



Buy (old: Buy)

Price target: EUR 34.00 (old: EUR 34.00)

Price:	EUR 23.25	Next result:	Q3 06.11.14
Bloomberg:	EUZ GR	Market cap:	EUR 119.4 m
Reuters:	EUZG.DE	Enterprise Value:	EUR 121.0 m

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Mixed Q2 figures, guidance confirmed

Eckert & Ziegler released Q2 figures in line with our estimates this morning. A conference call was held at 10:00 CET.

Q2 sales rose healthily by 8.4% yoy to € 31.2m (H&A: € 32.4m). Key driver was the **Radiopharma segment (24% of sales) which was up by 25% yoy** as expected to € 7.8m (H&A: € 7.8m) on the back of sound demand for synthesis modules and the integration of the Austrian cyclotron. Moreover, the **Therapy segment (24% of sales) grew by 13% yoy** to € 7.4m (H&A: € 7.7m) on the back of c. € 1.2m of external growth. Organically however (approx. -5% yoy), the segment was affected by a weaker Russian business (good project business last year) as well as price pressure for seed implants. **Isotope Products (46% of sales) increased slightly by 1% yoy** to € 14.3m (H&A: € 15.1m), helped by a moderate rebound in demand from industrial clients.

Q2 EBIT declined by 29.2% yoy to € 3.2m and hence missed expectations (H&A: € 3.8m). EBIT in the **Therapy segment was slightly negative at -€ 0.2m** (H&A: -€ 0.1m) on the back of a decline in the high margin afterloader business in Russia, resulting in a disadvantageous geographic mix. In addition, price pressure and fewer patients in the seeds business have weighed on profitability. In **Isotope Products, EBIT declined by 19% yoy** to € 3.5m (H&A: € 3.6m) due to fewer economies of scale as well as a higher share of merchandise sales (related to Vitalea acquisition). In **Radiopharma, EBIT was up significantly by 131% yoy** from a low base to € 0.5m (H&A: € 0.9m), driven by economies of scale as well as a small consolidation effect.

Q2 net income stood at € 1.7m and was down 39.6% yoy, largely on the back of a higher tax rate which was affected by acquisition effects. **This however looks set to resolve in H2.**

Guidance: Management reiterated its 2014E guidance of € 134m in sales as well as net income of € 10.5m, stating that it expects a sound recovery, especially in the Therapy segment in H2 given the backend loaded nature of the business. Still we remain more conservative (H&A: € 130m sales, € 9.1m net income), given economic uncertainties related to the current conflicts with Russia as well as the Middle East.

Nevertheless, while **Q2 figures show a rather mixed picture, the fact that management maintains its guidance provides some confidence in an improvement in H2.** Trading at only 6x EV/EBIT and 11x PER 2015E, the stock looks undervalued. **BUY** with a **PT of € 34** based on FCFY 2015E. **- continued -**

Y/E 31.12 (EUR m)	2010	2011	2012	2013	2014E	2015E	2016E
Sales	111.1	116.2	120.0	117.1	130.3	139.1	145.8
Sales growth	10 %	5 %	3 %	-2 %	11 %	7 %	5 %
EBITDA	26.4	30.4	27.5	22.1	27.7	28.9	31.0
EBIT	16.6	22.9	19.7	12.8	17.4	19.5	21.2
Net income	9.4	10.4	10.3	9.1	9.1	10.9	12.2
Net debt	-7.6	-14.3	-15.4	-6.8	-7.3	-14.4	-23.3
Net gearing	-11.2 %	-18.9 %	-19.1 %	-8.2 %	-8.2 %	-14.8 %	-26.9 %
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EPS pro forma	1.81	1.98	1.95	1.72	1.73	2.06	2.31
CPS	1.01	2.46	1.74	1.14	0.88	1.92	2.29
DPS	0.60	0.60	0.60	0.60	0.58	0.00	0.00
Dividend yield	2.6 %	2.6 %	2.6 %	2.6 %	2.5 %	3.0 %	3.3 %
Gross profit margin	52.0 %	55.4 %	54.3 %	48.7 %	55.4 %	55.6 %	55.8 %
EBITDA margin	23.8 %	26.2 %	22.9 %	18.8 %	21.2 %	20.7 %	21.2 %
EBIT margin	14.9 %	19.7 %	16.4 %	10.9 %	13.3 %	14.0 %	14.5 %
ROCE	14.3 %	19.9 %	15.9 %	9.3 %	11.5 %	12.4 %	13.7 %
EV/sales	1.1	1.0	0.9	1.0	0.9	0.8	0.7
EV/EBITDA	4.5	3.7	4.1	5.5	4.4	4.0	3.4
EV/EBIT	7.1	4.9	5.7	9.5	7.0	5.8	5.0
PER	12.9	11.8	11.9	13.5	13.5	11.3	10.1
Adjusted FCF yield	9.9 %	12.0 %	12.3 %	8.3 %	10.7 %	11.9 %	13.9 %

