to banks	7.8 %	3.6 %	4.0 %	3.3 %	3.2 %	3.0 %	2.8 %
Accounts payable	4.3 %	2.7 %	3.0 %	3.4 %	3.4 %	3.2 %	3.1 %
Advance payments received on orders	1.0 %	4.9 %	2.3 %	0.9 %	0.8 %	0.8 %	0.7 %
Other liabilities (incl. from lease and rental contracts)	12.5 %	8.9 %	10.6 %	11.1 %	10.4 %	10.0 %	9.7 %
Deferred taxes	1.2 %	1.6 %	0.0 %	1.2 %	1.1 %	1.1 %	1.1 %
Deferred income	1.8 %	1.1 %	0.4 %	0.6 %	0.6 %	0.6 %	0.6 %
Current liabilities	28.6 %	22.9 %	20.3 %	20.5 %	19.5 %	18.7 %	17.9 %
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)	2008	2009	2010	2011	2012E	2013E	2014E
Net profit/loss	3.0	15.7	10.4	11.4	12.1	12.7	15.9
Depreciation of fixed assets (incl. leases)	9.2	7.0	9.8	7.5	8.3	8.5	8.8
Amortisation of goodwill	0.0	4.4	0.0	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	-5.0	-0.8	1.6	2.8	0.1	0.1	0.1
Cash flow from operations before changes in w/c	7.1	26.3	16.9	21.7	20.5	21.4	24.8
Increase/decrease in inventory	-0.8	-4.1	0.0	-1.4	-0.2	-0.4	-0.5
Increase/decrease in accounts receivable	-2.5	-2.2	-1.0	-1.2	-0.7	-0.5	-0.3
Increase/decrease in accounts payable	0.4	0.1	-0.1	1.0	0.1	0.1	0.1
Increase/decrease in other working capital positions	4.4	6.3	-0.6	0.1	-2.9	0.3	0.3
Increase/decrease in working capital	1.5	0.2	-1.8	-1.6	-3.7	-0.5	-0.4
Cash flow from operating activities	8.6	26.5	15.0	20.2	16.8	20.8	24.4
CAPEX	6.0	5.7	7.7	9.2	11.0	11.0	8.5
Payments for acquisitions	0.2	5.3	22.8	0.0	0.0	0.0	0.0
Financial investments	-0.5	0.0	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	0.2	1.3	0.2	0.3	0.0	0.0	0.0
Cash flow from investing activities	-5.5	-9.7	-30.4	-8.9	-11.0	-11.0	-8.5
Cash flow before financing	3.1	16.8	-15.4	11.3	3.1	3.3	3.9
Increase/decrease in debt position	0.6	1.9	1.7	-5.5	-1.9	0.0	-1.4
Purchase of own shares	0.0	4.5	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	24.4	1.3	0.0	0.0	0.0	0.0
Dividends paid	0.8	0.6	2.3	3.2	3.1	3.3	3.9
Others	-0.1	-1.6	0.0	0.3	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.1	-0.3	0.4	0.2	0.0	0.0	0.0
Cash flow from financing activities	-0.3	19.5	0.7	-8.4	-5.0	-3.3	-5.3
Increase/decrease in liquid assets	2.9	36.0	-14.2	3.1	n/a	n/a	n/a
Liquid assets at end of period	7.6	43.6	29.4	32.5	33.3	39.9	50.5

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2008	2009	2010	2011	2012E	2013E	2014E
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	43.9	61.9	67.9	69.0	72.0	73.9	0.0
yoy change	42.5 %	40.9 %	9.8 %	1.6 %	4.3 %	2.7 %	n/a
NAFTA	20.3	27.4	30.5	30.9	35.4	36.4	0.0
yoy change	6.8 %	34.9 %	11.4 %	1.3 %	14.5 %	2.7 %	n/a
Asia Pacific	6.2	10.1	11.1	12.1	9.4	9.7	0.0
yoy change	138.5 %	63.5 %	9.5 %	9.0 %	-22.0 %	2.7 %	n/a
Rest of world	1.2	2.0	1.6	4.2	1.2	1.2	0.0
yoy change	-40.0 %	69.0 %	-21.1 %	162.5 %	-71.9 %	2.7 %	n/a
TTL	71.6	101.4	111.1	116.2	118.0	121.2	0.0
yoy change	31.6 %	41.6 %	9.6 %	4.6 %	1.5 %	2.7 %	n/a

