



**Buy** (old: Buy)

**Price target: EUR 40.00** (old: EUR 37.00)

<b>Price:</b>	EUR 27.45	<b>Next result:</b>	Q1 03.05.13
<b>Bloomberg:</b>	EUZ GR	<b>Market cap:</b>	EUR 140.9 m
<b>Reuters:</b>	EUZG.DE	<b>Enterprise Value:</b>	EUR 124.2 m

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### Moderate Q4 figures but positive guidance, chg. in est. & PT

Eckert & Ziegler reported final Q4 figures last week after preliminary sales and net income on Wednesday. A conference call was held at 12:00 CET.

**Q4 sales came in at € 32.3m and slightly contracted by 1.0% yoy on the back of a high base in Q4 2011 as well as a slightly weaker market environment.** Sales in the Isotope Products segment (47% of sales) grew by 6.8% yoy, however largely on the back of positive FX effects while especially the industrial end markets remained weak. The Therapy segment (26% of sales) continued to benefit from a sound roll-out of the Multisource radiation device, especially in emerging markets, however contracted by 8.9% yoy given higher positive one time effects from licence sales to Russia in Q4 2011. The Radiopharma segment (22% of sales) declined by 6.5% yoy due to temporarily negative product mix effects while the Environmental segment (5% of sales) grew by 8.8% yoy, driven by a larger recycling order.

**Q4 EBIT stood at € 5.7m, implying an EBIT margin of 17.7% and came in slightly below expectations (H&A: € 6.2m).** This was mainly attributable to extra expenses related to due diligences (projects cancelled again) but also the ramp up costs for the recent Vitalea acquisition in the Isotope Products segment (81% of EBIT). Moreover, negative product mix effects and higher transport costs (air freight) to satisfy demand from Eastern Europe negatively affected profitability in the Radiopharma segment (11% of EBIT). Positively however, the Therapy segment (25% of EBIT) benefited from positive one time gains from the sale of licences to Russia related to the recent partnership with MSM. The Environmental segment posted a negative result of € 0.4m due to the revaluation of provisions due to amongst others regulatory changes.

**Net income came in at € 3.2m (H&A: € 3.4m) and benefited from a significantly lower tax rate** due to the recognition of tax losses carried forward.

**Guidance: The 2013E guidance of around € 125m in sales and c. € 12m of net income (H&A: € 125m, € 11.8m) was reiterated. Management also introduced a guidance for 2014E, expecting sales of at least € 130m as well as net income of above € 15m (H&A: € 131m, € 13.6m).** This should foremost be driven by the international roll-out of the Multisource afterloaders also in China and Brazil but also the new cyclotron in Poland. We however remain a bit more cautious on the 2014E net income line, given limited visibility on the ramp up costs of the Polish cyclotron.

- continued -

Y/E 31.12 (EUR m)	2009	2010	2011	2012	2013E	2014E	2015E
Sales	101.4	111.1	116.2	120.0	124.5	130.7	136.6
Sales growth	42 %	10 %	5 %	3 %	4 %	5 %	5 %
EBITDA	22.6	26.4	30.4	28.1	30.4	32.6	33.8
EBIT	15.5	16.6	22.9	19.7	21.7	23.5	24.7
Net income	13.3	9.4	10.4	10.3	12.1	13.6	14.6
Net debt	-23.8	-7.6	-14.3	-15.4	-25.8	-35.6	-46.4
Net gearing	-31.2 %	-11.2 %	-18.9 %	-19.1 %	-27.8 %	-34.9 %	-40.9 %
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EPS fully diluted	3.48	1.81	1.98	1.95	2.30	2.58	2.77
CPS	3.71	1.01	2.46	1.76	2.42	2.87	2.96
DPS	0.45	0.60	0.60	0.60	0.69	0.86	0.00
Dividend yield	1.6 %	2.2 %	2.2 %	2.2 %	2.5 %	3.2 %	3.4 %
Gross profit margin	50.4 %	52.0 %	55.4 %	54.3 %	55.0 %	55.6 %	55.7 %
EBITDA margin	22.2 %	23.8 %	26.2 %	23.4 %	24.4 %	25.0 %	24.8 %
EBIT margin	15.2 %	14.9 %	19.7 %	16.4 %	17.4 %	18.0 %	18.1 %
ROCE	16.2 %	14.3 %	19.9 %	15.9 %	15.9 %	15.6 %	15.3 %
EV/sales	1.2	1.3	1.1	1.1	1.0	0.9	0.8
EV/EBITDA	5.6	5.3	4.4	4.8	4.1	3.5	3.1
EV/EBIT	8.2	8.4	5.8	6.8	5.7	4.9	4.2
PER	13.9	15.2	13.9	14.1	12.0	10.7	9.9
Adjusted FCF yield	10.3 %	8.4 %	10.0 %	10.3 %	12.2 %	14.8 %	16.3 %

