



**Buy** (old: Buy)

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

<b>Price:</b>	EUR 28.5045*	<b>Next result:</b>	Q4 08.11.13
<b>Bloomberg:</b>	EUZ GR	<b>Market cap:</b>	EUR 130.7 m
<b>Reuters:</b>	EUZG.DE	<b>Enterprise Value:</b>	EUR 121.4 m

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**Torben Teichler**  
Analyst

torben.teichler@ha-research.de

Tel.: +49 40 414 3885 74

### Profit warning, chg. in est. & PT

Eckert & Ziegler issued a profit warning last night, **stating that net income for 2013E has dropped by 15-20% compared to last year**. This implies a miss to the recently reiterated guidance (November) by equally 15-20%.

According to management the current **profit warning also lowers the basis of the forecast for 2014**. The company however still expects to grow over the long term. The significant EPS decline should be largely a result of:

- **Isotope Products (~45% of sales):** Sales seem to have grown much less than initially expected due to **1) a still weak business with clients from the oil & gas industries** which is among EZAG's highest margin businesses, and **2) problems with a newly introduced ERP software which caused inventory differences and hence much higher material costs**.
- **Environmental (~6% of sales):** In the Environmental segment **additional provisions seem to have been booked related to rental payments** for facilities where radioactive waste is worked down. This seems to be necessary due to delays on detailed plans for the work down which require such provision.
- **Therapy (~25% of sales):** Several **afterloader projects seem to have been pushed out of Q4** and are likely to be delivered only in Q1 (H&A: c. € 2m). Generally however, afterloader sales seem to have picked up healthily in Q4.

**Action:** As a result, we **cut our sales & EBIT estimates by 5% and 17% for 2013E**. Moreover, we reduce our 2014&15E sales estimates by 4% in order to reflect a still moderate business with clients from the oil & gas industries, negative sales growth of the environmental business as well as negative FX effects. 2014E sales growth of 14% yoy is largely due to an € 8m consolidation effects. Moreover, EBIT estimates are reduced by 8% going forward to account for a weaker product mix and structurally higher costs for the environmental business.

Despite operating in a well defended market, there seems to be **little visibility on short term demand fluctuations**. Moreover, 2013E was marked by a high amount of one-offs related to the environmental segment & order delays and should thus rather be seen as a transition year. **Trading at 6x EV/EBIT & 13x PER 2014E valuation remains undemanding. BUY with a reduced PT of € 37** (old: € 40) based on FCFY 2014E.



Source: Company data, Hauck & Aufhäuser

**High/low 52 weeks:** 30.50 / 24.05

**Price/Book Ratio:** 1.8

**Relative performance (SDAX):**

3 months -11.5 %

6 months -5.2 %

12 months -14.0 %

### Changes in estimates

		Sales	EBIT	EPS
2013	old:	122.6	18.3	1.92
	Δ	-5.1%	-17.3%	-18.9%
2014	old:	137.9	20.9	2.18
	Δ	-3.7%	-8.1%	-8.5%
2015	old:	147.5	22.6	2.47
	Δ	-3.6%	-7.9%	-7.9%

### Key share data:

Number of shares: (in m pcs) 5.3

Authorised capital: (in € m) 0.6

Book value per share: (in €) 16.0

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	116.4	132.8	142.2
Sales growth	42 %	10 %	5 %	3 %	-3 %	14 %	7 %
EBITDA	22.6	26.4	30.4	28.1	23.3	28.5	30.4
EBIT	15.5	16.6	22.9	19.7	15.2	19.2	20.9
Net income	13.3	9.4	10.4	10.3	8.3	10.5	12.0
Net debt	-23.8	-7.6	-14.3	-15.4	-18.4	-24.6	-33.3
Net gearing	-31.2 %	-11.2 %	-18.9 %	-19.1 %	-21.7 %	-26.5 %	-32.5 %
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	1.56	1.99	2.28
CPS	3.71	1.01	2.46	1.76	1.82	1.87	2.29
DPS	0.45	0.60	0.60	0.60	0.47	0.67	0.00
Dividend yield	1.8 %	2.4 %	2.4 %	2.4 %	1.8 %	2.6 %	3.0 %
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 %	20.0 %	21.4 %	21.4 %
EBIT margin	15.2 %	14.9 %	19.7 %	16.4 %	13.0 %	14.4 %	14.7 %
ROCE	16.2 %	14.3 %	19.9 %	15.9 %	11.5 %	13.6 %	13.9 %
EV/sales	1.1	1.2	1.1	1.0	1.0	0.9	0.8
EV/EBITDA	5.1	4.9	4.1	4.4	5.2	4.1	3.5
EV/EBIT	7.5	7.8	5.4	6.3	8.0	6.0	5.1
PER	12.9	14.1	12.9	13.0	16.3	12.8	11.2
Adjusted FCF yield	11.2 %	9.0 %	10.9 %	11.2 %	9.1 %	12.1 %	13.3 %