Source: Company data, Hauck & Aufhäuser Close price as of: 04.08.2014



Source: Company data, Hauck & Aufhäuser

High/low 52 weeks: 30.50 / 23.05
Price/Book Ratio: 1.4
Relative performance (SDAX):
 3 months -2.5 %
 6 months -7.1 %
 12 months -27.8 %

Changes in estimates

		Sales	EBIT	EPS
2014	old:	130.3	17.4	1.73
	Δ	-	-	-
2015	old:	139.1	19.5	2.06
	Δ	-	-	-
2016	old:	145.8	21.2	2.31
	Δ	-	-	-

Key share data:

Number of shares: (in m pcs) 5.3
 Authorised capital: (in € m) 0.6
 Book value per share: (in €) 16.8
 Ø trading volume: (12 months) 20,453

Major shareholders:

Free float 67.8 %
 Founders 32.2 %
 Eckert & Ziegler AG 0.1 %

Company description:

Produces and markets a wide range of industrial and medical applications featuring radioactive isotopes, including prostate seed implants, calibration standards and radiation afterloaders.

Eckert & Ziegler AG

Eckert & Ziegler Key Figures (€ m)	Q2 14	Q2 14 est	Q2 13	yoy	Q1 14	qoq	H1 14	H1 14 est	H1 13	yoy
Sales	31.2	32.4	28.8	8.4%	30.7	1.7%	61.9	63.1	55.3	12.0%
Isotope Products	14.3	15.1	14.2	0.6%	14.5	-1.8%	28.8	29.6	27.8	3.6%
Therapy	7.4	7.7	6.6	12.9%	6.5	14.0%	13.9	14.2	12.0	15.7%
Radiopharma	7.8	7.8	6.2	25.4%	8.1	-4.1%	15.8	15.9	12.5	26.6%
Others	1.8	1.8	1.9	-4.9%	1.6	12.8%	3.4	3.4	3.0	13.7%
EBIT	3.2	3.8	4.5	-29.2%	3.0	4.8%	6.2	6.8	6.9	-10.1%
<i>Margin</i>	<i>10.2%</i>	<i>11.7%</i>	<i>15.6%</i>	<i>- 5.4 pp</i>	<i>9.9%</i>	<i>+ 0.3 pp</i>	<i>10.0%</i>	<i>10.8%</i>	<i>12.5%</i>	<i>- 2.5 pp</i>
Isotope Products	3.5	3.6	4.3	-18.7%	3.7	-5.3%	7.2	7.2	8.4	-14.7%
<i>Margin</i>	<i>24.5%</i>	<i>23.7%</i>	<i>30.3%</i>	<i>- 5.8 pp</i>	<i>25.4%</i>	<i>- 0.9 pp</i>	<i>24.9%</i>	<i>24.5%</i>	<i>30.3%</i>	<i>- 5.4 pp</i>
Therapy	-0.2	-0.1	0.4	-161.5%	-0.9	-74.4%	-1.2	-1.0	1.3	-191.9%
<i>Margin</i>	<i>-3.2%</i>	<i>-0.8%</i>	<i>5.9%</i>	<i>- 9 pp</i>	<i>-14.3%</i>	<i>+ 11 pp</i>	<i>-8.4%</i>	<i>-7.0%</i>	<i>10.6%</i>	<i>- 19.0 pp</i>
Radiopharma	0.5	0.9	0.2	130.6%	1.2	-58.9%	1.7	2.1	0.3	490.7%
<i>Margin</i>	<i>6.2%</i>	<i>11.5%</i>	<i>3.4%</i>	<i>+ 2.8 pp</i>	<i>14.5%</i>	<i>- 8 pp</i>	<i>10.4%</i>	<i>13.0%</i>	<i>2.2%</i>	<i>+ 8.2 pp</i>
Others/Elimination	-0.6	-0.6	-0.4	38.0%	-0.9	-37.6%	-1.5	-1.5	-3.1	-52.2%
Net profit	1.7	2.1	2.8	-39.6%	1.6	4.4%	3.3	3.7	4.0	-17.9%
<i>Net margin</i>	<i>5.3%</i>	<i>6.6%</i>	<i>9.6%</i>	<i>- 4.3 pp</i>	<i>5.2%</i>	<i>+ 0.1 pp</i>	<i>5.3%</i>	<i>5.9%</i>	<i>7.2%</i>	<i>- 0.3 pp</i>

