



**Buy** (old: Buy)

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

<b>Price:</b>	EUR 24.90	<b>Next result:</b>	Q4 28.03.13
<b>Bloomberg:</b>	EUZ GR	<b>Market cap:</b>	EUR 127.9 m
<b>Reuters:</b>	EUZG.DE	<b>Enterprise Value:</b>	EUR 116.1 m

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### Framework contract to tap growth in Russian afterloader market, chg.est.

Eckert & Ziegler, through its subsidiary BEBIG (holding 71%; listed in Belgium) yesterday announced that it closed a framework agreement with MSM Medimpex, allowing **MSM to locally produce afterloaders in Russia**. MSM is the company's long established Russian distributor and one of the largest suppliers of afterloaders to the Russian market.

The deal foresees the sale of production assets to MSM, know how licensing and support for the development of a local afterloader line. **MSM will hence manufacture an afterloaders line for temporary brachytherapy for Eckert & Ziegler in Russia in order to fulfil local content requirements.**

The deal sets the stage for Eckert & Ziegler to **participate in the government run 'state oncology programme'**, a major investment plan of the Russian government which sets out to modernize existing radiotherapy facilities, establish new treatment centres and extend training programs for clinical staff.

According to the company, the **sales potential amounts to well above € 30m over the coming three years, of which c. € 15m (H&A) should be attributable to Eckert & Ziegler**. This looks set to contribute roughly 3% to annual sales in 2013E already. Moreover, over the mid term this should add a total of € 0.5-1m p.a. (H&A) in recurring sales for the replacement of radiation sources (every 1-2 years).

Russia today already constitutes the largest single afterloader market for Eckert & Ziegler, contributing c. 4% to total sales (c. 15% of the Therapy segment), in our view. As the ninth most populous country worldwide, the state initiative **allows Eckert & Ziegler to manifest its strong position in Russia with an estimated market share of >10%**.

Moreover, **the deal should help to stabilise margins in the Therapy segment** (25% of sales) since afterloaders have higher margins compared to seeds (c. 2/3 of the segment) which suffer from pressure on prices. As a result, we uptake our sales and EBIT estimates going forward.

Given this positive newsflow as well as the company's highly resilient business model, excellent competitive quality and low valuation at 5x EV/EBIT 2013E, the stock remains a **BUY. PT is € 37** based of FCFY 2012E.

Y/E 31.12 (EUR m)	2008	2009	2010	2011	2012E	2013E	2014E
Sales	71.6	101.4	111.1	116.2	117.7	128.2	136.3
Sales growth	32 %	42 %	10 %	5 %	1 %	9 %	6 %
EBITDA	18.7	22.6	26.4	30.4	28.4	31.4	34.1
EBIT	9.6	15.5	16.6	22.9	20.2	22.4	24.6
Net income	4.5	13.3	9.4	10.4	10.5	12.0	13.8
Net debt	10.9	-23.8	-7.6	-14.3	-18.8	-26.3	-36.7
Net gearing	26.6 %	-31.2 %	-11.2 %	-18.9 %	-22.6 %	-28.6 %	-36.1 %
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	1.99	2.27	2.62
CPS	1.16	3.71	1.01	2.46	1.73	2.44	2.95
DPS	0.30	0.45	0.60	0.60	0.60	0.68	0.86
Dividend yield	1.2 %	1.8 %	2.4 %	2.4 %	2.4 %	2.7 %	3.5 %
Gross profit margin	47.7 %	50.4 %	52.0 %	55.4 %	54.7 %	55.2 %	55.6 %
EBITDA margin	26.2 %	22.2 %	23.8 %	26.2 %	24.2 %	24.5 %	25.1 %
EBIT margin	13.4 %	15.2 %	14.9 %	19.7 %	17.2 %	17.5 %	18.1 %
ROCE	10.4 %	16.2 %	14.3 %	19.9 %	16.2 %	16.5 %	16.6 %
EV/sales	1.2	1.1	1.1	1.0	1.0	0.8	0.7
EV/EBITDA	4.7	5.0	4.8	4.0	4.1	3.5	2.9
EV/EBIT	9.2	7.3	7.6	5.3	5.8	4.9	4.0
PER	17.5	12.6	13.8	12.6	12.5	11.0	9.5
Adjusted FCF yield	11.4 %	11.5 %	9.2 %	11.2 %	12.2 %	14.2 %	17.2 %

