



Buy (old: Buy)

Price target: EUR 37.00 (old: EUR 37.00)

Price:	EUR 25.25	Next result:	Q3 08.11.13
Bloomberg:	EUZ GR	Market cap:	EUR 135.3 m
Reuters:	EUZG.DE	Enterprise Value:	EUR 119.8 m

15-August-13

Torben Teichler
Analyst

torben.teichler@ha-research.de
Tel.: +49 40 414 3885 74

Q2 figures better than expected, outlook reiterated

Eckert & Ziegler reported figures above estimates this morning and confirmed its guidance of € 125m in sales and net income of € 11.3m. A conference call was held at 10:00 CEST.

Q2 sales came in slightly above estimates and grew by 0.6% yoy to € 29m (H&A: € 28m). Key reason were stronger than expected sales in the Therapy segment (26% of sales) which was down only 3.4% yoy (H&A: -14% yoy) as the company was able to increase volumes especially in Brazil and China. This is driven by its relatively new multi source radiation device which uses a cheaper radiation source (but needs longer treatment) which is in high demand especially in emerging markets. The moderate yoy decline should moreover be seen against a high base related to a strongly front-end loaded afterloader business last year driven by orders from Russia and still relatively high prices for seeds in H1 2012 where reimbursement schemes were cut only in H2 2012. With the base effects easing in H2 2013E and the afterloader business returning to its usual back-end loaded pattern (75% of units sold in H2), we expect growth to pick up strongly in H2.

Isotope Products (47% of sales; +0% yoy) and Radiopharma (22% of sales; -2.0% yoy) sales broadly met expectations while the typically lumpy Environmental (5% of sales) segment grew strongly by 38.3% yoy (H&A: 3.1%) on the back of a number of order wins and a small consolidation effect (H&A: ~€ 0.2m).

Q2 EBIT exceeded expectations and stood at € 4.5m (H&A: € 4.2m) which implies an EBIT margin of 15.6% (6.4pp qoq; -2.3pp yoy). Profitability in the Therapy segment (~20% of EBIT) was better than expected due to the higher sales level, however lower than last year given the back-end loaded nature of the business as well as the drop in seed prices. The Radiopharma business (~10% of EBIT) met expectations but was negatively affected by a weaker product mix including more merchandise which however looks set to normalise in H2. Profitability in the Isotope Products segment (~70% of EBIT) remained high given its largely recurring nature & Eckert & Ziegler's strong competitive position (~ 75% market share) while the Environmental segment posted a slight gain on the back of a better utilisation rate.

- continued -



Source: Company data, Hauck & Aufhäuser

High/low 52 weeks: 28.88 / 20.51
Price/Book Ratio: 1.5
Relative performance (SDAX):
3 months -7.1 %
6 months -7.6 %
12 months -6.4 %

Changes in estimates

		Sales	EBIT	EPS
2013	old:	124.2	19.8	2.10
	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.

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 %	5 %
EBITDA	22.6	26.4	30.4	28.1	28.5	31.7	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	13.1	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	2.10	2.47	2.66
CPS	3.71	1.01	2.46	1.76	2.19	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	4.2
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: 14.08.2013

Guidance: Management reiterated its FY 2013E guidance, expecting sales of € 125m (H&A: € 124m) as well as net income of € 11.3m (H&A: € 11.1m). **This implies a strong pickup in sales and profitability in H2 which we consider feasible given that the company indicated that the order book looks well filled** and visibility on H2 has substantially increased. Moreover, with the afterloader business returning to its back-end loaded seasonal pattern as well as a positive consolidation effect related the Austrian cyclotron acquisition (H&A: + € 1.5m in H2), we are confident about a strong H2.

All in all, **Q2 figures underline that Eckert & Ziegler is back to growth** and benefits from a very solid and steady underlying business. Hence, with the outlook on H2 improving, **we expect newsflow on the stock to remain positive** going forward. **Trading at only 6.1x EV/EBIT 2013E, valuation looks undemanding** and the stock therefore remains a **BUY** with a **PT of € 37** based on FCFY 2013E.