Source: Company data, Hauck & Aufhäuser Close price as of: 28.03.2013



Source: Company data, Hauck & Aufhäuser

**High/low 52 weeks:** 27.55 / 20.51

**Price/Book Ratio:** 1.6

**Relative performance (SDAX):**

3 months 7.6 %

6 months 5.4 %

12 months 2.9 %

### Changes in estimates

		Sales	EBIT	EPS
2013	old:	128.2	22.4	2.27
	Δ	-2.9%	-3.1%	1.1%
2014	old:	136.3	24.6	2.62
	Δ	-4.1%	-4.5%	-1.5%
2015	old:	140.4	25.3	2.96
	Δ	-	-	-

### Key share data:

Number of shares: (in m pcs) 5.3

Authorised capital: (in € m) 0.6

Book value per share: (in €) 17.6

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

**Action:** For 2013E, we reduce our sales & EBIT estimates by c. 3% on the back of still rather moderate demand from industrial clients but also a temporarily weaker product mix and higher than expected ramp up costs for the new cyclotron in Poland in the Radiopharma segment. Given the lower base, we also adjusted our 2014E sales & EBIT estimates by c. 4%.

Nonetheless, **Eckert & Ziegler's underlying business looks well intact** and the top and bottom-line growth potential on the back of the successful international roll-out of the Multisource afterloader generation as well as a new cyclotron footprint in Poland, look attractive. In addition, **valuation still seems undemanding at 5.8x EV/EBIT 2013E**. The stock therefore remains a **BUY** with a **new PT of € 40** (old: € 37) which is now based on FCFY 2013E (old: 2012).

Eckert & Ziegler Key Figures (€ m)	Q4 12	Q4 12 est	Q4 11	yoy	Q3 12	qoq	FY 12	FY 12 est	FY 11	yoy
<b>Sales</b>	<b>32.3</b>	<b>30.0</b>	<b>32.6</b>	-1.0%	<b>29.9</b>	8.1%	<b>120.0</b>	<b>117.7</b>	<b>116.2</b>	3.3%
Isotope Products	14.6	14.3	13.7	6.8%	13.3	9.9%	56.1	55.8	54.6	2.6%
Therapy	10.0	8.0	10.9	-8.9%	7.9	26.7%	31.8	29.8	30.4	4.5%
Radiopharma	6.1	6.1	6.5	-6.5%	7.2	-16.2%	26.0	26.0	25.6	1.3%
Environment	1.6	1.5	1.5	8.8%	1.5	10.6%	6.2	6.1	5.5	11.8%
<b>EBIT</b>	<b>5.7</b>	<b>6.2</b>	<b>6.4</b>	-11.2%	<b>4.0</b>	42.4%	<b>19.7</b>	<b>20.2</b>	<b>22.9</b>	-13.9%
Margin	17.7%	20.6%	19.7%	- 2.0 pp	13.4%	+ 4.3 pp	16.4%	17.2%	19.7%	- 3.3 pp
Isotope Products	3.4	3.4	4.4	-23.6%	3.4	-2.2%	15.9	16.0	17.4	-8.3%
Margin	23.0%	23.8%	32.2%	- 9.1 pp	25.9%	- 2.8 pp	28.4%	28.7%	31.8%	- 3.4 pp
Therapy	3.0	2.6	2.5	18.4%	1.0	200.6%	4.9	4.5	4.5	9.5%
Margin	30.3%	32.8%	23.3%	+ 7 pp	12.8%	+ 17.5 pp	15.5%	15.2%	14.8%	+ 0.7 pp
Radiopharma	0.0	0.2	-0.2	-89.3%	0.8	-102.3%	2.2	2.4	3.1	-27.8%
Margin	-0.3%	2.8%	-2.6%	+ 2.3 pp	11.0%	- 11 pp	8.5%	9.2%	12.0%	- 3.4 pp
Environment	-0.4	0.5	-0.2	162.0%	-0.7	-41.9%	-1.7	-0.8	0.2	-1201.9%
Margin	-24.2%	33.1%	-10.0%	- 14 pp	-46.1%	+ 21.9 pp	-27.4%	-15.0%	2.8%	- 30 pp
Others/Elimination	-0.3	-0.6	-0.2	25.8%	-0.6	-52.1%	-1.7	-1.9	-2.2	-24.9%
<b>Net profit</b>	<b>3.2</b>	<b>3.4</b>	<b>1.7</b>	92.2%	<b>1.6</b>	94.5%	<b>10.3</b>	<b>10.5</b>	<b>10.4</b>	-1.2%
Net margin	9.9%	11.3%	5.1%	+ 4.8 pp	5.5%	+ 4.4 pp	8.6%	8.9%	9.0%	- 0.0 pp
<b>EPS</b>	<b>0.61</b>	<b>0.64</b>	<b>0.32</b>	92.2%	<b>0.31</b>	94.5%	<b>1.95</b>	<b>1.99</b>	<b>1.98</b>	-1.2%