Source: company data, Hauck&Aufhäuser

Financials

Profit and loss (EUR m)	2010	2011	2012	2013	2014E	2015E	2016E
Sales	111.1	116.2	120.0	117.1	130.3	139.1	145.8
<i>Sales growth</i>	9.6 %	4.6 %	3.3 %	-2.4 %	11.3 %	6.7 %	4.8 %
Cost of sales	53.3	51.8	54.8	60.1	58.1	61.8	64.4
Gross profit	57.8	64.4	65.2	57.1	72.2	77.3	81.4
Sales and marketing	18.9	19.5	20.6	21.9	24.4	26.0	27.3
General and administration	18.8	19.2	22.8	23.9	26.6	28.4	29.8
Research and development	2.9	3.0	3.5	4.9	3.4	3.6	3.8
Other operating income	3.9	4.7	9.5	8.6	9.6	10.3	10.8
Other operating expenses	4.5	4.5	8.1	2.2	10.0	10.0	10.0
Unusual or infrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	26.4	30.4	27.5	22.1	27.7	28.9	31.0
Depreciation	9.8	7.5	7.7	9.3	10.3	9.3	9.8
EBITA	16.6	22.9	19.7	12.8	17.4	19.5	21.2
Amortisation of goodwill	0.0	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	16.6	22.9	19.7	12.8	17.4	19.5	21.2
Interest income	0.3	0.2	0.5	1.3	0.3	0.3	0.4
Interest expenses	2.5	2.9	2.8	1.2	2.1	2.0	1.7
Other financial result	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial result	-2.2	-2.7	-2.3	0.1	-1.8	-1.7	-1.3
Recurring pretax income from continuing operations	14.4	20.2	17.5	12.9	15.6	17.8	19.9
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	14.4	20.2	17.5	12.9	15.6	17.8	19.9
Taxes	3.9	8.8	5.7	2.4	5.4	5.7	6.4
Net income from continuing operations	10.4	11.4	11.8	10.5	10.1	12.1	13.5
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	10.4	11.4	11.8	10.5	10.1	12.1	13.5
Minority interest	1.0	1.0	1.5	1.4	1.0	1.2	1.3
Net income (net of minority interest)	9.4	10.4	10.3	9.1	9.1	10.9	12.2
Average number of shares	5.2	5.3	5.3	5.3	5.3	5.3	5.3
EPS reported	1.81	1.98	1.95	1.72	1.73	2.06	2.31

