



**Buy** (old: Buy)

**Price target: EUR 40.00** (old: EUR 43.00)

**Price:** EUR 29.50      **Next result:** Q4 27.03.14  
**Bloomberg:** EUZ GR      **Market cap:** EUR 151.5 m  
**Reuters:** EUZG.DE      **Enterprise Value:** EUR 140.5 m

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### Moderate figures & adjusted outlook, chg. in est. & PT

Eckert & Ziegler reported Q3 figures today. A conference was held at 10 a.m. CET.

**Q3 sales were in line and grew by 3.2% yoy to € 30.8m (H&A: € 30.5m).** While sales in the Environmental business (6% of sales) were below expectations (still +18.7% yoy), this was compensated by a strong sales increase in the Radiopharma segment (23% of sales) which grew by 19.1% yoy. This was primarily driven by a sound pick up in gallium synthesis module sales (low base last year) but also a € 0.7m consolidation effect from the Austrian cyclotron. The Isotope Products segment (46% of sales) was up 1.5% yoy as expected, however largely due to a c. € 0.8m consolidation effect from several smaller acquisitions while the weakness in the oil&gas sector persisted. Therapy (25% of sales) sales were down as expected by 11.4% yoy as especially afterloader sales tend to be very back-end loaded this year. This however bodes well for a strong Q4 in this segment. **FX effects should have had a negative effect on sales of around € 0.5m.**

**Q3 EBIT missed expectations and came in at € 4.5m (H&A: € 5.0m) with an EBIT margin of 14.7%.** The shortfall was majorly due to less operating leverage in the Environmental segment as well as higher regulatory requirements which caused additional costs. Profitability in Therapy (c. 14% of EBIT) was better than expected due to the sound sales level as well as a positive product mix. The Isotope Products segment (c. 80% of EBIT) benefited from a base effect due to integration costs for the Vitalea acquisition but also cost related to the termination of acquisition proceedings last year. EBIT in Radiopharma (c. 6% of EBIT) slightly exceeded expectations given the sound sales increase on the back of the introduction of a new gallium synthesis module.

**Guidance: Management reiterated its 2013E guidance of € 125m in sales as well as net income of € 10.3m (H&A: € 123m sales; € 10.2m net income).**

**Management reduced its 2014E guidance, now expecting sales of € 140m as well as net income of 11.6m (H&A: € 138m sales; € 11.5m net income)** from previously € 200m in sales and € 15m net income. Key reasons are a weaker expected business with high margin radiation sources for the oil & gas industry as well as fewer recycling projects in the Environmental segment.

**In addition, a guidance of € 150m in sales and 13.2m of net income was introduced for 2015E.**

- continued -

Y/E 31.12 (EUR m)	2009	2010	2011	2012	2013E	2014E	2015E
Sales	101.4	111.1	116.2	120.0	122.6	137.9	147.5
Sales growth	42 %	10 %	5 %	3 %	2 %	12 %	7 %
EBITDA	22.6	26.4	30.4	28.1	26.9	30.5	32.5
EBIT	15.5	16.6	22.9	19.7	18.3	20.9	22.6
Net income	13.3	9.4	10.4	10.3	10.2	11.5	13.1
Net debt	-23.8	-7.6	-14.3	-15.4	-20.1	-27.3	-37.2
Net gearing	-31.2 %	-11.2 %	-18.9 %	-19.1 %	-23.1 %	-28.6 %	-35.1 %
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EPS pro forma	1.97	1.81	1.98	1.95	1.92	2.18	2.47
CPS	3.71	1.01	2.46	1.76	2.07	2.13	2.52
DPS	0.45	0.60	0.60	0.60	0.58	0.73	0.00
Dividend yield	1.5 %	2.0 %	2.0 %	2.0 %	2.0 %	2.5 %	2.8 %
Gross profit margin	50.4 %	52.0 %	55.4 %	54.3 %	53.7 %	55.4 %	55.6 %
EBITDA margin	22.2 %	23.8 %	26.2 %	23.4 %	22.0 %	22.1 %	22.1 %
EBIT margin	15.2 %	14.9 %	19.7 %	16.4 %	15.0 %	15.1 %	15.4 %
ROCE	16.2 %	14.3 %	19.9 %	15.9 %	13.8 %	14.5 %	14.7 %
EV/sales	1.3	1.3	1.2	1.2	1.1	1.0	0.8
EV/EBITDA	6.0	5.7	4.7	5.2	5.2	4.4	3.8
EV/EBIT	8.9	9.0	6.3	7.3	7.7	6.4	5.5
PER	14.9	16.3	14.9	15.1	15.3	13.5	11.9
Adjusted FCF yield	9.5 %	7.8 %	9.3 %	9.6 %	9.2 %	11.3 %	12.3 %