Source: Company data, Hauck & Aufhäuser Close price as of: 07.01.2013



Source: Company data, Hauck & Aufhäuser

**High/low 52 weeks:** 25.31 / 20.51  
**Price/Book Ratio:** 1.6  
**Relative performance (SDAX):**  
 3 months 4.2 %  
 6 months 0.9 %  
 12 months -14.3 %

### Changes in estimates

		Sales	EBIT	EPS
2012	old:	117.7	20.2	1.99
	Δ	-	-	-
2013	old:	125.1	22.0	2.25
	Δ	2.5%	1.6%	1.0%
2014	old:	132.2	24.1	2.58
	Δ	3.0%	1.9%	1.2%

### Key share data:

Number of shares: (in m pcs) 5.3  
 Authorised capital: (in € m) 0.6  
 Book value per share: (in €) 15.8  
 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.

## Financials

Profit and loss (EUR m)	2008	2009	2010	2011	2012E	2013E	2014E
<b>Sales</b>	<b>71.6</b>	<b>101.4</b>	<b>111.1</b>	<b>116.2</b>	<b>117.7</b>	<b>128.2</b>	<b>136.3</b>
<i>Sales growth</i>	31.5 %	41.6 %	9.6 %	4.6 %	1.3 %	8.9 %	6.3 %
Cost of sales	37.5	50.3	53.3	51.8	53.3	57.4	60.5
<b>Gross profit</b>	<b>34.2</b>	<b>51.1</b>	<b>57.8</b>	<b>64.4</b>	<b>64.4</b>	<b>70.8</b>	<b>75.8</b>
Sales and marketing	15.1	18.4	18.9	19.5	20.0	21.5	22.9
General and administration	14.6	19.1	18.8	19.2	19.8	21.5	22.9
Research and development	3.1	2.5	2.9	3.0	3.5	3.8	3.5
Other operating income	17.2	9.3	3.9	4.7	5.0	3.8	4.1
Other operating expenses	9.0	5.0	4.5	4.5	5.9	5.3	5.9
Unusual or infrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBITDA</b>	<b>18.7</b>	<b>22.6</b>	<b>26.4</b>	<b>30.4</b>	<b>28.4</b>	<b>31.4</b>	<b>34.1</b>
Depreciation	9.2	7.1	9.8	7.5	8.2	9.0	9.5
<b>EBITA</b>	<b>9.6</b>	<b>15.5</b>	<b>16.6</b>	<b>22.9</b>	<b>20.2</b>	<b>22.4</b>	<b>24.6</b>
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
<b>EBIT</b>	<b>9.6</b>	<b>15.5</b>	<b>16.6</b>	<b>22.9</b>	<b>20.2</b>	<b>22.4</b>	<b>24.6</b>
Interest income	0.1	0.1	0.3	0.2	0.2	0.3	0.5
Interest expenses	1.2	1.3	2.5	2.9	2.7	2.5	2.0
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	-2.5	-2.1	-1.5
<b>Recurring pretax income from continuing operations</b>	<b>8.3</b>	<b>15.2</b>	<b>14.4</b>	<b>20.2</b>	<b>17.7</b>	<b>20.3</b>	<b>23.1</b>
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Earnings before taxes</b>	<b>8.3</b>	<b>15.2</b>	<b>14.4</b>	<b>20.2</b>	<b>17.7</b>	<b>20.3</b>	<b>23.1</b>
Taxes	5.3	-6.7	3.9	8.8	6.2	7.1	8.1
<b>Net income from continuing operations</b>	<b>3.0</b>	<b>21.9</b>	<b>10.4</b>	<b>11.4</b>	<b>11.5</b>	<b>13.2</b>	<b>15.0</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>3.0</b>	<b>21.9</b>	<b>10.4</b>	<b>11.4</b>	<b>11.5</b>	<b>13.2</b>	<b>15.0</b>
Minority interest	-1.5	8.6	1.0	1.0	1.0	1.2	1.2
<b>Net income (net of minority interest)</b>	<b>4.5</b>	<b>13.3</b>	<b>9.4</b>	<b>10.4</b>	<b>10.5</b>	<b>12.0</b>	<b>13.8</b>
Average number of shares	3.1	3.8	5.2	5.3	5.3	5.3	5.3
<b>EPS reported</b>	<b>1.43</b>	<b>3.48</b>	<b>1.81</b>	<b>1.98</b>	<b>1.99</b>	<b>2.27</b>	<b>2.62</b>

