

Buy (old: Buy)

Price target: EUR 37.00 (old: EUR 37.00)

Price:	EUR 25.20	Next result:	Q2 15.08.13
Bloomberg:	EUZ GR	Market cap:	EUR 135.3 m
Reuters:	EUZG.DE	Enterprise Value:	EUR 119.8 m

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RS feedback: Organic growth flanked by acquisitions

We had CEO and founder Dr. Eckert on the road in London on Tuesday. Meetings mainly focused on organic growth as well as potential acquisitions.

Important to underline is that **EUZ operates a very resilient and stable Isotope Products business (47% of sales) which is a highly profitable and cash generative cash cow business (c. 70% of EBIT)**. Barriers to entry are high due to the small size of the market, the very specialised radiation know-how as well as the licensing requirements. Moreover, there are little substitutes to radioactive sources used in measurement, sensing and other applications. As **price elasticity is low and EUZ has pursued a strategy to consolidate the market, EUZ is gaining pricing power**. Despite the strong cash flow generation, **growth in this segment tends to be limited given a market share of up to 75%** in selected niche markets.

Organic growth: Consequently, organic **growth opportunities mainly lie in the Therapy (26% of sales) and Radiopharma (22% of sales) businesses**.

In Therapy, the most promising area of growth is the sales of afterloaders for the treatment of urological cancers. EUZ's competitive advantage lies in its cobalt radiation sources which have a replacement cycle of c. 5 years (treatment times are longer though) and hence is cheaper while competitors focus on Itrium 91 sources which need to be replaced every 3-4 months. Hence, **EUZ has been very successful in exploring hospitals in emerging markets**. While being present in Russia and the CIS already for several years, **the company just won the first reference clinics in China and Brazil which promise healthy growth in these markets** going forward. By building up an installed base in these regions, EUZ seeks to create a largely recurring and highly profitable replacement business. Moreover, **EUZ seeks to enter the US market** with multi source devices, able to use its own (cobalt) as well as competitors' radiation sources (Itrium).

Moreover, the business with **seed implants (c. 50% of Therapy), for the treatment of prostate cancer had suffered from price pressure** on the back of public budget cuts in the past and thus curtailed the sound growth in afterloaders. **This trend however seems to fade out at the current pricing level. Hence, we expect growth of c. 5% yoy in this business in 2013E** (adj. for c. € 2m special item).

- continued -

Y/E 31.12 (EUR m)	2009	2010	2011	2012	2013E	2014E	2015E
Sales	101.4	111.1	116.2	120.0	124.2	130.2	136.1
Sales growth	42 %	10 %	5 %	3 %	3 %	5 %	4 %
EBITDA	22.6	26.4	30.4	28.1	28.5	31.6	32.7
EBIT	15.5	16.6	22.9	19.7	19.8	22.5	23.6
Net income	13.3	9.4	10.4	10.3	11.1	13.0	14.1
Net debt	-23.8	-7.6	-14.3	-15.4	-24.5	-34.1	-44.3
Net gearing	-31.2 %	-11.2 %	-18.9 %	-19.1 %	-26.8 %	-33.8 %	-39.7 %
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	2.09	2.47	2.66
CPS	3.71	1.01	2.46	1.76	2.18	2.74	2.82
DPS	0.45	0.60	0.60	0.60	0.63	0.82	0.00
Dividend yield	1.7 %	2.3 %	2.3 %	2.3 %	2.4 %	3.1 %	3.3 %
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 %	22.9 %	24.3 %	24.1 %
EBIT margin	15.2 %	14.9 %	19.7 %	16.4 %	15.9 %	17.3 %	17.4 %
ROCE	16.2 %	14.3 %	19.9 %	15.9 %	14.6 %	15.1 %	14.8 %
EV/sales	1.2	1.2	1.1	1.1	1.0	0.8	0.7
EV/EBITDA	5.3	5.1	4.2	4.6	4.2	3.5	3.1
EV/EBIT	7.8	8.1	5.6	6.5	6.1	4.9	4.3
PER	13.3	14.6	13.3	13.5	12.6	10.7	9.9
Adjusted FCF yield	10.8 %	8.7 %	10.5 %	10.8 %	11.6 %	14.8 %	16.3 %