Eckert & Ziegler Key Figures (€ m)	Q2 13	Q2 13 est	Q2 12	yoy	Q1 13	qoq	H1 13	H1 13 est	H1 12	yoy
Sales	28.8	27.8	28.6	0.6%	26.5	8.7%	55.3	54.3	57.9	-4.5%
Isotope Products	14.2	14.3	14.2	0.0%	13.6	4.1%	27.8	27.9	28.2	-1.3%
Therapy	6.6	5.8	6.8	-3.4%	5.5	20.3%	12.0	11.3	14.0	-13.9%
Radiopharma	6.2	6.3	6.3	-2.0%	6.3	-2.5%	12.5	12.6	12.7	-1.2%
Environment	1.9	1.4	1.4	38.3%	1.1	72.8%	3.0	2.5	3.1	-4.0%
EBIT	4.5	4.2	5.1	-12.3%	2.4	85.6%	6.9	6.6	10.0	-31.3%
Margin	15.6%	15.1%	17.8%	- 2.3 pp	9.1%	+ 6.4 pp	12.5%	12.2%	17.3%	- 4.9 pp
Isotope Products	4.3	4.3	4.6	-7.6%	4.1	4.0%	8.4	8.4	9.1	-7.9%
Margin	30.3%	30.0%	32.7%	- 2.5 pp	30.3%	- 0.0 pp	30.3%	30.1%	32.5%	- 2.2 pp
Therapy	0.4	0.2	0.4	-11.2%	0.9	-56.1%	1.3	1.1	0.9	41.6%
Margin	5.9%	3.4%	6.4%	- 1 pp	16.2%	- 10 pp	10.6%	9.6%	6.4%	+ 4.1 pp
Radiopharma	0.2	0.3	0.9	-77.4%	0.1	194.4%	0.3	0.4	1.4	-80.5%
Margin	3.4%	4.8%	14.7%	- 11.3 pp	1.1%	+ 2 pp	2.2%	2.9%	11.3%	- 9.1 pp
Environment	0.2	0.0	-0.7	-130.1%	-2.0	-110.5%	-1.8	-2.0	-0.6	179.6%
Margin	11.0%	-3.5%	-50.4%	+ 61 pp	-180.2%	+ 191 pp	-59.1%	-80.7%	-20.3%	- 39 pp
Others/Elimination	-0.6	-0.5	-0.2	186.5%	-0.7	-13.2%	-1.3	-1.3	-0.8	60.9%
Net profit	2.8	2.3	3.0	-6.3%	1.2	127.8%	4.0	3.5	5.4	-26.9%
Net margin	9.6%	8.2%	10.3%	- 0.7 pp	4.6%	+ 5.0 pp	7.2%	6.4%	9.4%	- 0.2 pp
EPS	0.52	0.43	0.56	-6.3%	0.23	127.8%	0.75	0.66	1.03	-26.9%

Source: company data, Hauck&Aufhäuser

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	8.0	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	31.7	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	13.1	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	2.10	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 %	14.5 %	16.1 %	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 %	14.5 %	16.1 %	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	32.4	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	24.9
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	10.6	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	111.7
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	187.5	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 %	24.7 %	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 %	56.1 %
MINORITY INTEREST	6.3 %	3.7 %	3.7 %	3.8 %	4.3 %	4.8 %	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	-1.7	-1.5	-1.1
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	-5.4
Increase/decrease in liquid assets	36.0	-14.2	3.1	1.1	5.0	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	75.7	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	37.2	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 %	1.3 %	11.1 %	3.4 %
EBIT growth	61.3 %	7.2 %	38.2 %	-13.9 %	0.3 %	13.9 %	4.8 %
EPS growth	143.0 %	-48.0 %	9.1 %	-1.2 %	7.4 %	17.9 %	7.6 %
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 %	7.7 %	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 %	115.1 %	98.8 %	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	10.8	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 %	13.0 %	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	2.10	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	4.2
EV/EBIT	7.8	8.1	5.6	6.5	6.1	4.9	4.2
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

Disclosures regarding research publications of Hauck & Aufhäuser Institutional Research AG pursuant to section 34b of the German Securities Trading Act (WpHG) and the regulations of the German Financial Analysis Ordinance (FinAnV)

Pursuant to section 34b of the German Securities Trading Act (WpHG) and section 5 of the Financial Analysis Ordinance (FinAnV) a research report has to point out possible conflicts of interest in connection with the analysed company. A conflict of interest is presumed to exist in particular if Hauck & Aufhäuser Institutional Research AG

- (1) or its affiliate(s) was, within the past twelve months, a member in a consortium that acquired the financial instruments of the analysed company,
- (2) has entered into an agreement on the production of the research report with the analysed company,
- (3) or its affiliate(s) has, within the past twelve months, been party to an agreement on the provision of investment banking services with the analysed company or have received services or a promise of services under the term of such an agreement,
- (4) or its affiliate(s) holds 5% or more of the share capital of the analysed company,
- (5) or its affiliate(s) regularly holds a trading position in shares of the analysed company or derivatives thereof,
- (6) or its affiliate(s) manages the financial instruments of the analysed company on the basis of an existing contractual relationship,
- (7) or the analyst has any other significant financial interests relating to the analysed company such as, for example, exercising mandates in the interest of the analysed company.
- (8) The research report has been made available to the company prior to its publication. Thereafter, only factual changes have been made to the report.