Profit and loss (common size)	2008	2009	2010	2011	2012E	2013E	2014E
<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	52.3 %	49.6 %	48.0 %	44.6 %	45.3 %	44.8 %	44.4 %
<b>Gross profit</b>	<b>47.7 %</b>	<b>50.4 %</b>	<b>52.0 %</b>	<b>55.4 %</b>	<b>54.7 %</b>	<b>55.2 %</b>	<b>55.6 %</b>
Sales and marketing	21.1 %	18.2 %	17.0 %	16.8 %	17.0 %	16.8 %	16.8 %
General and administration	20.4 %	18.8 %	16.9 %	16.5 %	16.8 %	16.8 %	16.8 %
Research and development	4.3 %	2.5 %	2.6 %	2.6 %	3.0 %	3.0 %	2.6 %
Other operating income	24.1 %	9.2 %	3.5 %	4.0 %	4.3 %	3.0 %	3.0 %
Other operating expenses	12.5 %	4.9 %	4.0 %	3.8 %	5.0 %	4.1 %	4.3 %
Unusual or infrequent items	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>EBITDA</b>	<b>26.2 %</b>	<b>22.2 %</b>	<b>23.8 %</b>	<b>26.2 %</b>	<b>24.2 %</b>	<b>24.5 %</b>	<b>25.1 %</b>
Depreciation	12.8 %	7.0 %	8.9 %	6.5 %	7.0 %	7.0 %	7.0 %
<b>EBITA</b>	<b>13.4 %</b>	<b>15.2 %</b>	<b>14.9 %</b>	<b>19.7 %</b>	<b>17.2 %</b>	<b>17.5 %</b>	<b>18.1 %</b>
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 %
<b>EBIT</b>	<b>13.4 %</b>	<b>15.2 %</b>	<b>14.9 %</b>	<b>19.7 %</b>	<b>17.2 %</b>	<b>17.5 %</b>	<b>18.1 %</b>
Interest income	0.1 %	0.1 %	0.3 %	0.2 %	0.2 %	0.3 %	0.4 %
Interest expenses	1.7 %	1.3 %	2.3 %	2.5 %	2.3 %	1.9 %	1.5 %
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 %	-2.1 %	-1.7 %	-1.1 %
<b>Recurring pretax income from continuing operations</b>	<b>11.6 %</b>	<b>14.9 %</b>	<b>12.9 %</b>	<b>17.4 %</b>	<b>15.0 %</b>	<b>15.8 %</b>	<b>16.9 %</b>
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Earnings before taxes</b>	<b>11.6 %</b>	<b>14.9 %</b>	<b>12.9 %</b>	<b>17.4 %</b>	<b>15.0 %</b>	<b>15.8 %</b>	<b>16.9 %</b>
Tax rate	63.4 %	-44.5 %	27.4 %	43.6 %	35.0 %	35.0 %	35.0 %
<b>Net income from continuing operations</b>	<b>4.2 %</b>	<b>21.6 %</b>	<b>9.4 %</b>	<b>9.8 %</b>	<b>9.8 %</b>	<b>10.3 %</b>	<b>11.0 %</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>4.2 %</b>	<b>21.6 %</b>	<b>9.4 %</b>	<b>9.8 %</b>	<b>9.8 %</b>	<b>10.3 %</b>	<b>11.0 %</b>
Minority interest	-2.0 %	8.5 %	0.9 %	0.9 %	0.9 %	0.9 %	0.9 %
<b>Net income (net of minority interest)</b>	<b>6.3 %</b>	<b>13.1 %</b>	<b>8.5 %</b>	<b>9.0 %</b>	<b>8.9 %</b>	<b>9.3 %</b>	<b>10.1 %</b>