Source: Company data, Hauck & Aufhäuser Close price as of: 26.06.2013



Source: Company data, Hauck & Aufhäuser

High/low 52 weeks: 28.88 / 20.51
Price/Book Ratio: 1.5
Relative performance (SDAX):
3 months -7.4 %
6 months -
12 months -5.6 %

Changes in estimates

		Sales	EBIT	EPS
2013	old:	124.2	19.8	2.09
	Δ	-	-	-
2014	old:	130.2	22.5	2.47
	Δ	-	-	-
2015	old:	136.1	23.6	2.66
	Δ	-	-	-

Key share data:

Number of shares: (in m pcs) 5.3
Authorised capital: (in € m) 0.6
Book value per share: (in €) 17.3
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.

In Radiopharma, the major growth and profitability driver looks set to be the launch of a new cyclotron in Poland at the end of 2013E. Given the short half life times of only several hours, the freshly produced radiopharmaceuticals (mostly used for diagnostic purposes) need to be transported quickly. While this is currently done from Berlin, often by plane and hence expensive, the new cyclotron opens capacity for c. another € 3m of sales as well as a further geographical reach.

Moreover, EUZ announced yesterday that it acquired an additional cyclotron in Austria in order to expand its business in the DACH region as well as part of Eastern Europe. This could add an additional € 2-3m in sales in 2014E (H&A).

Beyond that the company developed a diagnosticum for the Alzheimer disease. Due to a lack of effective treatments however, this is still a small market. Nonetheless, with first treatments already in advanced stages, this could become a major driver for the diagnostics market in the mid term.

External growth: Management reiterated its sales guidance of € 200m in 2014E however stating that this clearly depends on a larger acquisition. While EUZ was close to acquiring a target in 2012 which would have increased sales to above € 200m, the project was abolished in the final due diligence.

Nonetheless, management continues to actively look for smaller bold-on but specifically also larger acquisitions, mainly in the field of Radiopharma as well as Therapy.

In conclusion, while the underlying business is very stable and cash generative, organic growth prospects in adjacent areas are healthy. A significant value driver should however be a larger acquisition to increase market share and pricing power in selected markets, in our view. Trading at 5x EV/EBIT 2014E, valuation looks undemanding and hence we reiterate our BUY rating with a PT of € 37 based on FCFY 2013E.

Financials

Profit and loss (EUR m)	2009	2010	2011	2012	2013E	2014E	2015E
Sales	101.4	111.1	116.2	120.0	124.2	130.2	136.1
<i>Sales growth</i>	41.6 %	9.6 %	4.6 %	3.3 %	3.5 %	4.9 %	4.5 %
Cost of sales	50.3	53.3	51.8	54.8	55.9	57.8	60.3
Gross profit	51.1	57.8	64.4	65.2	68.3	72.4	75.8
Sales and marketing	18.4	18.9	19.5	20.6	21.1	22.1	23.1
General and administration	19.1	18.8	19.2	22.8	20.9	21.9	22.9
Research and development	2.5	2.9	3.0	3.5	3.6	3.4	3.5
Other operating income	9.3	3.9	4.7	9.5	5.1	5.3	5.6
Other operating expenses	5.0	4.5	4.5	8.1	8.1	7.8	8.2
Unusual or infrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	22.6	26.4	30.4	28.1	28.5	31.6	32.7
Depreciation	7.1	9.8	7.5	8.4	8.7	9.1	9.1
EBITA	15.5	16.6	22.9	19.7	19.8	22.5	23.6
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
EBIT	15.5	16.6	22.9	19.7	19.8	22.5	23.6
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	2.2	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	-1.9	-1.6	-1.4
Recurring pretax income from continuing operations	15.2	14.4	20.2	17.5	17.9	20.9	22.3
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	15.2	14.4	20.2	17.5	17.9	20.9	22.3
Taxes	-6.7	3.9	8.8	5.7	5.6	6.5	6.9
Net income from continuing operations	21.9	10.4	11.4	11.8	12.4	14.4	15.4
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	21.9	10.4	11.4	11.8	12.4	14.4	15.4
Minority interest	8.6	1.0	1.0	1.5	1.3	1.4	1.3
Net income (net of minority interest)	13.3	9.4	10.4	10.3	11.1	13.0	14.1
Average number of shares	3.8	5.2	5.3	5.3	5.3	5.3	5.3
EPS reported	3.48	1.81	1.98	1.95	2.09	2.47	2.66