Source: Company data, Hauck & Aufhäuser Close price as of: 07.11.2013



Source: Company data, Hauck & Aufhäuser

**High/low 52 weeks:** 30.00 / 22.66

**Price/Book Ratio:** 1.8

**Relative performance (SDAX):**

3 months 3.5 %

6 months -0.1 %

12 months -6.0 %

### Changes in estimates

		Sales	EBIT	EPS
2013	old:	122.6	18.3	1.92
	Δ	-	-	-
2014	old:	132.8	22.2	2.43
	Δ	3.8%	-6.2%	-10.4%
2015	old:	141.3	23.9	2.69
	Δ	4.4%	-5.1%	-7.9%

### Key share data:

Number of shares: (in m pcs) 5.3

Authorised capital: (in € m) 0.6

Book value per share: (in €) 16.4

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.

**Action: We increase our sales estimates for the recent acquisition of Mick Radio Nuclear Instruments** (announced on Wednesday) which is a leading producer of accessories for brachytherapy. The company generated sales of around € 4m in 2012 and is an important step for Eckert & Ziegler to further penetrate the high price US seed market. We however **reduce our EBIT estimates for 2014E and 2015E** in order to account for higher than expected ramp-up costs for the recent acquisitions, a slower recovery of measuring source sales to the oil & gas industry as well as structurally lower margins in the Environmental segment.

All in all, Q3 figures showed a rather mixed picture and the guidance adjustments point to a more moderate development of the bottom-line going forward. Nonetheless, **trading at 6.4x EV/EBIT 2014E, valuation looks undemanding**. The stock thus remains a **BUY** with a **PT of € 40** (old: € 43) based on FCFY 2014E.

Eckert & Ziegler Key Figures (€ m)	Q3 13	Q3 13 est	Q3 12	yoy	Q2 13	qoq	9M 13	9M 13 est	9M 12	yoy
<b>Sales</b>	<b>30.8</b>	<b>30.5</b>	<b>29.9</b>	3.2%	<b>28.8</b>	7.0%	<b>86.1</b>	<b>85.8</b>	<b>87.7</b>	-1.8%
Isotope Products	13.5	13.5	13.3	1.5%	14.2	-4.8%	41.3	41.3	41.5	-0.4%
Therapy	7.0	7.0	7.9	-11.4%	6.6	6.2%	19.0	19.0	21.8	-13.0%
Radiopharma	8.6	8.0	7.2	19.1%	6.2	39.2%	21.1	20.5	19.9	6.1%
Environment	1.7	2.0	1.5	18.7%	1.9	-7.1%	4.7	5.0	4.6	3.4%
<b>EBIT</b>	<b>4.5</b>	<b>5.0</b>	<b>4.0</b>	13.5%	<b>4.5</b>	1.4%	<b>11.4</b>	<b>11.9</b>	<b>14.0</b>	-18.5%
Margin	14.7%	16.5%	13.4%	+ 1.3 pp	15.6%	- 0.8 pp	13.3%	13.9%	16.0%	- 2.7 pp
Isotope Products	3.8	3.9	3.4	10.0%	4.3	-12.0%	12.2	12.3	12.6	-3.1%
Margin	28.0%	28.9%	25.9%	+ 2.1 pp	30.3%	- 2.3 pp	29.5%	29.8%	30.4%	- 0.8 pp
Therapy	0.7	0.5	1.0	-29.7%	0.4	82.4%	2.0	1.8	1.9	3.9%
Margin	10.1%	7.1%	12.8%	- 3 pp	5.9%	+ 4 pp	10.4%	9.3%	8.7%	+ 1.7 pp
Radiopharma	0.9	0.8	0.8	14.3%	0.2	335.9%	1.2	1.1	2.2	-46.6%
Margin	10.6%	10.0%	11.0%	- 0.4 pp	3.4%	+ 7 pp	5.6%	5.3%	11.2%	- 5.6 pp
Environment	-0.5	0.2	-0.7	-31.0%	0.2	-326.7%	-2.2	-1.6	-1.3	70.2%
Margin	-26.8%	10.0%	-46.1%	+ 19 pp	11.0%	- 38 pp	-47.1%	-31.3%	-28.6%	- 19 pp
Others/Elimination	-0.4	-0.4	-0.6	-30.5%	-0.6	-36.9%	-1.7	-1.7	-1.4	23.9%
<b>Net profit</b>	<b>2.3</b>	<b>2.9</b>	<b>1.6</b>	37.3%	<b>2.8</b>	-18.3%	<b>6.2</b>	<b>6.9</b>	<b>7.1</b>	-12.0%
Net margin	7.3%	9.5%	5.5%	+ 1.8 pp	9.6%	- 2.3 pp	7.2%	8.0%	8.1%	- 0.1 pp
<b>EPS</b>	<b>0.43</b>	<b>0.55</b>	<b>0.31</b>	37.3%	<b>0.52</b>	-18.3%	<b>1.18</b>	<b>1.30</b>	<b>1.34</b>	-12.0%