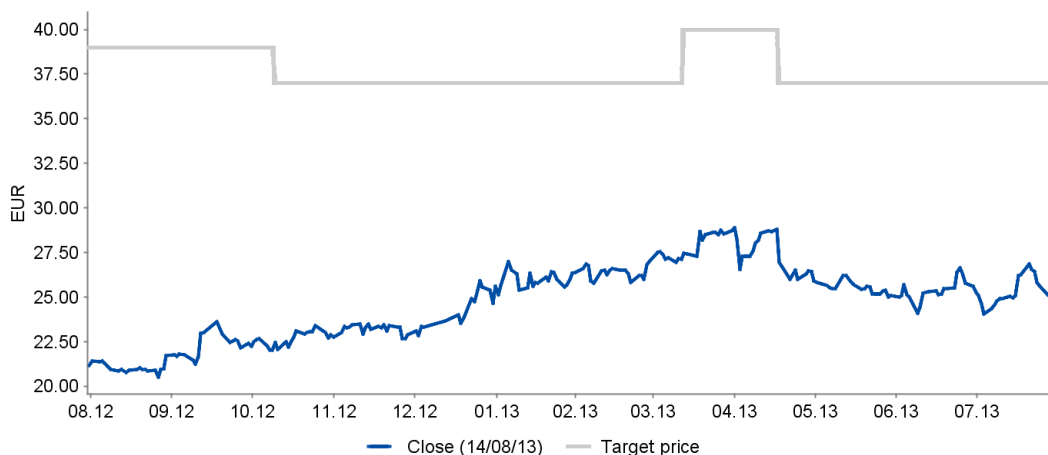
Conflicts of interest that existed at the time when this research report was published:

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 15/08/13

Initiation coverage
08-April-10



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

Buy	59.18 %	100.00 %
Sell	19.39 %	0.00 %
Hold	21.43 %	0.00 %

1. General Information/Liabilities

This research report has been produced for the information purposes of institutional investors only, and is not in any way a recommendation, offer or solicitation to buy or sell the financial instruments mentioned herein. The document is confidential and is made available by Hauck & Aufhäuser Institutional Research AG (the "Company"), a majority-owned subsidiary of Hauck & Aufhäuser Privatbankiers KGaA, exclusively to selected recipients [in DE, GB, FR, CH, US, Scandinavia, and Benelux or, in individual cases, also in other countries]. A distribution to private investors in the sense of the German Securities Trading Act (WpHG) is excluded. It is not allowed to pass the research report on to persons other than the intended recipient without the permission of the Company. Reproduction of this document, in whole or in part, is not permitted without prior permission of the Company. All rights reserved.

Under no circumstances shall the Company, any of its employees involved in the preparation, and Hauck & Aufhäuser Privatbankiers KGaA have any liability for possible errors or incompleteness of the information included in this research report – neither in relation to indirect or direct nor consequential damages. Liability for damages arising either directly or as a consequence of the use of information, opinions and estimates is also excluded.

Past performance of a financial instrument is not necessarily indicative of future performance.

2. Responsibilities

This research report was prepared by the research analyst named on the front page (the "Producer"). The Producer is solely responsible for the views and estimates expressed in this report. The report has been prepared independently, i.e. the content of which was not independently examined by the Company or Hauck & Aufhäuser Privatbankiers KGaA.

The estimates and views in this financial report may deviate from those of Hauck & Aufhäuser Privatbankiers KGaA.

The content of the research report was not influenced by the issuer of the analysed financial instrument at any time. It may be possible that parts of the research report were handed out to the issuer for information purposes prior to the publication without any major amendments being made thereafter.

3. Organisational Requirements

The Company and Hauck & Aufhäuser Privatbankiers KGaA took internal organisational and regulative precautions to avoid or accordingly disclose possible conflicts of interest in connection with the preparation and distribution of the research report. All members of the Company involved in the preparation of the research report are subject to internal compliance regulations.

No part of the Producer's compensation is directly or indirectly related to the preparation of this financial analysis.

4. Information Concerning the Methods of Valuation/Update

The determination of the fair value per share, i.e. the price target, and the resultant recommendation is done on the basis of the adjusted free cash flow (adj. FCF) method and on the basis of the discounted cash flow – DCF model. Furthermore, a peer group comparison is made.

The adj. FCF method is based on the assumption that investors purchase assets only at a price (enterprise value) at which the operating cash flow return after taxes on this investment exceeds their opportunity costs in the form of a hurdle rate of 7.5%. The operating cash flow is calculated as EBITDA less maintenance capex and taxes.