Source: company data, Hauck&Aufhäuser

## Financials

Profit and loss (EUR m)	2009	2010	2011	2012	2013E	2014E	2015E
<b>Sales</b>	<b>101.4</b>	<b>111.1</b>	<b>116.2</b>	<b>120.0</b>	<b>124.5</b>	<b>130.7</b>	<b>136.6</b>
<i>Sales growth</i>	41.6 %	9.6 %	4.6 %	3.3 %	3.7 %	5.0 %	4.5 %
Cost of sales	50.3	53.3	51.8	54.8	56.0	58.0	60.5
<b>Gross profit</b>	<b>51.1</b>	<b>57.8</b>	<b>64.4</b>	<b>65.2</b>	<b>68.5</b>	<b>72.7</b>	<b>76.1</b>
Sales and marketing	18.4	18.9	19.5	20.6	21.2	22.2	23.2
General and administration	19.1	18.8	19.2	22.8	20.9	22.0	23.0
Research and development	2.5	2.9	3.0	3.5	3.6	3.4	3.6
Other operating income	9.3	3.9	4.7	9.5	5.1	5.4	5.6
Other operating expenses	5.0	4.5	4.5	8.1	6.2	7.0	7.3
Unusual or infrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBITDA</b>	<b>22.6</b>	<b>26.4</b>	<b>30.4</b>	<b>28.1</b>	<b>30.4</b>	<b>32.6</b>	<b>33.8</b>
Depreciation	7.1	9.8	7.5	8.4	8.7	9.1	9.2
<b>EBITA</b>	<b>15.5</b>	<b>16.6</b>	<b>22.9</b>	<b>19.7</b>	<b>21.7</b>	<b>23.5</b>	<b>24.7</b>
Amortisation of goodwill	4.4	0.0	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
<b>EBIT</b>	<b>15.5</b>	<b>16.6</b>	<b>22.9</b>	<b>19.7</b>	<b>21.7</b>	<b>23.5</b>	<b>24.7</b>
Interest income	0.1	0.3	0.2	0.5	0.4	0.5	0.6
Interest expenses	1.3	2.5	2.9	2.8	2.4	2.1	1.9
Other financial result	1.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial result	-0.3	-2.2	-2.7	-2.3	-2.0	-1.6	-1.3
<b>Recurring pretax income from continuing operations</b>	<b>15.2</b>	<b>14.4</b>	<b>20.2</b>	<b>17.5</b>	<b>19.7</b>	<b>21.9</b>	<b>23.3</b>
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Earnings before taxes</b>	<b>15.2</b>	<b>14.4</b>	<b>20.2</b>	<b>17.5</b>	<b>19.7</b>	<b>21.9</b>	<b>23.3</b>
Taxes	-6.7	3.9	8.8	5.7	6.1	6.8	7.2
<b>Net income from continuing operations</b>	<b>21.9</b>	<b>10.4</b>	<b>11.4</b>	<b>11.8</b>	<b>13.6</b>	<b>15.1</b>	<b>16.1</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>21.9</b>	<b>10.4</b>	<b>11.4</b>	<b>11.8</b>	<b>13.6</b>	<b>15.1</b>	<b>16.1</b>
Minority interest	8.6	1.0	1.0	1.5	1.5	1.5	1.5
<b>Net income (net of minority interest)</b>	<b>13.3</b>	<b>9.4</b>	<b>10.4</b>	<b>10.3</b>	<b>12.1</b>	<b>13.6</b>	<b>14.6</b>
Average number of shares	3.8	5.2	5.3	5.3	5.3	5.3	5.3
<b>EPS reported</b>	<b>3.48</b>	<b>1.81</b>	<b>1.98</b>	<b>1.95</b>	<b>2.30</b>	<b>2.58</b>	<b>2.77</b>