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>122.6</b>	<b>137.9</b>	<b>147.5</b>
<i>Sales growth</i>	41.6 %	9.6 %	4.6 %	3.3 %	2.2 %	12.4 %	6.9 %
Cost of sales	50.3	53.3	51.8	54.8	56.8	61.5	65.5
<b>Gross profit</b>	<b>51.1</b>	<b>57.8</b>	<b>64.4</b>	<b>65.2</b>	<b>65.9</b>	<b>76.4</b>	<b>82.0</b>
Sales and marketing	18.4	18.9	19.5	20.6	20.8	23.4	25.1
General and administration	19.1	18.8	19.2	22.8	20.6	23.2	24.8
Research and development	2.5	2.9	3.0	3.5	3.5	3.6	3.8
Other operating income	9.3	3.9	4.7	9.5	5.0	5.7	6.0
Other operating expenses	5.0	4.5	4.5	8.1	7.6	11.0	11.7
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>26.9</b>	<b>30.5</b>	<b>32.5</b>
Depreciation	7.1	9.8	7.5	8.4	8.6	9.7	9.9
<b>EBITA</b>	<b>15.5</b>	<b>16.6</b>	<b>22.9</b>	<b>19.7</b>	<b>18.3</b>	<b>20.9</b>	<b>22.6</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>18.3</b>	<b>20.9</b>	<b>22.6</b>
Interest income	0.1	0.3	0.2	0.5	0.3	0.4	0.5
Interest expenses	1.3	2.5	2.9	2.8	2.2	2.3	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	-1.9	-1.4
<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>16.4</b>	<b>18.9</b>	<b>21.2</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>16.4</b>	<b>18.9</b>	<b>21.2</b>
Taxes	-6.7	3.9	8.8	5.7	5.1	6.1	6.8
<b>Net income from continuing operations</b>	<b>21.9</b>	<b>10.4</b>	<b>11.4</b>	<b>11.8</b>	<b>11.3</b>	<b>12.9</b>	<b>14.4</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>11.3</b>	<b>12.9</b>	<b>14.4</b>
Minority interest	8.6	1.0	1.0	1.5	1.2	1.3	1.3
<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>10.2</b>	<b>11.5</b>	<b>13.1</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>1.92</b>	<b>2.18</b>	<b>2.47</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 %	46.3 %	44.6 %	44.4 %
<b>Gross profit</b>	<b>50.4 %</b>	<b>52.0 %</b>	<b>55.4 %</b>	<b>54.3 %</b>	<b>53.7 %</b>	<b>55.4 %</b>	<b>55.6 %</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 %	6.2 %	8.0 %	7.9 %
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>22.0 %</b>	<b>22.1 %</b>	<b>22.1 %</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>15.0 %</b>	<b>15.1 %</b>	<b>15.4 %</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>15.0 %</b>	<b>15.1 %</b>	<b>15.4 %</b>
Interest income	0.1 %	0.3 %	0.2 %	0.4 %	0.3 %	0.3 %	0.3 %
Interest expenses	1.3 %	2.3 %	2.5 %	2.3 %	1.8 %	1.7 %	1.3 %
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 %	-1.4 %	-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>13.4 %</b>	<b>13.7 %</b>	<b>14.4 %</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>13.4 %</b>	<b>13.7 %</b>	<b>14.4 %</b>
Tax rate	-44.5 %	27.4 %	43.6 %	32.6 %	31.0 %	32.0 %	32.0 %
<b>Net income from continuing operations</b>	<b>21.6 %</b>	<b>9.4 %</b>	<b>9.8 %</b>	<b>9.8 %</b>	<b>9.3 %</b>	<b>9.3 %</b>	<b>9.8 %</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>9.3 %</b>	<b>9.3 %</b>	<b>9.8 %</b>
Minority interest	8.5 %	0.9 %	0.9 %	1.2 %	1.0 %	1.0 %	0.9 %
<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>8.3 %</b>	<b>8.4 %</b>	<b>8.9 %</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	32.6	31.9	31.0
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>82.4</b>	<b>81.8</b>	<b>80.9</b>
Inventories	12.6	12.7	14.2	15.5	15.3	17.2	18.4