Source: Company data, Hauck & Aufhäuser Close price as of: 28.01.2014 10:15 CET

## 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>116.4</b>	<b>132.8</b>	<b>142.2</b>
Sales growth	41.6 %	9.6 %	4.6 %	3.3 %	-3.0 %	14.0 %	7.1 %
Cost of sales	50.3	53.3	51.8	54.8	53.9	59.2	63.1
<b>Gross profit</b>	<b>51.1</b>	<b>57.8</b>	<b>64.4</b>	<b>65.2</b>	<b>62.5</b>	<b>73.5</b>	<b>79.1</b>
Sales and marketing	18.4	18.9	19.5	20.6	19.8	22.6	24.2
General and administration	19.1	18.8	19.2	22.8	19.6	22.3	23.9
Research and development	2.5	2.9	3.0	3.5	3.4	3.5	3.7
Other operating income	9.3	3.9	4.7	9.5	4.8	5.4	5.8
Other operating expenses	5.0	4.5	4.5	8.1	9.4	11.5	12.3
Unusual or infrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBITDA</b>	<b>22.6</b>	<b>26.4</b>	<b>30.4</b>	<b>28.1</b>	<b>23.3</b>	<b>28.5</b>	<b>30.4</b>
Depreciation	7.1	9.8	7.5	8.4	8.1	9.3	9.5
<b>EBITA</b>	<b>15.5</b>	<b>16.6</b>	<b>22.9</b>	<b>19.7</b>	<b>15.2</b>	<b>19.2</b>	<b>20.9</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>15.2</b>	<b>19.2</b>	<b>20.9</b>
Interest income	0.1	0.3	0.2	0.5	0.3	0.4	0.4
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	-2.0	-1.5
<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>13.3</b>	<b>17.2</b>	<b>19.4</b>
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Earnings before taxes</b>	<b>15.2</b>	<b>14.4</b>	<b>20.2</b>	<b>17.5</b>	<b>13.3</b>	<b>17.2</b>	<b>19.4</b>
Taxes	-6.7	3.9	8.8	5.7	4.1	5.5	6.2
<b>Net income from continuing operations</b>	<b>21.9</b>	<b>10.4</b>	<b>11.4</b>	<b>11.8</b>	<b>9.1</b>	<b>11.7</b>	<b>13.2</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>9.1</b>	<b>11.7</b>	<b>13.2</b>
Minority interest	8.6	1.0	1.0	1.5	0.9	1.1	1.1
<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>8.3</b>	<b>10.5</b>	<b>12.0</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>1.56</b>	<b>1.99</b>	<b>2.28</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 %	8.1 %	8.7 %	8.6 %
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>20.0 %</b>	<b>21.4 %</b>	<b>21.4 %</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>13.0 %</b>	<b>14.4 %</b>	<b>14.7 %</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>13.0 %</b>	<b>14.4 %</b>	<b>14.7 %</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 %	1.9 %	1.8 %	1.4 %
Other financial result	0.9 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Financial result	-0.3 %	-2.0 %	-2.3 %	-1.9 %	-1.6 %	-1.5 %	-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>11.4 %</b>	<b>12.9 %</b>	<b>13.6 %</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>11.4 %</b>	<b>12.9 %</b>	<b>13.6 %</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>7.9 %</b>	<b>8.8 %</b>	<b>9.3 %</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>7.9 %</b>	<b>8.8 %</b>	<b>9.3 %</b>
Minority interest	8.5 %	0.9 %	0.9 %	1.2 %	0.8 %	0.9 %	0.8 %
<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>7.1 %</b>	<b>7.9 %</b>	<b>8.5 %</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	33.0	32.7	32.2
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>82.9</b>	<b>82.6</b>	<b>82.1</b>
Inventories	12.6	12.7	14.2	15.5	14.6	16.6	17.8
Accounts receivable	16.2	17.3	18.1	22.0	21.3	24.3	26.1
Other current assets	6.2	3.1	4.7	6.0	7.2	8.2	8.7
Liquid assets	43.9	29.4	32.3	30.8	32.3	36.9	44.6
Deferred taxes	11.8	12.2	9.5	9.1	9.5	10.9	11.6
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>84.9</b>	<b>96.9</b>	<b>108.9</b>
<b>TOTAL ASSETS</b>	<b>161.9</b>	<b>144.5</b>	<b>154.0</b>	<b>164.4</b>	<b>167.8</b>	<b>179.4</b>	<b>190.9</b>
SHAREHOLDERS EQUITY	76.4	68.3	75.9	80.7	84.5	92.8	102.5
MINORITY INTEREST	10.3	5.3	5.7	6.2	7.1	8.3	8.3
Long-term debt	14.3	16.0	12.9	9.8	8.3	6.6	5.6
Provisions for pensions and similar obligations	5.7	5.9	6.8	8.9	9.0	9.2	9.4
Other provisions	18.3	19.5	21.1	22.0	22.4	22.9	23.3