Profit and loss (common size)	2009	2010	2011	2012	2013E	2014E	2015E
<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	49.6 %	48.0 %	44.6 %	45.7 %	45.0 %	44.4 %	44.3 %
<b>Gross profit</b>	<b>50.4 %</b>	<b>52.0 %</b>	<b>55.4 %</b>	<b>54.3 %</b>	<b>55.0 %</b>	<b>55.6 %</b>	<b>55.7 %</b>
Sales and marketing	18.2 %	17.0 %	16.8 %	17.2 %	17.0 %	17.0 %	17.0 %
General and administration	18.8 %	16.9 %	16.5 %	19.0 %	16.8 %	16.8 %	16.8 %
Research and development	2.5 %	2.6 %	2.6 %	2.9 %	2.9 %	2.6 %	2.6 %
Other operating income	9.2 %	3.5 %	4.0 %	7.9 %	4.1 %	4.1 %	4.1 %
Other operating expenses	4.9 %	4.0 %	3.8 %	6.8 %	5.0 %	5.3 %	5.3 %
Unusual or infrequent items	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>EBITDA</b>	<b>22.2 %</b>	<b>23.8 %</b>	<b>26.2 %</b>	<b>23.4 %</b>	<b>24.4 %</b>	<b>25.0 %</b>	<b>24.8 %</b>
Depreciation	7.0 %	8.9 %	6.5 %	7.0 %	7.0 %	7.0 %	6.7 %
<b>EBITA</b>	<b>15.2 %</b>	<b>14.9 %</b>	<b>19.7 %</b>	<b>16.4 %</b>	<b>17.4 %</b>	<b>18.0 %</b>	<b>18.1 %</b>
Amortisation of goodwill	4.3 %	0.0 %	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 %
<b>EBIT</b>	<b>15.2 %</b>	<b>14.9 %</b>	<b>19.7 %</b>	<b>16.4 %</b>	<b>17.4 %</b>	<b>18.0 %</b>	<b>18.1 %</b>
Interest income	0.1 %	0.3 %	0.2 %	0.4 %	0.3 %	0.4 %	0.4 %
Interest expenses	1.3 %	2.3 %	2.5 %	2.3 %	1.9 %	1.6 %	1.4 %
Other financial result	0.9 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Financial result	-0.3 %	-2.0 %	-2.3 %	-1.9 %	-1.6 %	-1.2 %	-1.0 %
<b>Recurring pretax income from continuing operations</b>	<b>14.9 %</b>	<b>12.9 %</b>	<b>17.4 %</b>	<b>14.6 %</b>	<b>15.8 %</b>	<b>16.7 %</b>	<b>17.1 %</b>
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Earnings before taxes</b>	<b>14.9 %</b>	<b>12.9 %</b>	<b>17.4 %</b>	<b>14.6 %</b>	<b>15.8 %</b>	<b>16.7 %</b>	<b>17.1 %</b>
Tax rate	-44.5 %	27.4 %	43.6 %	32.6 %	31.0 %	31.0 %	31.0 %
<b>Net income from continuing operations</b>	<b>21.6 %</b>	<b>9.4 %</b>	<b>9.8 %</b>	<b>9.8 %</b>	<b>10.9 %</b>	<b>11.6 %</b>	<b>11.8 %</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>21.6 %</b>	<b>9.4 %</b>	<b>9.8 %</b>	<b>9.8 %</b>	<b>10.9 %</b>	<b>11.6 %</b>	<b>11.8 %</b>
Minority interest	8.5 %	0.9 %	0.9 %	1.2 %	1.2 %	1.2 %	1.1 %
<b>Net income (net of minority interest)</b>	<b>13.1 %</b>	<b>8.5 %</b>	<b>9.0 %</b>	<b>8.6 %</b>	<b>9.7 %</b>	<b>10.4 %</b>	<b>10.7 %</b>