Accounts receivable	16.2	17.3	18.1	22.0	22.5	25.3	27.0
Other current assets	6.2	3.1	4.7	6.0	7.5	8.5	9.1
Liquid assets	43.9	29.4	32.3	30.8	34.0	39.6	48.5
Deferred taxes	11.8	12.2	9.5	9.1	10.0	11.3	12.1
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>CURRENT ASSETS</b>	<b>90.8</b>	<b>74.7</b>	<b>78.8</b>	<b>83.4</b>	<b>89.4</b>	<b>101.9</b>	<b>115.1</b>
<b>TOTAL ASSETS</b>	<b>161.9</b>	<b>144.5</b>	<b>154.0</b>	<b>164.4</b>	<b>171.9</b>	<b>183.7</b>	<b>196.0</b>
SHAREHOLDERS EQUITY	76.4	68.3	75.9	80.7	86.7	95.3	105.9
MINORITY INTEREST	10.3	5.3	5.7	6.2	7.4	8.7	8.7
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	7.6	7.8	8.1
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	19.3	21.7	23.2
Deferred taxes	2.6	0.0	1.8	1.5	1.9	2.2	2.3
Deferred income	1.8	0.6	1.0	1.0	1.1	1.2	1.3
<b>Current liabilities</b>	<b>37.0</b>	<b>29.4</b>	<b>31.6</b>	<b>36.9</b>	<b>37.9</b>	<b>40.9</b>	<b>43.0</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>171.9</b>	<b>183.7</b>	<b>196.0</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>26.7 %</b>	<b>24.9 %</b>	<b>23.4 %</b>
Property, plant and equipment	16.8 %	19.1 %	18.8 %	18.9 %	19.0 %	17.4 %	15.8 %
Financial assets	1.1 %	0.9 %	0.9 %	2.5 %	2.4 %	2.2 %	2.1 %
<b>FIXED ASSETS</b>	<b>43.9 %</b>	<b>48.3 %</b>	<b>48.9 %</b>	<b>49.3 %</b>	<b>48.0 %</b>	<b>44.5 %</b>	<b>41.3 %</b>
Inventories	7.8 %	8.8 %	9.2 %	9.4 %	8.9 %	9.4 %	9.4 %
Accounts receivable	10.0 %	11.9 %	11.7 %	13.4 %	13.1 %	13.8 %	13.8 %
Other current assets	3.9 %	2.1 %	3.0 %	3.7 %	4.4 %	4.6 %	4.6 %
Liquid assets	27.1 %	20.4 %	21.0 %	18.8 %	19.8 %	21.6 %	24.8 %
Deferred taxes	7.3 %	8.5 %	6.2 %	5.5 %	5.8 %	6.1 %	6.2 %
Deferred charges and prepaid expenses	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>CURRENT ASSETS</b>	<b>56.1 %</b>	<b>51.7 %</b>	<b>51.1 %</b>	<b>50.7 %</b>	<b>52.0 %</b>	<b>55.5 %</b>	<b>58.7 %</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 %	50.5 %	51.9 %	54.0 %
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 %	4.8 %	3.6 %	2.9 %
Provisions for pensions and similar obligations	3.5 %	4.1 %	4.4 %	5.4 %	5.3 %	5.0 %	4.8 %
Other provisions	11.3 %	13.5 %	13.7 %	13.4 %	13.0 %	12.4 %	11.9 %
<b>Non-current liabilities</b>	<b>23.6 %</b>	<b>28.7 %</b>	<b>26.5 %</b>	<b>24.7 %</b>	<b>23.1 %</b>	<b>21.1 %</b>	<b>19.6 %</b>
short-term liabilities to banks	3.6 %	4.0 %	3.3 %	3.4 %	3.3 %	3.1 %	2.9 %
Accounts payable	2.7 %	3.0 %	3.4 %	4.5 %	4.4 %	4.2 %	4.1 %
Advance payments received on orders	4.9 %	2.3 %	0.9 %	1.4 %	1.4 %	1.3 %	1.2 %
Other liabilities (incl. from lease and rental contracts)	8.9 %	10.6 %	11.1 %	11.5 %	11.3 %	11.8 %	11.9 %
Deferred taxes	1.6 %	0.0 %	1.2 %	0.9 %	1.1 %	1.2 %	1.2 %
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>22.1 %</b>	<b>22.3 %</b>	<b>21.9 %</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	11.3	12.9	14.4
Depreciation of fixed assets (incl. leases)	7.0	9.8	7.5	8.4	8.6	9.7	9.9
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	20.1	22.7	24.5
Increase/decrease in inventory	-4.1	0.0	-1.4	-1.3	0.1	-1.9	-1.2
Increase/decrease in accounts receivable	-2.2	-1.0	-1.2	-2.2	-0.5	-2.8	-1.8
Increase/decrease in accounts payable	0.1	-0.1	1.0	5.5	0.2	0.1	0.3
Increase/decrease in other working capital positions	6.3	-0.6	0.1	-2.8	-1.1	1.5	1.0