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2008	2009	2010	2011	2012E	2013E	2014E
<b>Intangible assets</b>	<b>38.7</b>	<b>42.1</b>	<b>40.9</b>	<b>45.0</b>	<b>45.0</b>	<b>45.0</b>	<b>45.0</b>
Property, plant and equipment	23.8	27.3	27.6	28.9	29.7	30.7	30.1
Financial assets	1.4	1.8	1.3	1.4	1.4	1.4	1.4
<b>FIXED ASSETS</b>	<b>63.9</b>	<b>71.1</b>	<b>69.8</b>	<b>75.3</b>	<b>76.0</b>	<b>77.0</b>	<b>76.5</b>
Inventories	8.6	12.6	12.7	14.2	14.4	15.7	16.7
Accounts receivable	14.0	16.2	17.3	18.1	18.7	20.4	21.3
Other current assets	3.5	6.2	3.1	4.7	7.2	7.9	8.4
Liquid assets	7.6	43.9	29.4	32.3	34.8	40.7	49.3
Deferred taxes	1.2	11.8	12.2	9.5	9.6	10.5	11.1
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>CURRENT ASSETS</b>	<b>34.9</b>	<b>90.8</b>	<b>74.7</b>	<b>78.8</b>	<b>84.8</b>	<b>95.1</b>	<b>106.7</b>
<b>TOTAL ASSETS</b>	<b>98.8</b>	<b>161.9</b>	<b>144.5</b>	<b>154.0</b>	<b>160.8</b>	<b>172.2</b>	<b>183.3</b>
SHAREHOLDERS EQUITY	40.9	76.4	68.3	75.9	83.1	92.0	101.8
MINORITY INTEREST	2.0	10.3	5.3	5.7	6.7	7.9	9.1
Long-term debt	10.8	14.3	16.0	12.9	11.0	9.3	7.5
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
<b>Non-current liabilities</b>	<b>27.7</b>	<b>38.2</b>	<b>41.5</b>	<b>40.8</b>	<b>39.5</b>	<b>38.4</b>	<b>37.1</b>
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	5.5	5.9	6.2
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	16.7	18.2	19.4
Deferred taxes	1.1	2.6	0.0	1.8	1.8	2.0	2.1
Deferred income	1.8	1.8	0.6	1.0	1.0	1.1	1.2
<b>Current liabilities</b>	<b>28.3</b>	<b>37.0</b>	<b>29.4</b>	<b>31.6</b>	<b>31.5</b>	<b>33.6</b>	<b>35.3</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>98.8</b>	<b>161.9</b>	<b>144.4</b>	<b>154.0</b>	<b>160.8</b>	<b>171.9</b>	<b>183.3</b>

Balance sheet (common size)	2008	2009	2010	2011	2012E	2013E	2014E
<b>Intangible assets</b>	<b>39.2 %</b>	<b>26.0 %</b>	<b>28.3 %</b>	<b>29.2 %</b>	<b>28.0 %</b>	<b>26.2 %</b>	<b>24.6 %</b>
Property, plant and equipment	24.1 %	16.8 %	19.1 %	18.8 %	18.4 %	17.8 %	16.4 %
Financial assets	1.4 %	1.1 %	0.9 %	0.9 %	0.8 %	0.8 %	0.7 %
<b>FIXED ASSETS</b>	<b>64.7 %</b>	<b>43.9 %</b>	<b>48.3 %</b>	<b>48.9 %</b>	<b>47.3 %</b>	<b>44.8 %</b>	<b>41.7 %</b>
Inventories	8.7 %	7.8 %	8.8 %	9.2 %	9.0 %	9.1 %	9.1 %
Accounts receivable	14.2 %	10.0 %	11.9 %	11.7 %	11.6 %	11.8 %	11.6 %
Other current assets	3.5 %	3.9 %	2.1 %	3.0 %	4.5 %	4.6 %	4.6 %
Liquid assets	7.7 %	27.1 %	20.4 %	21.0 %	21.7 %	23.7 %	26.9 %
Deferred taxes	1.2 %	7.3 %	8.5 %	6.2 %	6.0 %	6.1 %	6.1 %