<b>Non-current liabilities</b>	<b>38.2</b>	<b>41.5</b>	<b>40.8</b>	<b>40.6</b>	<b>39.8</b>	<b>38.7</b>	<b>38.4</b>
short-term liabilities to banks	5.8	5.8	5.1	5.7	5.7	5.7	5.7
Accounts payable	4.4	4.3	5.3	7.5	7.2	7.5	7.8
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	18.4	20.9	22.4
Deferred taxes	2.6	0.0	1.8	1.5	1.8	2.1	2.2
Deferred income	1.8	0.6	1.0	1.0	1.0	1.1	1.2
<b>Current liabilities</b>	<b>37.0</b>	<b>29.4</b>	<b>31.6</b>	<b>36.9</b>	<b>36.4</b>	<b>39.7</b>	<b>41.8</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>167.8</b>	<b>179.4</b>	<b>190.9</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>27.3 %</b>	<b>25.5 %</b>	<b>24.0 %</b>
Property, plant and equipment	16.8 %	19.1 %	18.8 %	18.9 %	19.7 %	18.2 %	16.9 %
Financial assets	1.1 %	0.9 %	0.9 %	2.5 %	2.4 %	2.3 %	2.1 %
<b>FIXED ASSETS</b>	<b>43.9 %</b>	<b>48.3 %</b>	<b>48.9 %</b>	<b>49.3 %</b>	<b>49.4 %</b>	<b>46.0 %</b>	<b>43.0 %</b>
Inventories	7.8 %	8.8 %	9.2 %	9.4 %	8.7 %	9.2 %	9.3 %
Accounts receivable	10.0 %	11.9 %	11.7 %	13.4 %	12.7 %	13.6 %	13.7 %
Other current assets	3.9 %	2.1 %	3.0 %	3.7 %	4.3 %	4.6 %	4.6 %
Liquid assets	27.1 %	20.4 %	21.0 %	18.8 %	19.3 %	20.6 %	23.4 %
Deferred taxes	7.3 %	8.5 %	6.2 %	5.5 %	5.7 %	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>56.1 %</b>	<b>51.7 %</b>	<b>51.1 %</b>	<b>50.7 %</b>	<b>50.6 %</b>	<b>54.0 %</b>	<b>57.0 %</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 %	50.3 %	51.7 %	53.7 %
MINORITY INTEREST	6.3 %	3.7 %	3.7 %	3.8 %	4.3 %	4.6 %	4.3 %
Long-term debt	8.8 %	11.1 %	8.4 %	5.9 %	5.0 %	3.7 %	3.0 %
Provisions for pensions and similar obligations	3.5 %	4.1 %	4.4 %	5.4 %	5.4 %	5.1 %	4.9 %
Other provisions	11.3 %	13.5 %	13.7 %	13.4 %	13.4 %	12.7 %	12.2 %
<b>Non-current liabilities</b>	<b>23.6 %</b>	<b>28.7 %</b>	<b>26.5 %</b>	<b>24.7 %</b>	<b>23.7 %</b>	<b>21.6 %</b>	<b>20.1 %</b>
short-term liabilities to banks	3.6 %	4.0 %	3.3 %	3.4 %	3.4 %	3.2 %	3.0 %
Accounts payable	2.7 %	3.0 %	3.4 %	4.5 %	4.3 %	4.2 %	4.1 %
Advance payments received on orders	4.9 %	2.3 %	0.9 %	1.4 %	1.4 %	1.3 %	1.3 %
Other liabilities (incl. from lease and rental contracts)	8.9 %	10.6 %	11.1 %	11.5 %	10.9 %	11.7 %	11.7 %
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>21.7 %</b>	<b>22.1 %</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	9.1	11.7	13.2
Depreciation of fixed assets (incl. leases)	7.0	9.8	7.5	8.4	8.1	9.3	9.5
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	17.5	21.2	22.9
Increase/decrease in inventory	-4.1	0.0	-1.4	-1.3	0.9	-2.0	-1.2
Increase/decrease in accounts receivable	-2.2	-1.0	-1.2	-2.2	0.7	-3.0	-1.7
Increase/decrease in accounts payable	0.1	-0.1	1.0	5.5	-0.2	0.2	0.3
Increase/decrease in other working capital positions	6.3	-0.6	0.1	-2.8	-1.7	1.6	1.0
Increase/decrease in working capital	0.2	-1.8	-1.6	-0.8	-0.4	-3.2	-1.6
<b>Cash flow from operating activities</b>	<b>26.5</b>	<b>15.0</b>	<b>20.2</b>	<b>16.6</b>	<b>17.1</b>	<b>18.0</b>	<b>21.3</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	3.3	9.0	12.3
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	2.7	3.5
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>-4.4</b>	<b>-4.5</b>
Increase/decrease in liquid assets	36.0	-14.2	3.1	1.1	-1.2	4.6	7.7
<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>32.3</b>	<b>36.9</b>	<b>44.6</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	71.0	0.0	0.0
yoy change	40.9 %	9.8 %	1.6 %	0.9 %	2.0 %	n/a	n/a
NAFTA	27.4	30.5	30.9	33.1	34.9	0.0	0.0
yoy change	34.9 %	11.4 %	1.3 %	7.1 %	5.5 %	n/a	n/a
Asia Pacific	10.1	11.1	12.1	13.1	9.3	0.0	0.0
yoy change	63.5 %	9.5 %	9.0 %	8.3 %	-28.9 %	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 %	-72.3 %	n/a	n/a
<b>TTL</b>	<b>101.4</b>	<b>111.1</b>	<b>116.2</b>	<b>120.0</b>	<b>116.4</b>	<b>0.0</b>	<b>0.0</b>
yoy change	41.6 %	9.6 %	4.6 %	3.3 %	-3.0 %	n/a	n/a