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2008	2009	2010	2011	2012E	2013E	2014E
P&L growth analysis							
Sales growth	31.5 %	41.6 %	9.6 %	4.6 %	1.5 %	2.7 %	3.3 %
EBITDA growth	93.1 %	20.4 %	17.1 %	15.1 %	-3.1 %	4.0 %	6.6 %
EBIT growth	60.6 %	61.3 %	7.2 %	38.2 %	-7.3 %	4.5 %	7.9 %
EPS growth	131.0 %	143.0 %	-48.0 %	9.1 %	5.7 %	5.6 %	24.6 %
Efficiency							
Total operating costs / sales	34.3 %	35.2 %	37.1 %	35.7 %	37.1 %	37.0 %	36.9 %
Sales per employee	181.3	202.8	218.3	212.4	214.5	n/a	n/a
EBITDA per employee	47.4	45.1	51.9	55.6	53.6	n/a	n/a
Balance sheet analysis							
Avg. working capital / sales	22.5 %	16.6 %	17.4 %	20.6 %	22.1 %	22.1 %	22.0 %
Inventory turnover (sales/inventory)	8.4	8.0	8.8	8.2	8.2	8.2	8.2
Trade debtors in days of sales	71.3	58.3	56.7	56.8	58.0	58.0	57.0
A/P turnover [(A/P*365)/sales]	41.8	32.1	29.6	37.4	37.4	37.4	37.4
Cash conversion cycle (days)	112.9	117.9	113.9	119.6	120.0	n/a	n/a
Cash flow analysis							
Free cash flow	2.6	20.8	7.3	11.0	5.8	9.8	15.9
Free cash flow/sales	3.6 %	20.5 %	6.6 %	9.4 %	4.9 %	8.1 %	12.7 %
FCF / net profit	57.9 %	156.9 %	77.6 %	105.4 %	52.7 %	84.6 %	109.9 %
FCF yield	3.9 %	18.9 %	6.6 %	10.0 %	5.3 %	9.0 %	14.5 %
Capex / depn	59.7 %	49.8 %	78.5 %	122.2 %	133.2 %	129.7 %	97.1 %
Capex / maintenance capex	0.0 %	0.0 %	78.5 %	122.2 %	148.0 %	144.1 %	114.2 %
Capex / sales	7.6 %	5.6 %	7.0 %	7.9 %	9.3 %	9.1 %	6.8 %
Security							
Net debt	10.9	-23.8	-7.6	-14.3	-17.2	-25.5	-37.5
Net Debt/EBITDA	0.6	0.0	0.0	0.0	0.0	0.0	0.0
Net debt / equity	0.3	-0.3	-0.1	-0.2	-0.2	-0.3	-0.4
Interest cover	7.7	11.6	6.6	7.9	7.3	7.7	30.6
Dividend payout ratio	14.1 %	17.4 %	32.7 %	29.6 %	29.6 %	33.3 %	33.3 %
Asset utilisation							
Capital employed turnover	0.9	0.8	1.0	1.0	0.9	0.8	0.8
Operating assets turnover	1.7	2.3	2.2	2.1	2.0	2.0	2.0
Plant turnover	3.0	3.7	4.0	4.0	3.7	3.5	3.6
Inventory turnover (sales/inventory)	8.4	8.0	8.8	8.2	8.2	8.2	8.2
Returns							
ROCE	10.4 %	16.2 %	14.3 %	19.9 %	17.0 %	16.3 %	15.9 %
ROE	11.0 %	17.3 %	13.8 %	13.7 %	13.2 %	12.4 %	13.9 %
Other							
Interest paid / avg. debt	8.1 %	6.9 %	12.0 %	14.5 %	17.0 %	19.0 %	5.7 %
No. employees (average)	395	500	509	547	550	0	0
Number of shares	3.1	3.8	5.2	5.3	5.3	5.3	5.3
DPS	0.3	0.5	0.6	0.6	0.6	0.7	0.9
EPS reported	1.43	3.48	1.81	1.98	2.09	2.20	2.75
Valuation ratios							
P/BV	1.7	1.1	1.6	1.5	1.3	1.2	1.1
EV/sales	1.1	0.9	1.0	0.9	0.8	0.8	0.6
EV/EBITDA	4.1	4.2	4.1	3.4	3.4	3.0	2.4
EV/EBITA	8.1	4.2	6.5	4.5	4.7	4.1	3.3
EV/EBIT	8.1	6.1	6.5	4.5	4.7	4.1	3.3
EV/FCF	29.8	4.4	14.8	9.3	17.2	9.3	5.0
Dividend yield	1.4 %	2.1 %	2.8 %	2.8 %	3.0 %	3.1 %	4.3 %

Source: Company data, Hauck & Aufhäuser

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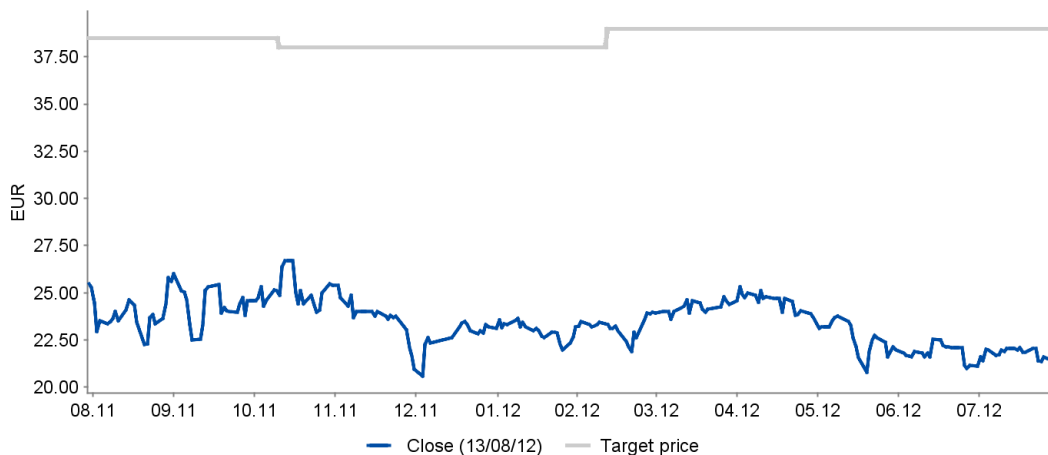
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Eckert & Ziegler AG	2, 5

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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 14/08/12

Initiation coverage
08-April-10



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