Profit and loss (common size)	2009	2010	2011	2012	2013E	2014E	2015E
Sales	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Cost of sales	49.6 %	48.0 %	44.6 %	45.7 %	45.0 %	44.4 %	44.3 %
Gross profit	50.4 %	52.0 %	55.4 %	54.3 %	55.0 %	55.6 %	55.7 %
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 %	6.5 %	6.0 %	6.0 %
Unusual or infrequent items	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBITDA	22.2 %	23.8 %	26.2 %	23.4 %	22.9 %	24.3 %	24.1 %
Depreciation	7.0 %	8.9 %	6.5 %	7.0 %	7.0 %	7.0 %	6.7 %
EBITA	15.2 %	14.9 %	19.7 %	16.4 %	15.9 %	17.3 %	17.4 %
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 %
EBIT	15.2 %	14.9 %	19.7 %	16.4 %	15.9 %	17.3 %	17.4 %
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 %	1.8 %	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 %	-1.5 %	-1.3 %	-1.0 %
Recurring pretax income from continuing operations	14.9 %	12.9 %	17.4 %	14.6 %	14.4 %	16.0 %	16.4 %
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Earnings before taxes	14.9 %	12.9 %	17.4 %	14.6 %	14.4 %	16.0 %	16.4 %
Tax rate	-44.5 %	27.4 %	43.6 %	32.6 %	31.0 %	31.0 %	31.0 %
Net income from continuing operations	21.6 %	9.4 %	9.8 %	9.8 %	10.0 %	11.1 %	11.3 %
Result from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income	21.6 %	9.4 %	9.8 %	9.8 %	10.0 %	11.1 %	11.3 %
Minority interest	8.5 %	0.9 %	0.9 %	1.2 %	1.0 %	1.0 %	1.0 %
Net income (net of minority interest)	13.1 %	8.5 %	9.0 %	8.6 %	8.9 %	10.0 %	10.3 %

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2009	2010	2011	2012	2013E	2014E	2015E
Intangible assets	42.1	40.9	45.0	45.8	45.8	45.8	45.8
Property, plant and equipment	27.3	27.6	28.9	31.2	32.5	32.3	32.2
Financial assets	1.8	1.3	1.4	4.0	4.0	4.0	4.0
FIXED ASSETS	71.1	69.8	75.3	81.0	82.3	82.2	82.1
Inventories	12.6	12.7	14.2	15.5	15.5	16.3	17.0
Accounts receivable	16.2	17.3	18.1	22.0	22.8	23.9	25.0
Other current assets	6.2	3.1	4.7	6.0	7.6	8.0	8.4
Liquid assets	43.9	29.4	32.3	30.8	38.5	46.4	55.7
Deferred taxes	11.8	12.2	9.5	9.1	10.2	10.7	11.1
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CURRENT ASSETS	90.8	74.7	78.8	83.4	94.6	105.2	117.1
TOTAL ASSETS	161.9	144.5	154.0	164.4	176.9	187.4	199.2
SHAREHOLDERS EQUITY	76.4	68.3	75.9	80.7	91.5	100.8	111.6
MINORITY INTEREST	10.3	5.3	5.7	6.2	7.5	8.9	8.9
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
Non-current liabilities	38.2	41.5	40.8	40.6	39.8	38.7	38.4
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	7.4
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	20.5	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
Current liabilities	37.0	29.4	31.6	36.9	38.1	39.0	40.3
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	161.9	144.4	154.0	164.4	176.9	187.4	199.2