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2009	2010	2011	2012	2013E	2014E	2015E
<b>P&amp;L growth analysis</b>							
Sales growth	41.6 %	9.6 %	4.6 %	3.3 %	-3.0 %	14.0 %	7.1 %
EBITDA growth	20.4 %	17.1 %	15.1 %	-7.5 %	-17.1 %	22.0 %	6.8 %
EBIT growth	61.3 %	7.2 %	38.2 %	-13.9 %	-23.1 %	26.3 %	8.9 %
EPS growth	143.0 %	-48.0 %	9.1 %	-1.2 %	-20.0 %	27.8 %	14.2 %
<b>Efficiency</b>							
Total operating costs / sales	35.2 %	37.1 %	35.7 %	37.9 %	40.7 %	41.0 %	40.9 %
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 %	23.2 %	21.6 %	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	7.1	9.0	12.3
Free cash flow/sales	20.5 %	6.6 %	9.4 %	5.6 %	6.1 %	6.8 %	8.6 %
FCF / net profit	156.9 %	77.6 %	105.4 %	65.5 %	86.1 %	85.0 %	101.8 %
FCF yield	15.9 %	5.6 %	8.4 %	5.2 %	5.4 %	6.9 %	9.4 %
Capex / depn	49.8 %	78.5 %	122.2 %	117.1 %	122.7 %	96.8 %	94.5 %
Capex / maintenance capex	0.0 %	78.5 %	122.2 %	130.1 %	129.2 %	107.6 %	94.5 %
Capex / sales	5.6 %	7.0 %	7.9 %	8.2 %	8.6 %	6.8 %	6.3 %
<b>Security</b>							
Net debt	-23.8	-7.6	-14.3	-15.4	-18.4	-24.6	-33.3
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	-0.2	-0.3	-0.3
Interest cover	11.6	6.6	7.9	7.1	6.8	8.2	10.8
Dividend payout ratio	17.4 %	32.7 %	29.6 %	29.9 %	33.3 %	33.5 %	33.1 %
<b>Asset utilisation</b>							
Capital employed turnover	0.8	1.0	1.0	0.9	0.8	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	3.5	4.1	4.4
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 %	11.5 %	13.6 %	13.9 %
ROE	17.3 %	13.8 %	13.7 %	12.8 %	9.8 %	11.4 %	11.8 %
<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	0.5	0.7	0.0
EPS reported	3.48	1.81	1.98	1.95	1.56	1.99	2.28
<b>Valuation ratios</b>							
P/BV	1.3	1.9	1.8	1.7	1.6	1.5	1.3
EV/sales	1.1	1.2	1.1	1.0	1.0	0.9	0.8
EV/EBITDA	5.1	4.9	4.1	4.4	5.2	4.1	3.5
EV/EBITA	5.1	7.8	5.4	6.3	8.0	6.0	5.1
EV/EBIT	7.5	7.8	5.4	6.3	8.0	6.0	5.1
EV/FCF	5.4	17.7	11.2	18.4	17.1	12.9	8.7
Dividend yield	1.8 %	2.4 %	2.4 %	2.4 %	1.8 %	2.6 %	3.0 %