Profit and loss (common size)	2010	2011	2012	2013	2014E	2015E	2016E
Sales	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Cost of sales	48.0 %	44.6 %	45.7 %	51.3 %	44.6 %	44.4 %	44.2 %
Gross profit	52.0 %	55.4 %	54.3 %	48.7 %	55.4 %	55.6 %	55.8 %
Sales and marketing	17.0 %	16.8 %	17.2 %	18.7 %	18.7 %	18.7 %	18.7 %
General and administration	16.9 %	16.5 %	19.0 %	20.4 %	20.4 %	20.4 %	20.4 %
Research and development	2.6 %	2.6 %	2.9 %	4.2 %	2.6 %	2.6 %	2.6 %
Other operating income	3.5 %	4.0 %	7.9 %	7.4 %	7.4 %	7.4 %	7.4 %
Other operating expenses	4.0 %	3.8 %	6.8 %	1.8 %	7.7 %	7.2 %	6.9 %
Unusual or infrequent items	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBITDA	23.8 %	26.2 %	22.9 %	18.8 %	21.2 %	20.7 %	21.2 %
Depreciation	8.9 %	6.5 %	6.5 %	7.9 %	7.9 %	6.7 %	6.7 %
EBITA	14.9 %	19.7 %	16.4 %	10.9 %	13.3 %	14.0 %	14.5 %
Amortisation of goodwill	0.0 %	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	14.9 %	19.7 %	16.4 %	10.9 %	13.3 %	14.0 %	14.5 %
Interest income	0.3 %	0.2 %	0.4 %	1.1 %	0.2 %	0.2 %	0.3 %
Interest expenses	2.3 %	2.5 %	2.3 %	1.0 %	1.6 %	1.5 %	1.1 %
Other financial result	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Financial result	-2.0 %	-2.3 %	-1.9 %	0.1 %	-1.4 %	-1.2 %	-0.9 %
Recurring pretax income from continuing operations	12.9 %	17.4 %	14.6 %	11.0 %	11.9 %	12.8 %	13.7 %
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Earnings before taxes	12.9 %	17.4 %	14.6 %	11.0 %	11.9 %	12.8 %	13.7 %
Tax rate	27.4 %	43.6 %	32.6 %	18.9 %	35.0 %	32.0 %	32.0 %
Net income from continuing operations	9.4 %	9.8 %	9.8 %	9.0 %	7.8 %	8.7 %	9.3 %
Result from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income	9.4 %	9.8 %	9.8 %	9.0 %	7.8 %	8.7 %	9.3 %
Minority interest	0.9 %	0.9 %	1.2 %	1.2 %	0.8 %	0.9 %	0.9 %
Net income (net of minority interest)	8.5 %	9.0 %	8.6 %	7.8 %	7.0 %	7.8 %	8.4 %

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2010	2011	2012	2013	2014E	2015E	2016E
Intangible assets	40.9	45.0	45.8	52.7	52.7	52.7	52.7
Property, plant and equipment	27.6	28.9	31.2	33.5	32.2	31.9	22.2
Financial assets	1.3	1.4	4.0	7.3	7.3	7.3	7.3
FIXED ASSETS	69.8	75.3	81.0	93.5	92.2	91.9	82.1
Inventories	12.7	14.2	15.5	17.8	20.1	21.7	22.8
Accounts receivable	17.3	18.1	22.0	23.1	25.7	27.8	29.6
Other current assets	3.1	4.7	6.0	5.2	8.0	8.6	9.0
Liquid assets	29.4	32.3	30.8	29.4	26.4	31.4	38.5
Deferred taxes	12.2	9.5	9.1	9.9	10.7	11.4	0.0
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CURRENT ASSETS	74.7	78.8	83.4	85.4	90.8	100.9	99.8
TOTAL ASSETS	144.5	154.0	164.4	178.9	183.0	192.8	181.9
SHAREHOLDERS EQUITY	68.3	75.9	80.7	83.5	88.7	97.7	86.5
MINORITY INTEREST	5.3	5.7	6.2	7.1	8.1	8.1	8.1
Long-term debt	16.0	12.9	9.8	17.6	14.1	11.9	10.2
Provisions for pensions and similar obligations	5.9	6.8	8.9	8.7	8.9	9.0	9.2
Other provisions	19.5	21.1	22.0	28.0	28.6	29.2	29.7
Non-current liabilities	41.5	40.8	40.6	54.3	51.5	50.1	49.1
short-term liabilities to banks	5.8	5.1	5.7	5.1	5.1	5.1	5.1
Accounts payable	4.3	5.3	7.5	7.8	7.3	7.6	7.9
Advance payments received on orders	3.4	1.3	2.3	2.2	2.3	2.3	2.3
Other liabilities (incl. from lease and rental contracts)	15.3	17.1	18.9	15.5	16.9	18.5	19.4
Deferred taxes	0.0	1.8	1.5	3.3	2.0	2.2	2.3
Deferred income	0.6	1.0	1.0	0.1	1.1	1.2	1.3
Current liabilities	29.4	31.6	36.9	34.0	34.7	36.8	38.2
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	144.4	154.0	164.4	178.9	183.0	192.8	181.9