Balance sheet (common size)	2009	2010	2011	2012	2013E	2014E	2015E
Intangible assets	26.0 %	28.3 %	29.2 %	27.9 %	25.9 %	24.4 %	23.0 %
Property, plant and equipment	16.8 %	19.1 %	18.8 %	18.9 %	18.3 %	17.3 %	16.2 %
Financial assets	1.1 %	0.9 %	0.9 %	2.5 %	2.3 %	2.2 %	2.0 %
FIXED ASSETS	43.9 %	48.3 %	48.9 %	49.3 %	46.5 %	43.9 %	41.2 %
Inventories	7.8 %	8.8 %	9.2 %	9.4 %	8.8 %	8.7 %	8.5 %
Accounts receivable	10.0 %	11.9 %	11.7 %	13.4 %	12.9 %	12.7 %	12.5 %
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 %	21.8 %	24.8 %	27.9 %
Deferred taxes	7.3 %	8.5 %	6.2 %	5.5 %	5.7 %	5.7 %	5.6 %
Deferred charges and prepaid expenses	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
CURRENT ASSETS	56.1 %	51.7 %	51.1 %	50.7 %	53.5 %	56.1 %	58.8 %
TOTAL ASSETS	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
SHAREHOLDERS EQUITY	47.2 %	47.3 %	49.3 %	49.1 %	51.7 %	53.8 %	56.0 %
MINORITY INTEREST	6.3 %	3.7 %	3.7 %	3.8 %	4.3 %	4.7 %	4.5 %
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 %	12.7 %	12.2 %	11.7 %
Non-current liabilities	23.6 %	28.7 %	26.5 %	24.7 %	22.5 %	20.7 %	19.3 %
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 %	11.1 %	11.0 %	10.8 %
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 %
Current liabilities	22.9 %	20.3 %	20.5 %	22.4 %	21.5 %	20.8 %	20.2 %
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)	2009	2010	2011	2012	2013E	2014E	2015E
Net profit/loss	15.7	10.4	11.4	11.8	12.4	14.4	15.4
Depreciation of fixed assets (incl. leases)	7.0	9.8	7.5	8.4	8.7	9.1	9.1
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	21.2	23.7	24.7
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	0.0	-0.2	0.1
Increase/decrease in other working capital positions	6.3	-0.6	0.1	-2.8	-1.0	0.6	0.6
Increase/decrease in working capital	0.2	-1.8	-1.6	-0.8	-1.8	-1.5	-1.0
Cash flow from operating activities	26.5	15.0	20.2	16.6	19.5	22.3	23.6
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
Cash flow from investing activities	-9.7	-30.4	-8.9	-9.9	-10.0	-9.0	-9.0
Cash flow before financing	16.8	-15.4	11.3	6.7	9.5	13.3	14.6
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	3.7	4.4
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
Cash flow from financing activities	19.5	0.7	-8.4	-5.6	-4.5	-5.4	-5.3
Increase/decrease in liquid assets	36.0	-14.2	3.1	1.1	4.9	7.9	9.3
Liquid assets at end of period	43.6	29.4	32.5	33.6	38.5	46.4	55.7

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	75.8	0.0	0.0
yoy change	40.9 %	9.8 %	1.6 %	6.1 %	3.5 %	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 %	3.5 %	n/a	n/a
Asia Pacific	10.1	11.1	12.1	9.6	9.9	0.0	0.0
yoy change	63.5 %	9.5 %	9.0 %	-20.7 %	3.5 %	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 %	3.5 %	n/a	n/a
TTL	101.4	111.1	116.2	120.0	124.2	0.0	0.0
yoy change	41.6 %	9.6 %	4.6 %	3.3 %	3.5 %	n/a	n/a