Source: Company data, Hauck & Aufhäuser

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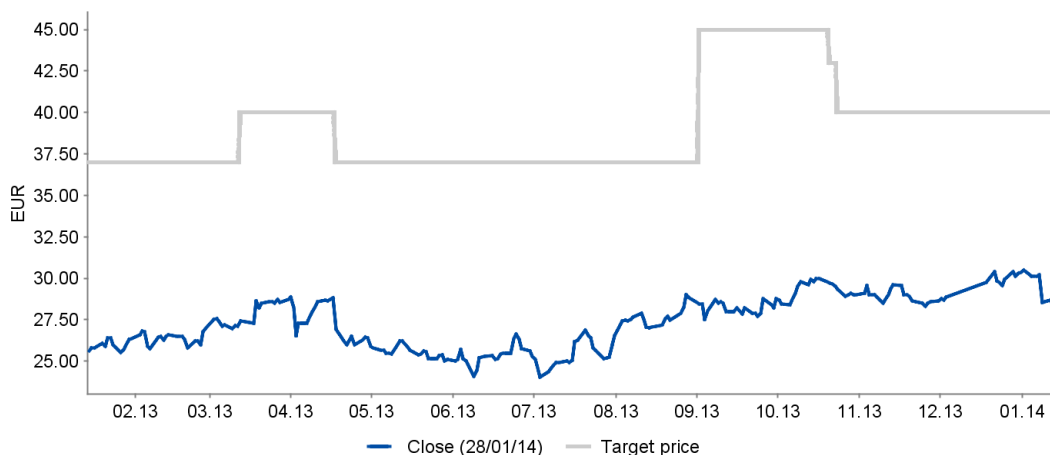
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Company	Disclosure
Eckert & Ziegler AG	2, 5

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

#### Price and Rating History Eckert & Ziegler AG as of 29/01/14

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## 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](mailto:info@ha-research.de)  
[www.ha-research.de](http://www.ha-research.de)

**Leonhard Bayer**  
Analyst

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

**Lars Dannenberg**  
Analyst

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

**Christian Schwenkenbecher**  
Analyst

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

**Tim Wunderlich, CFA**  
Analyst

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

**Nils-Peter Fitzl**  
Analyst

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

**Torben Teichler**  
Analyst

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

**Henning Breiter**  
Analyst

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

**Philippe Lorrain**  
Analyst

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

**Thomas Wissler**  
Analyst

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

**Hugues Madelin**  
Sales

Tel.: +33 1 78 41 40 62  
E-Mail: [hugues.madelin@ha-research.de](mailto:hugues.madelin@ha-research.de)

**James Bonsor, CFA**  
Sales

Tel.: +44 207 125 0987  
E-Mail: [hamish.edsell@ha-research.de](mailto:hamish.edsell@ha-research.de)

**Markus Weiss**  
Sales

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

**Hamish Edsell**  
Sales

Tel.: +44 207 125 0988  
E-Mail: [hamish.edsell@ha-research.de](mailto:hamish.edsell@ha-research.de)

**Toby Woods**  
Sales

Tel.: +44 207 125 0989  
E-Mail: [toby.woods@ha-research.de](mailto:toby.woods@ha-research.de)

### Supervisory Board

**Graeme Davies**  
Chairman

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

**Michael Bentlage**

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

**Jeronimo Bremer**

Tel.: +49 (0)40 414 3885 - 70  
E-Mail: [jeronimo.bremer@ha-research.de](mailto: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](mailto:info@hauck-aufhaeuser.de)  
[www.hauck-aufhaeuser.de](http://www.hauck-aufhaeuser.de)

**Mirko Brueggemann**  
Trading

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

**Christian von Schuler**  
Trading

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

**Carolin Weber**  
Middle-Office

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