Increase/decrease in working capital	0.2	-1.8	-1.6	-0.8	-1.3	-3.1	-1.7
<b>Cash flow from operating activities</b>	<b>26.5</b>	<b>15.0</b>	<b>20.2</b>	<b>16.6</b>	<b>18.8</b>	<b>19.6</b>	<b>22.8</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	3.8	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>-13.8</b>	<b>-9.0</b>	<b>-9.0</b>
Cash flow before financing	16.8	-15.4	11.3	6.7	5.0	10.6	13.8
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	3.4	3.9
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>-5.1</b>	<b>-4.9</b>
Increase/decrease in liquid assets	36.0	-14.2	3.1	1.1	0.5	5.6	8.9
<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>34.0</b>	<b>39.6</b>	<b>48.5</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	69.6	74.8	0.0	0.0
yoy change	40.9 %	9.8 %	1.6 %	0.9 %	7.5 %	n/a	n/a
NAFTA	27.4	30.5	30.9	33.1	36.8	0.0	0.0
yoy change	34.9 %	11.4 %	1.3 %	7.1 %	11.1 %	n/a	n/a
Asia Pacific	10.1	11.1	12.1	13.1	9.8	0.0	0.0
yoy change	63.5 %	9.5 %	9.0 %	8.3 %	-25.1 %	n/a	n/a
Rest of world	2.0	1.6	4.2	4.2	1.2	0.0	0.0
yoy change	69.0 %	-21.1 %	162.5 %	0.0 %	-70.8 %	n/a	n/a
<b>TTL</b>	<b>101.4</b>	<b>111.1</b>	<b>116.2</b>	<b>120.0</b>	<b>122.6</b>	<b>0.0</b>	<b>0.0</b>
yoy change	41.6 %	9.6 %	4.6 %	3.3 %	2.2 %	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 %	2.2 %	12.4 %	6.9 %
EBITDA growth	20.4 %	17.1 %	15.1 %	-7.5 %	-4.3 %	13.3 %	6.6 %
EBIT growth	61.3 %	7.2 %	38.2 %	-13.9 %	-7.0 %	13.7 %	8.6 %
EPS growth	143.0 %	-48.0 %	9.1 %	-1.2 %	-1.4 %	13.3 %	13.5 %
<b>Efficiency</b>							
Total operating costs / sales	35.2 %	37.1 %	35.7 %	37.9 %	38.7 %	40.3 %	40.2 %
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 %	21.8 %	22.8 %
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	8.8	10.6	13.8
Free cash flow/sales	20.5 %	6.6 %	9.4 %	5.6 %	7.2 %	7.7 %	9.4 %
FCF / net profit	156.9 %	77.6 %	105.4 %	65.5 %	86.5 %	92.2 %	105.7 %
FCF yield	13.7 %	4.8 %	7.2 %	4.5 %	5.8 %	7.0 %	9.1 %
Capex / deprec	49.8 %	78.5 %	122.2 %	117.1 %	116.5 %	93.2 %	91.1 %
Capex / maintenance capex	0.0 %	78.5 %	122.2 %	130.1 %	122.6 %	103.6 %	91.1 %
Capex / sales	5.6 %	7.0 %	7.9 %	8.2 %	8.2 %	6.5 %	6.1 %
<b>Security</b>							
Net debt	-23.8	-7.6	-14.3	-15.4	-20.1	-27.3	-37.2
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	-0.2	-0.3	-0.4
Interest cover	11.6	6.6	7.9	7.1	8.2	8.9	11.8
Dividend payout ratio	17.4 %	32.7 %	29.6 %	29.9 %	33.4 %	33.7 %	33.3 %
<b>Asset utilisation</b>							
Capital employed turnover	0.8	1.0	1.0	0.9	0.9	0.9	0.9
Operating assets turnover	2.3	2.2	2.1	2.0	2.0	2.1	2.2
Plant turnover	3.7	4.0	4.0	3.9	3.8	4.3	4.8
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 %	13.8 %	14.5 %	14.7 %
ROE	17.3 %	13.8 %	13.7 %	12.8 %	11.7 %	12.1 %	12.4 %
<b>Other</b>							
Interest paid / avg. debt	6.9 %	12.0 %	14.5 %	16.7 %	15.2 %	17.8 %	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	0.7	0.0
EPS reported	3.48	1.81	1.98	1.95	1.92	2.18	2.47
<b>Valuation ratios</b>							
P/BV	1.5	2.2	2.1	1.9	1.8	1.6	1.5
EV/sales	1.3	1.3	1.2	1.2	1.1	1.0	0.8
EV/EBITDA	6.0	5.7	4.7	5.2	5.2	4.4	3.8
EV/EBITA	6.0	9.0	6.3	7.3	7.7	6.4	5.5
EV/EBIT	8.9	9.0	6.3	7.3	7.7	6.4	5.5
EV/FCF	6.4	20.5	13.1	21.5	16.0	12.6	8.9
Dividend yield	1.5 %	2.0 %	2.0 %	2.0 %	2.0 %	2.5 %	2.8 %