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2009	2010	2011	2012	2013E	2014E	2015E
P&L growth analysis							
Sales growth	41.6 %	9.6 %	4.6 %	3.3 %	3.5 %	4.9 %	4.5 %
EBITDA growth	20.4 %	17.1 %	15.1 %	-7.5 %	1.2 %	11.1 %	3.5 %
EBIT growth	61.3 %	7.2 %	38.2 %	-13.9 %	0.2 %	13.9 %	4.9 %
EPS growth	143.0 %	-48.0 %	9.1 %	-1.2 %	7.2 %	17.9 %	7.7 %
Efficiency							
Total operating costs / sales	35.2 %	37.1 %	35.7 %	37.9 %	39.1 %	38.3 %	38.3 %
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
Balance sheet analysis							
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
Cash flow analysis							
Free cash flow	20.8	7.3	11.0	6.7	9.5	13.3	14.6
Free cash flow/sales	20.5 %	6.6 %	9.4 %	5.6 %	7.6 %	10.2 %	10.7 %
FCF / net profit	156.9 %	77.6 %	105.4 %	65.5 %	85.7 %	101.6 %	103.9 %
FCF yield	15.4 %	5.4 %	8.1 %	5.0 %	7.0 %	9.8 %	10.8 %
Capex / deprec	49.8 %	78.5 %	122.2 %	117.1 %	115.0 %	98.7 %	98.7 %
Capex / maintenance capex	0.0 %	78.5 %	122.2 %	130.1 %	121.1 %	109.7 %	98.7 %
Capex / sales	5.6 %	7.0 %	7.9 %	8.2 %	8.1 %	6.9 %	6.6 %
Security							
Net debt	-23.8	-7.6	-14.3	-15.4	-24.5	-34.1	-44.3
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	8.8	10.7	12.3
Dividend payout ratio	17.4 %	32.7 %	29.6 %	29.9 %	33.5 %	33.4 %	33.0 %
Asset utilisation							
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	4.2
Inventory turnover (sales/inventory)	8.0	8.8	8.2	7.8	8.0	8.0	8.0
Returns							
ROCE	16.2 %	14.3 %	19.9 %	15.9 %	14.6 %	15.1 %	14.8 %
ROE	17.3 %	13.8 %	13.7 %	12.8 %	12.1 %	12.9 %	12.6 %
Other							
Interest paid / avg. debt	6.9 %	12.0 %	14.5 %	16.7 %	15.2 %	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	0.6	0.8	0.0
EPS reported	3.48	1.81	1.98	1.95	2.09	2.47	2.66
Valuation ratios							
P/BV	1.3	2.0	1.8	1.7	1.5	1.4	1.2
EV/sales	1.2	1.2	1.1	1.1	1.0	0.8	0.7
EV/EBITDA	5.3	5.1	4.2	4.6	4.2	3.5	3.1
EV/EBITA	5.3	8.1	5.6	6.5	6.1	4.9	4.3
EV/EBIT	7.8	8.1	5.6	6.5	6.1	4.9	4.3
EV/FCF	5.6	18.3	11.6	19.1	12.6	8.3	6.9
Dividend yield	1.7 %	2.3 %	2.3 %	2.3 %	2.4 %	3.1 %	3.3 %

Source: Company data, Hauck & Aufhäuser

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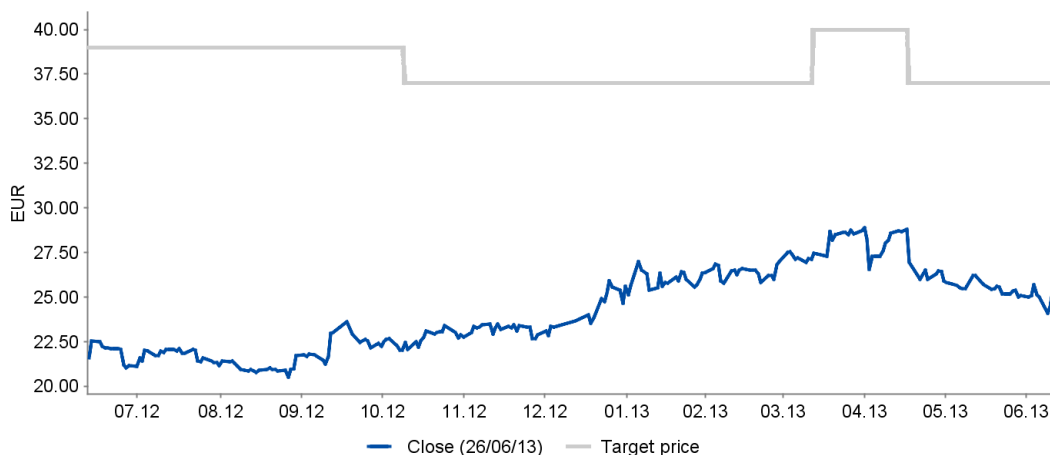
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Company	Disclosure
Eckert & Ziegler AG	2, 5

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

Price and Rating History
Eckert & Ziegler AG as of 27/06/13

Initiation coverage
08-April-10



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