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2009	2010	2011	2012	2013E	2014E	2015E
<b>Intangible assets</b>	<b>42.1</b>	<b>40.9</b>	<b>45.0</b>	<b>45.8</b>	<b>45.8</b>	<b>45.8</b>	<b>45.8</b>
Property, plant and equipment	27.3	27.6	28.9	31.2	32.4	32.3	32.1
Financial assets	1.8	1.3	1.4	4.0	4.0	4.0	4.0
<b>FIXED ASSETS</b>	<b>71.1</b>	<b>69.8</b>	<b>75.3</b>	<b>81.0</b>	<b>82.3</b>	<b>82.2</b>	<b>82.0</b>
Inventories	12.6	12.7	14.2	15.5	15.6	16.3	17.1
Accounts receivable	16.2	17.3	18.1	22.0	22.8	24.0	25.0
Other current assets	6.2	3.1	4.7	6.0	7.7	8.0	8.4
Liquid assets	43.9	29.4	32.3	30.8	39.7	47.9	57.7
Deferred taxes	11.8	12.2	9.5	9.1	10.2	10.7	11.2
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>CURRENT ASSETS</b>	<b>90.8</b>	<b>74.7</b>	<b>78.8</b>	<b>83.4</b>	<b>96.0</b>	<b>107.0</b>	<b>119.5</b>
<b>TOTAL ASSETS</b>	<b>161.9</b>	<b>144.5</b>	<b>154.0</b>	<b>164.4</b>	<b>178.3</b>	<b>189.1</b>	<b>201.5</b>
SHAREHOLDERS EQUITY	76.4	68.3	75.9	80.7	92.6	102.0	113.4
MINORITY INTEREST	10.3	5.3	5.7	6.2	7.7	9.3	9.3
Long-term debt	14.3	16.0	12.9	9.8	8.3	6.6	5.6
Provisions for pensions and similar obligations	5.7	5.9	6.8	8.9	9.0	9.2	9.4
Other provisions	18.3	19.5	21.1	22.0	22.4	22.9	23.3
<b>Non-current liabilities</b>	<b>38.2</b>	<b>41.5</b>	<b>40.8</b>	<b>40.6</b>	<b>39.8</b>	<b>38.7</b>	<b>38.4</b>
short-term liabilities to banks	5.8	5.8	5.1	5.7	5.7	5.7	5.7
Accounts payable	4.4	4.3	5.3	7.5	7.5	7.3	7.5
Advance payments received on orders	8.0	3.4	1.3	2.3	2.3	2.4	2.4
Other liabilities (incl. from lease and rental contracts)	14.4	15.3	17.1	18.9	19.6	20.6	21.5
Deferred taxes	2.6	0.0	1.8	1.5	1.9	2.0	2.1
Deferred income	1.8	0.6	1.0	1.0	1.1	1.1	1.2
<b>Current liabilities</b>	<b>37.0</b>	<b>29.4</b>	<b>31.6</b>	<b>36.9</b>	<b>38.2</b>	<b>39.1</b>	<b>40.4</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>161.9</b>	<b>144.4</b>	<b>154.0</b>	<b>164.4</b>	<b>178.3</b>	<b>189.1</b>	<b>201.5</b>