Within the framework of the DCF approach, the future free cash flows are calculated initially on the basis of a fictitious capital structure of 100% equity, i.e. interest and repayments on debt capital are not factored in initially. The adjustment towards the actual capital structure is done by discounting the calculated free cash flows with the weighted average cost of capital (WACC), which takes into account both the cost of equity capital and the cost of debt. After discounting, the calculated total enterprise value is reduced by the interest-bearing debt capital in order to arrive at the equity value.

Hauck & Aufhäuser Institutional Research uses the following three-step rating system for the analysed companies:

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 is limited. No immediate catalyst visible.

NB: The recommendations of Hauck & Aufhäuser Institutional Research are not based on a performance that is expected to be "relative" to the market.

The decision on the choice of the financial instruments analysed in this document was solely made by the Company. The opinions and estimates in this research report are subject to change without notice. It is within the discretion of the Company whether and when it publishes an update to this research report.

5. Major Sources of Information

Part of the information required for this research report was made available by the issuer of the financial instrument. Furthermore, this report is based on publicly available sources (such as, for example, Bloomberg, Reuters, VWD-Trader and the relevant daily press) believed to be reliable. The Company has checked the information for plausibility but not for accuracy or completeness.

6. Competent Supervisory Authority

The Company and Hauck & Aufhäuser Privatbankiers KGaA are under supervision of the BaFin – German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht), Graurheindorfer Straße 108, 53117 Bonn and Marie-Curie-Straße 24 – 28, 60439 Frankfurt a.M.

7. Specific Comments for Recipients Outside of Germany

This research report is subject to the law of the Federal Republic of Germany. The distribution of this information to other states in particular to the USA, Canada, Australia and Japan may be restricted or prohibited by the laws applicable within this state.

This document is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) to investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the „Order“) or (iii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order. This document shall not be made available - whether directly or indirectly - to another group of people in or from the United Kingdom.

Contacts: Hauck&Aufhäuser Investment Banking

Hauck & Aufhäuser Research

Hauck & Aufhäuser
Institutional Research AG
Mittelweg 16/17

20148 Hamburg
Germany

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

Leonhard Bayer
Analyst

Tel.: +49 (0)40 414 3885 - 79
E-Mail: leonhard.bayer@ha-research.de

Lars Dannenberg
Analyst

Tel.: +49 (0)40 414 3885 - 92
E-Mail: lars.dannenberg@ha-research.de

Christian Schwenkenbecher
Analyst

Tel.: +49 (0)40 414 3885 - 76
E-Mail: christian.schwenkenbecher@ha-research.de

Tim Wunderlich, CFA
Analyst

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

Sascha Berresch, CFA
Head of Research

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

Nils-Peter Fitzl
Analyst

Tel.: +49 (0)40 414 3885 - 86
E-Mail: nils-peter.fitzl@ha-research.de

Torben Teichler
Analyst

Tel.: +49 (0)40 414 3885 - 74
E-Mail: torben.teichler@ha-research.de

Henning Breiter
Analyst

Tel.: +49 (0)40 414 3885 - 73
E-Mail: henning.breiter@ha-research.de

Philippe Lorrain
Analyst

Tel.: +49 (0)40 414 3885 - 83
E-Mail: philippe.lorrain@ha-research.de

Thomas Wissler
Analyst

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

Hauck & Aufhäuser Sales

Vincent Bischoff
Sales

Tel.: +49 (0)40 414 3885 - 88
E-Mail: vincent.bischoff@ha-research.de

Markus Weiss
Sales

Tel.: +49 (0)40 414 3885 - 89
E-Mail: markus.weiss@ha-research.de

Hamish Edsell
Sales

Tel.: +44 207 763 7180
E-Mail: hamish.edsell@ha-research.de

Toby Woods
Sales

Tel.: +44 207 763 7179
E-Mail: toby.woods@ha-research.de

Hugues Madelin
Sales

Tel.: +33 1 78 41 40 62
E-Mail: hugues.madelin@ha-research.de

Supervisory Board

Graeme Davies
Chairman

Tel.: +49 (0)40 414 3885 - 70
E-Mail: graeme.davies@ha-research.de

Michael Bentlage

Tel.: +49 (0)69 2161 - 1863
E-Mail: michael.bentlage@hauck-aufhaeuser.de

Jeronimo Bremer

Tel.: +49 (0)40 414 3885 - 70
E-Mail: 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
www.hauck-aufhaeuser.de

Mirko Brueggemann
Trading

Tel.: +49 (0)40 414 3885 75
E-Mail: mirko.brueggemann@hauck-aufhaeuser.de

Christian von Schuler
Trading

Tel.: +49 (0)40 414 3885 77
E-Mail: christian.schuler@hauck-aufhaeuser.de

Carolin Weber
Middle-Office

Tel.: +49 (0)40 414 3885 87
E-Mail: carolin.weber@hauck-aufhaeuser.de