Balance sheet (common size)	2010	2011	2012	2013	2014E	2015E	2016E
Intangible assets	28.3 %	29.2 %	27.9 %	29.4 %	28.8 %	27.3 %	28.9 %
Property, plant and equipment	19.1 %	18.8 %	18.9 %	18.7 %	17.6 %	16.6 %	12.2 %
Financial assets	0.9 %	0.9 %	2.5 %	4.1 %	4.0 %	3.8 %	4.0 %
FIXED ASSETS	48.3 %	48.9 %	49.3 %	52.2 %	50.4 %	47.7 %	45.1 %
Inventories	8.8 %	9.2 %	9.4 %	9.9 %	11.0 %	11.3 %	12.5 %
Accounts receivable	11.9 %	11.7 %	13.4 %	12.9 %	14.1 %	14.4 %	16.3 %
Other current assets	2.1 %	3.0 %	3.7 %	2.9 %	4.4 %	4.4 %	4.9 %
Liquid assets	20.4 %	21.0 %	18.8 %	16.5 %	14.4 %	16.3 %	21.2 %
Deferred taxes	8.5 %	6.2 %	5.5 %	5.6 %	5.8 %	5.9 %	0.0 %
Deferred charges and prepaid expenses	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
CURRENT ASSETS	51.7 %	51.1 %	50.7 %	47.8 %	49.6 %	52.3 %	54.9 %
TOTAL ASSETS	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
SHAREHOLDERS EQUITY	47.3 %	49.3 %	49.1 %	46.7 %	48.5 %	50.7 %	47.5 %
MINORITY INTEREST	3.7 %	3.7 %	3.8 %	4.0 %	4.4 %	4.2 %	4.4 %
Long-term debt	11.1 %	8.4 %	5.9 %	9.8 %	7.7 %	6.2 %	5.6 %
Provisions for pensions and similar obligations	4.1 %	4.4 %	5.4 %	4.9 %	4.8 %	4.7 %	5.1 %
Other provisions	13.5 %	13.7 %	13.4 %	15.7 %	15.6 %	15.1 %	16.4 %
Non-current liabilities	28.7 %	26.5 %	24.7 %	30.3 %	28.1 %	26.0 %	27.0 %
short-term liabilities to banks	4.0 %	3.3 %	3.4 %	2.8 %	2.8 %	2.6 %	2.8 %
Accounts payable	3.0 %	3.4 %	4.5 %	4.3 %	4.0 %	4.0 %	4.4 %
Advance payments received on orders	2.3 %	0.9 %	1.4 %	1.3 %	1.2 %	1.2 %	1.3 %
Other liabilities (incl. from lease and rental contracts)	10.6 %	11.1 %	11.5 %	8.7 %	9.2 %	9.6 %	10.7 %
Deferred taxes	0.0 %	1.2 %	0.9 %	1.8 %	1.1 %	1.1 %	1.3 %
Deferred income	0.4 %	0.6 %	0.6 %	0.1 %	0.6 %	0.6 %	0.7 %
Current liabilities	20.3 %	20.5 %	22.4 %	19.0 %	19.0 %	19.1 %	21.0 %
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)	2010	2011	2012	2013	2014E	2015E	2016E
Net profit/loss	10.4	11.4	11.8	10.5	10.1	12.1	13.5
Depreciation of fixed assets (incl. leases)	9.8	7.5	7.7	2.6	10.3	9.3	9.8
Amortisation of goodwill	0.0	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	1.6	2.8	-2.8	4.4	0.2	0.2	0.2
Cash flow from operations before changes in w/c	16.9	21.7	16.7	17.6	20.6	21.6	23.5
Increase/decrease in inventory	0.0	-1.4	-1.3	-2.1	-2.3	-1.7	-1.0
Increase/decrease in accounts receivable	-1.0	-1.2	-2.2	-0.2	-2.6	-2.1	-1.7
Increase/decrease in accounts payable	-0.1	1.0	5.5	-3.6	-0.5	0.3	0.3
Increase/decrease in other working capital positions	-0.6	0.1	-2.8	2.9	-1.5	1.1	0.5
Increase/decrease in working capital	-1.8	-1.6	-0.8	-2.9	-6.8	-2.4	-2.0
Cash flow from operating activities	15.0	20.2	15.9	14.6	13.8	19.2	21.5
CAPEX	7.7	9.2	9.8	9.7	9.0	9.0	9.0
Payments for acquisitions	22.8	0.0	0.0	7.4	0.0	0.0	0.0
Financial investments	0.0	0.0	0.0	0.4	0.0	0.0	0.0
Income from asset disposals	0.2	0.3	-1.5	0.0	0.0	0.0	0.0
Cash flow from investing activities	-30.4	-8.9	-11.4	-17.4	-9.0	-9.0	-9.0
Cash flow before financing	-15.4	11.3	4.5	-2.7	4.8	10.2	12.5
Increase/decrease in debt position	1.7	-5.5	-2.5	6.1	-3.5	-2.1	-1.8
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	1.3	0.0	0.0	0.0	0.0	0.0	0.0
Dividends paid	2.3	3.2	3.1	3.2	3.7	3.1	3.7
Others	0.0	0.3	-1.0	-1.2	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.4	0.2	0.0	-0.4	0.0	0.0	0.0
Cash flow from financing activities	0.7	-8.4	-6.6	1.7	-7.2	-5.2	-5.4
Increase/decrease in liquid assets	-14.2	3.1	-2.1	-1.4	-2.4	5.0	7.1
Liquid assets at end of period	29.4	32.5	30.2	28.8	26.4	31.4	38.5