Balance sheet (common size)	2009	2010	2011	2012	2013E	2014E	2015E
<b>Intangible assets</b>	<b>26.0 %</b>	<b>28.3 %</b>	<b>29.2 %</b>	<b>27.9 %</b>	<b>25.7 %</b>	<b>24.2 %</b>	<b>22.7 %</b>
Property, plant and equipment	16.8 %	19.1 %	18.8 %	18.9 %	18.2 %	17.1 %	16.0 %
Financial assets	1.1 %	0.9 %	0.9 %	2.5 %	2.3 %	2.1 %	2.0 %
<b>FIXED ASSETS</b>	<b>43.9 %</b>	<b>48.3 %</b>	<b>48.9 %</b>	<b>49.3 %</b>	<b>46.2 %</b>	<b>43.4 %</b>	<b>40.7 %</b>
Inventories	7.8 %	8.8 %	9.2 %	9.4 %	8.7 %	8.6 %	8.5 %
Accounts receivable	10.0 %	11.9 %	11.7 %	13.4 %	12.8 %	12.7 %	12.4 %
Other current assets	3.9 %	2.1 %	3.0 %	3.7 %	4.3 %	4.3 %	4.2 %
Liquid assets	27.1 %	20.4 %	21.0 %	18.8 %	22.3 %	25.3 %	28.7 %
Deferred taxes	7.3 %	8.5 %	6.2 %	5.5 %	5.7 %	5.7 %	5.5 %
Deferred charges and prepaid expenses	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>CURRENT ASSETS</b>	<b>56.1 %</b>	<b>51.7 %</b>	<b>51.1 %</b>	<b>50.7 %</b>	<b>53.8 %</b>	<b>56.6 %</b>	<b>59.3 %</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	47.2 %	47.3 %	49.3 %	49.1 %	51.9 %	53.9 %	56.3 %
MINORITY INTEREST	6.3 %	3.7 %	3.7 %	3.8 %	4.3 %	4.9 %	4.6 %
Long-term debt	8.8 %	11.1 %	8.4 %	5.9 %	4.7 %	3.5 %	2.8 %
Provisions for pensions and similar obligations	3.5 %	4.1 %	4.4 %	5.4 %	5.1 %	4.9 %	4.7 %
Other provisions	11.3 %	13.5 %	13.7 %	13.4 %	12.6 %	12.1 %	11.6 %
<b>Non-current liabilities</b>	<b>23.6 %</b>	<b>28.7 %</b>	<b>26.5 %</b>	<b>24.7 %</b>	<b>22.3 %</b>	<b>20.5 %</b>	<b>19.0 %</b>
short-term liabilities to banks	3.6 %	4.0 %	3.3 %	3.4 %	3.2 %	3.0 %	2.8 %
Accounts payable	2.7 %	3.0 %	3.4 %	4.5 %	4.2 %	3.9 %	3.7 %
Advance payments received on orders	4.9 %	2.3 %	0.9 %	1.4 %	1.3 %	1.3 %	1.2 %
Other liabilities (incl. from lease and rental contracts)	8.9 %	10.6 %	11.1 %	11.5 %	11.0 %	10.9 %	10.7 %
Deferred taxes	1.6 %	0.0 %	1.2 %	0.9 %	1.1 %	1.1 %	1.1 %
Deferred income	1.1 %	0.4 %	0.6 %	0.6 %	0.6 %	0.6 %	0.6 %
<b>Current liabilities</b>	<b>22.9 %</b>	<b>20.3 %</b>	<b>20.5 %</b>	<b>22.4 %</b>	<b>21.4 %</b>	<b>20.7 %</b>	<b>20.1 %</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)	2009	2010	2011	2012	2013E	2014E	2015E
Net profit/loss	15.7	10.4	11.4	11.8	13.6	15.1	16.1
Depreciation of fixed assets (incl. leases)	7.0	9.8	7.5	8.4	8.7	9.1	9.2
Amortisation of goodwill	4.4	0.0	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	-0.8	1.6	2.8	-2.8	0.2	0.2	0.2
Cash flow from operations before changes in w/c	26.3	16.9	21.7	17.4	22.5	24.4	25.4
Increase/decrease in inventory	-4.1	0.0	-1.4	-1.3	-0.1	-0.8	-0.7
Increase/decrease in accounts receivable	-2.2	-1.0	-1.2	-2.2	-0.8	-1.1	-1.1
Increase/decrease in accounts payable	0.1	-0.1	1.0	5.5	0.1	-0.2	0.1
Increase/decrease in other working capital positions	6.3	-0.6	0.1	-2.8	-0.9	0.6	0.6
Increase/decrease in working capital	0.2	-1.8	-1.6	-0.8	-1.8	-1.5	-1.1
<b>Cash flow from operating activities</b>	<b>26.5</b>	<b>15.0</b>	<b>20.2</b>	<b>16.6</b>	<b>20.7</b>	<b>22.9</b>	<b>24.4</b>
CAPEX	5.7	7.7	9.2	9.8	10.0	9.0	9.0
Payments for acquisitions	5.3	22.8	0.0	0.0	0.0	0.0	0.0
Financial investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	1.3	0.2	0.3	0.0	0.0	0.0	0.0
<b>Cash flow from investing activities</b>	<b>-9.7</b>	<b>-30.4</b>	<b>-8.9</b>	<b>-9.9</b>	<b>-10.0</b>	<b>-9.0</b>	<b>-9.0</b>
Cash flow before financing	16.8	-15.4	11.3	6.7	10.7	13.9	15.4
Increase/decrease in debt position	1.9	1.7	-5.5	-2.5	-1.5	-1.7	-1.0
Purchase of own shares	4.5	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	24.4	1.3	0.0	0.0	0.0	0.0	0.0
Dividends paid	0.6	2.3	3.2	3.1	3.1	4.1	4.6
Others	-1.6	0.0	0.3	0.0	0.0	0.0	0.0
Effects of exchange rate changes on cash	-0.3	0.4	0.2	0.0	0.0	0.0	0.0
<b>Cash flow from financing activities</b>	<b>19.5</b>	<b>0.7</b>	<b>-8.4</b>	<b>-5.6</b>	<b>-4.5</b>	<b>-5.7</b>	<b>-5.6</b>
Increase/decrease in liquid assets	36.0	-14.2	3.1	1.1	6.2	8.2	9.8
<b>Liquid assets at end of period</b>	<b>43.6</b>	<b>29.4</b>	<b>32.5</b>	<b>33.6</b>	<b>39.7</b>	<b>47.9</b>	<b>57.7</b>