Deferred charges and prepaid expenses	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>CURRENT ASSETS</b>	<b>35.3 %</b>	<b>56.1 %</b>	<b>51.7 %</b>	<b>51.1 %</b>	<b>52.7 %</b>	<b>55.3 %</b>	<b>58.2 %</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>100.1 %</b>	<b>99.9 %</b>
SHAREHOLDERS EQUITY	41.4 %	47.2 %	47.3 %	49.3 %	51.7 %	53.5 %	55.5 %
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 %	4.1 %
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 %
<b>Non-current liabilities</b>	<b>28.0 %</b>	<b>23.6 %</b>	<b>28.7 %</b>	<b>26.5 %</b>	<b>24.5 %</b>	<b>22.3 %</b>	<b>20.2 %</b>
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 %	3.4 %	3.4 %
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 %	10.6 %	10.6 %
Deferred taxes	1.2 %	1.6 %	0.0 %	1.2 %	1.1 %	1.2 %	1.2 %
Deferred income	1.8 %	1.1 %	0.4 %	0.6 %	0.6 %	0.6 %	0.6 %
<b>Current liabilities</b>	<b>28.6 %</b>	<b>22.9 %</b>	<b>20.3 %</b>	<b>20.5 %</b>	<b>19.6 %</b>	<b>19.6 %</b>	<b>19.3 %</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)	2008	2009	2010	2011	2012E	2013E	2014E
Net profit/loss	3.0	15.7	10.4	11.4	11.5	13.2	15.0
Depreciation of fixed assets (incl. leases)	9.2	7.0	9.8	7.5	8.2	9.0	9.5
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	19.9	22.3	24.7
Increase/decrease in inventory	-0.8	-4.1	0.0	-1.4	-0.2	-1.3	-1.0
Increase/decrease in accounts receivable	-2.5	-2.2	-1.0	-1.2	-0.6	-1.7	-0.9
Increase/decrease in accounts payable	0.4	0.1	-0.1	1.0	0.2	0.4	0.3
Increase/decrease in other working capital positions	4.4	6.3	-0.6	0.1	-2.9	0.8	0.7
Increase/decrease in working capital	1.5	0.2	-1.8	-1.6	-3.6	-1.7	-0.9
<b>Cash flow from operating activities</b>	<b>8.6</b>	<b>26.5</b>	<b>15.0</b>	<b>20.2</b>	<b>16.3</b>	<b>20.6</b>	<b>23.8</b>
CAPEX	6.0	5.7	7.7	9.2	9.0	10.0	9.0
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
<b>Cash flow from investing activities</b>	<b>-5.5</b>	<b>-9.7</b>	<b>-30.4</b>	<b>-8.9</b>	<b>-9.0</b>	<b>-10.0</b>	<b>-9.0</b>
Cash flow before financing	3.1	16.8	-15.4	11.3	3.1	3.1	4.0
Increase/decrease in debt position	0.6	1.9	1.7	-5.5	-1.9	-1.6	-1.9
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	3.1	4.0
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
<b>Cash flow from financing activities</b>	<b>-0.3</b>	<b>19.5</b>	<b>0.7</b>	<b>-8.4</b>	<b>-5.0</b>	<b>-4.7</b>	<b>-5.8</b>
Increase/decrease in liquid assets	2.9	36.0	-14.2	3.1	n/a	n/a	n/a
<b>Liquid assets at end of period</b>	<b>7.6</b>	<b>43.6</b>	<b>29.4</b>	<b>32.5</b>	<b>34.8</b>	<b>40.7</b>	<b>49.6</b>