Source: Company data, Hauck & Aufhäuser

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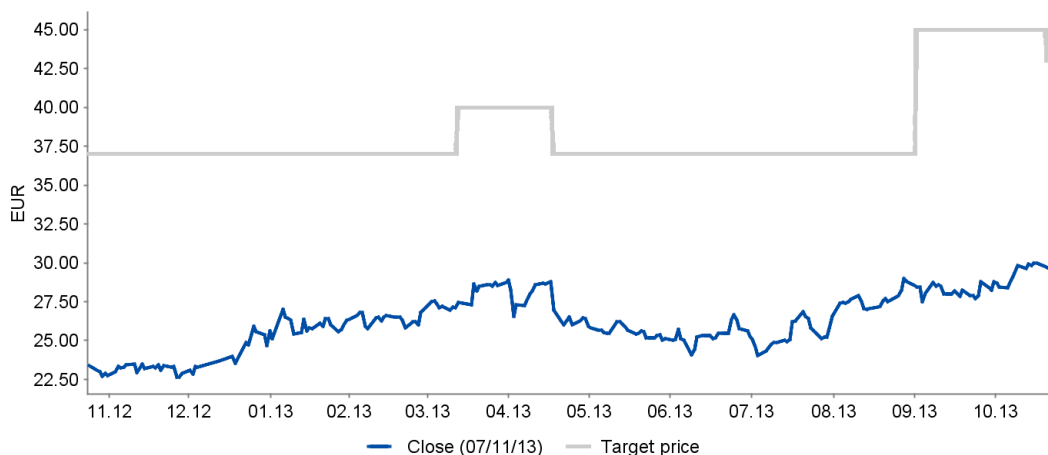
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Company	Disclosure
Eckert & Ziegler AG	2, 5

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

**Price and Rating History**  
Eckert & Ziegler AG as of 08/11/13

**Initiation coverage**  
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