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2009	2010	2011	2012	2013E	2014E	2015E
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	61.9	67.9	69.0	73.2	75.9	0.0	0.0
yoy change	40.9 %	9.8 %	1.6 %	6.1 %	3.7 %	n/a	n/a
NAFTA	27.4	30.5	30.9	36.0	37.3	0.0	0.0
yoy change	34.9 %	11.4 %	1.3 %	16.5 %	3.7 %	n/a	n/a
Asia Pacific	10.1	11.1	12.1	9.6	10.0	0.0	0.0
yoy change	63.5 %	9.5 %	9.0 %	-20.7 %	3.7 %	n/a	n/a
Rest of world	2.0	1.6	4.2	1.2	1.2	0.0	0.0
yoy change	69.0 %	-21.1 %	162.5 %	-71.4 %	3.7 %	n/a	n/a
<b>TTL</b>	<b>101.4</b>	<b>111.1</b>	<b>116.2</b>	<b>120.0</b>	<b>124.5</b>	<b>0.0</b>	<b>0.0</b>
yoy change	41.6 %	9.6 %	4.6 %	3.3 %	3.7 %	n/a	n/a

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2009	2010	2011	2012	2013E	2014E	2015E
<b>P&amp;L growth analysis</b>							
Sales growth	41.6 %	9.6 %	4.6 %	3.3 %	3.7 %	5.0 %	4.5 %
EBITDA growth	20.4 %	17.1 %	15.1 %	-7.5 %	8.1 %	7.3 %	3.6 %
EBIT growth	61.3 %	7.2 %	38.2 %	-13.9 %	10.0 %	8.3 %	5.0 %
EPS growth	143.0 %	-48.0 %	9.1 %	-1.2 %	17.6 %	12.2 %	7.7 %
<b>Efficiency</b>							
Total operating costs / sales	35.2 %	37.1 %	35.7 %	37.9 %	37.6 %	37.6 %	37.6 %
Sales per employee	202.8	218.3	212.4	218.2	n/a	n/a	n/a
EBITDA per employee	45.1	51.9	55.6	51.1	n/a	n/a	n/a
<b>Balance sheet analysis</b>							
Avg. working capital / sales	16.6 %	17.4 %	20.6 %	22.2 %	22.6 %	22.6 %	23.0 %
Inventory turnover (sales/inventory)	8.0	8.8	8.2	7.8	8.0	8.0	8.0
Trade debtors in days of sales	58.3	56.7	56.8	66.9	66.9	66.9	66.9
A/P turnover [(A/P*365)/sales]	32.1	29.6	37.4	49.6	49.0	46.0	45.0
Cash conversion cycle (days)	117.9	113.9	119.6	120.3	n/a	n/a	n/a
<b>Cash flow analysis</b>							
Free cash flow	20.8	7.3	11.0	6.7	10.7	13.9	15.4
Free cash flow/sales	20.5 %	6.6 %	9.4 %	5.6 %	8.6 %	10.7 %	11.2 %
FCF / net profit	156.9 %	77.6 %	105.4 %	65.5 %	88.4 %	102.7 %	105.1 %
FCF yield	14.8 %	5.2 %	7.8 %	4.8 %	7.6 %	9.9 %	10.9 %