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	71.8	78.2	0.0
yoy change	42.5 %	40.9 %	9.8 %	1.6 %	4.0 %	8.9 %	n/a
NAFTA	20.3	27.4	30.5	30.9	35.3	38.5	0.0
yoy change	6.8 %	34.9 %	11.4 %	1.3 %	14.3 %	8.9 %	n/a
Asia Pacific	6.2	10.1	11.1	12.1	9.4	10.3	0.0
yoy change	138.5 %	63.5 %	9.5 %	9.0 %	-22.2 %	8.9 %	n/a
Rest of world	1.2	2.0	1.6	4.2	1.2	1.3	0.0
yoy change	-40.0 %	69.0 %	-21.1 %	162.5 %	-72.0 %	8.9 %	n/a
<b>TTL</b>	<b>71.6</b>	<b>101.4</b>	<b>111.1</b>	<b>116.2</b>	<b>117.7</b>	<b>128.2</b>	<b>0.0</b>
yoy change	31.6 %	41.6 %	9.6 %	4.6 %	1.3 %	8.9 %	n/a

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2008	2009	2010	2011	2012E	2013E	2014E
<b>P&amp;L growth analysis</b>							
Sales growth	31.5 %	41.6 %	9.6 %	4.6 %	1.3 %	8.9 %	6.3 %
EBITDA growth	93.1 %	20.4 %	17.1 %	15.1 %	-6.5 %	10.3 %	8.9 %
EBIT growth	60.6 %	61.3 %	7.2 %	38.2 %	-11.9 %	10.9 %	9.9 %
EPS growth	131.0 %	143.0 %	-48.0 %	9.1 %	0.7 %	14.2 %	15.2 %
<b>Efficiency</b>							
Total operating costs / sales	34.3 %	35.2 %	37.1 %	35.7 %	37.5 %	37.7 %	37.5 %
Sales per employee	181.3	202.8	218.3	212.4	214.0	n/a	n/a
EBITDA per employee	47.4	45.1	51.9	55.6	51.7	n/a	n/a
<b>Balance sheet analysis</b>							
Avg. working capital / sales	22.5 %	16.6 %	17.4 %	20.6 %	22.1 %	21.5 %	21.7 %
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	119.2	n/a	n/a
<b>Cash flow analysis</b>							
Free cash flow	2.6	20.8	7.3	11.0	7.3	10.6	14.8
Free cash flow/sales	3.6 %	20.5 %	6.6 %	9.4 %	6.2 %	8.3 %	10.8 %
FCF / net profit	57.9 %	156.9 %	77.6 %	105.4 %	69.7 %	88.6 %	107.0 %
FCF yield	3.4 %	16.3 %	5.7 %	8.6 %	5.7 %	8.3 %	11.5 %
Capex / depn	59.7 %	49.8 %	78.5 %	122.2 %	109.2 %	111.5 %	94.4 %
Capex / maintenance capex	0.0 %	0.0 %	78.5 %	122.2 %	121.4 %	123.8 %	104.8 %
Capex / sales	7.6 %	5.6 %	7.0 %	7.9 %	7.6 %	7.8 %	6.6 %
<b>Security</b>							
Net debt	10.9	-23.8	-7.6	-14.3	-18.8	-26.3	-36.7
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	7.4	9.1	12.3
Dividend payout ratio	14.1 %	17.4 %	32.7 %	29.6 %	29.5 %	33.0 %	32.9 %
<b>Asset utilisation</b>							
Capital employed turnover	0.9	0.8	1.0	1.0	0.9	0.9	0.9
Operating assets turnover	1.7	2.3	2.2	2.1	2.1	2.2	2.3
Plant turnover	3.0	3.7	4.0	4.0	4.0	4.2	4.5
Inventory turnover (sales/inventory)	8.4	8.0	8.8	8.2	8.2	8.2	8.2
<b>Returns</b>							
ROCE	10.4 %	16.2 %	14.3 %	19.9 %	16.2 %	16.5 %	16.6 %
ROE	11.0 %	17.3 %	13.8 %	13.7 %	12.6 %	13.0 %	13.5 %
<b>Other</b>							
Interest paid / avg. debt	8.1 %	6.9 %	12.0 %	14.5 %	16.0 %	16.1 %	14.9 %
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	1.99	2.27	2.62
<b>Valuation ratios</b>							
P/BV	1.9	1.2	1.9	1.7	1.6	1.4	1.3
EV/sales	1.2	1.1	1.1	1.0	1.0	0.8	0.7
EV/EBITDA	4.7	5.0	4.8	4.0	4.1	3.5	2.9
EV/EBITA	9.2	5.0	7.6	5.3	5.8	4.9	4.0
EV/EBIT	9.2	7.3	7.6	5.3	5.8	4.9	4.0
EV/FCF	33.9	5.3	17.3	11.0	15.9	10.2	6.7
Dividend yield	1.2 %	1.8 %	2.4 %	2.4 %	2.4 %	2.7 %	3.5 %

Source: Company data, Hauck & Aufhäuser

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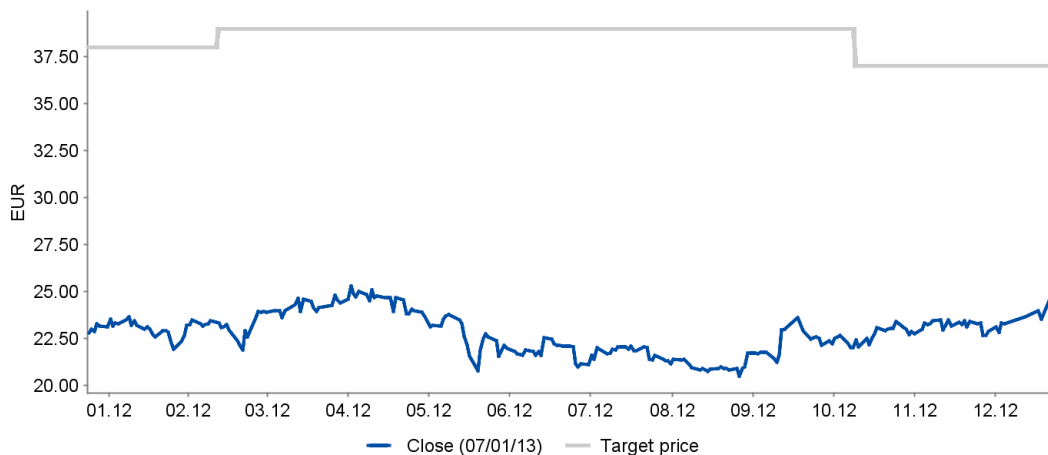
Company	Disclosure
Eckert & Ziegler AG	2, 5

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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 08/01/13

Initiation coverage  
08-April-10



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