Capex / deprec	49.8 %	78.5 %	122.2 %	117.1 %	114.8 %	98.4 %	98.3 %
Capex / maintenance capex	0.0 %	78.5 %	122.2 %	130.1 %	120.8 %	109.3 %	98.3 %
Capex / sales	5.6 %	7.0 %	7.9 %	8.2 %	8.0 %	6.9 %	6.6 %
<b>Security</b>							
Net debt	-23.8	-7.6	-14.3	-15.4	-25.8	-35.6	-46.4
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net debt / equity	-0.3	-0.1	-0.2	-0.2	-0.3	-0.3	-0.4
Interest cover	11.6	6.6	7.9	7.1	9.1	11.2	12.8
Dividend payout ratio	17.4 %	32.7 %	29.6 %	29.9 %	33.7 %	33.6 %	33.2 %
<b>Asset utilisation</b>							
Capital employed turnover	0.8	1.0	1.0	0.9	0.9	0.8	0.8
Operating assets turnover	2.3	2.2	2.1	2.0	2.0	2.1	2.1
Plant turnover	3.7	4.0	4.0	3.9	3.8	4.0	4.3
Inventory turnover (sales/inventory)	8.0	8.8	8.2	7.8	8.0	8.0	8.0
<b>Returns</b>							
ROCE	16.2 %	14.3 %	19.9 %	15.9 %	15.9 %	15.6 %	15.3 %
ROE	17.3 %	13.8 %	13.7 %	12.8 %	13.1 %	13.3 %	12.9 %
<b>Other</b>							
Interest paid / avg. debt	6.9 %	12.0 %	14.5 %	16.7 %	16.2 %	15.9 %	16.3 %
No. employees (average)	500	509	547	550	0	0	0
Number of shares	3.8	5.2	5.3	5.3	5.3	5.3	5.3
DPS	0.5	0.6	0.6	0.6	0.7	0.9	0.0
EPS reported	3.48	1.81	1.98	1.95	2.30	2.58	2.77
<b>Valuation ratios</b>							
P/BV	1.4	2.1	1.9	1.8	1.6	1.4	1.3
EV/sales	1.2	1.3	1.1	1.1	1.0	0.9	0.8
EV/EBITDA	5.6	5.3	4.4	4.8	4.1	3.5	3.1
EV/EBITA	5.6	8.4	5.8	6.8	5.7	4.9	4.2
EV/EBIT	8.2	8.4	5.8	6.8	5.7	4.9	4.2
EV/FCF	5.9	19.1	12.2	19.9	11.6	8.2	6.8
Dividend yield	1.6 %	2.2 %	2.2 %	2.2 %	2.5 %	3.2 %	3.4 %

Source: Company data, Hauck & Aufhäuser

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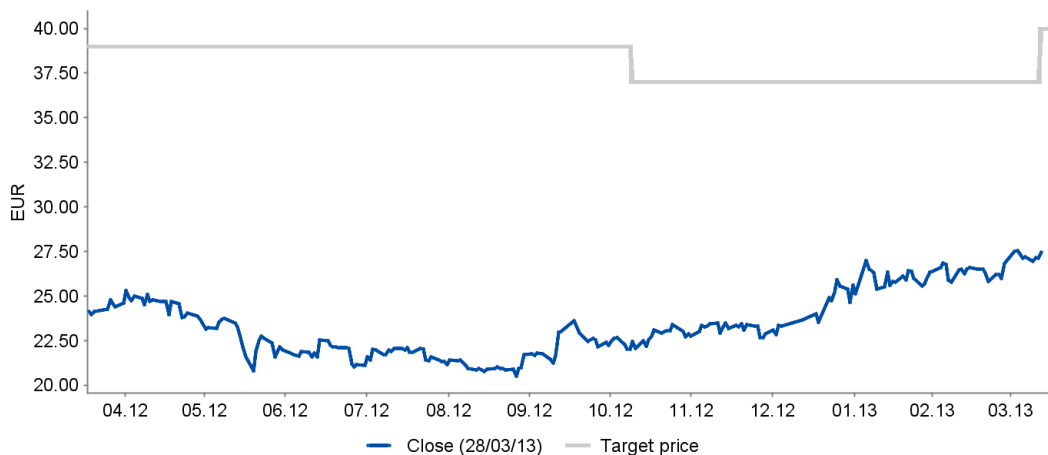
Company	Disclosure
Eckert & Ziegler AG	2, 5

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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 02/04/13

**Initiation coverage**  
08-April-10



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<b>Buy</b>	65.26 %	100.00 %
<b>Sell</b>	12.63 %	0.00 %
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