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2010	2011	2012	2013	2014E	2015E	2016E
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	67.9	69.0	69.6	68.9	78.5	83.7	86.6
yoy change	9.8 %	1.6 %	0.9 %	-1.0 %	14.0 %	6.5 %	3.5 %
NAFTA	30.5	30.9	33.1	32.8	37.7	40.4	41.8
yoy change	11.4 %	1.3 %	7.1 %	-0.9 %	15.0 %	7.0 %	3.5 %
Asia Pacific	11.1	12.1	13.1	11.3	12.8	14.0	15.2
yoy change	9.5 %	9.0 %	8.3 %	-13.7 %	13.0 %	10.0 %	8.0 %
Rest of world	1.6	4.2	4.2	4.1	1.3	1.0	2.3
yoy change	-21.1 %	162.5 %	0.0 %	-2.4 %	-68.2 %	-20.2 %	120.2 %
TTL	111.1	116.2	120.0	117.1	130.3	139.1	145.8
yoy change	9.6 %	4.6 %	3.3 %	-2.4 %	11.3 %	6.7 %	4.8 %

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2010	2011	2012	2013	2014E	2015E	2016E
P&L growth analysis							
Sales growth	9.6 %	4.6 %	3.3 %	-2.4 %	11.3 %	6.7 %	4.8 %
EBITDA growth	17.1 %	15.1 %	-9.7 %	-19.7 %	25.5 %	4.2 %	7.3 %
EBIT growth	7.2 %	38.2 %	-13.9 %	-35.0 %	35.8 %	12.3 %	8.5 %
EPS growth	-48.0 %	9.1 %	-1.2 %	-11.9 %	0.4 %	19.7 %	11.8 %
Efficiency							
Total operating costs / sales	37.1 %	35.7 %	37.9 %	37.8 %	42.1 %	41.6 %	41.3 %
Sales per employee	218.3	212.4	218.2	n/a	n/a	n/a	n/a
EBITDA per employee	51.9	55.6	50.0	n/a	n/a	n/a	n/a
Balance sheet analysis							
Avg. working capital / sales	17.4 %	20.6 %	22.2 %	25.0 %	25.7 %	27.2 %	28.0 %
Inventory turnover (sales/inventory)	8.8	8.2	7.8	6.6	6.5	6.4	6.4
Trade debtors in days of sales	56.7	56.8	66.9	72.1	72.1	73.0	74.0
A/P turnover [(A/P*365)/sales]	29.6	37.4	49.6	47.3	46.0	45.0	45.0
Cash conversion cycle (days)	113.9	119.6	120.3	n/a	n/a	n/a	n/a
Cash flow analysis							
Free cash flow	7.3	11.0	6.1	5.0	4.8	10.2	12.5
Free cash flow/sales	6.6 %	9.4 %	5.1 %	4.3 %	3.7 %	7.3 %	8.6 %
FCF / net profit	77.6 %	105.4 %	59.2 %	55.0 %	52.3 %	93.5 %	102.7 %
Capex / depre	78.5 %	122.2 %	126.9 %	379.3 %	87.4 %	96.6 %	92.1 %
Capex / maintenance capex	78.5 %	122.2 %	141.0 %	113.8 %	97.1 %	96.6 %	0.0 %
Capex / sales	7.0 %	7.9 %	8.2 %	8.6 %	6.9 %	6.5 %	6.2 %
Security							
Net debt	-7.6	-14.3	-15.4	-6.8	-7.3	-14.4	-23.3
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net debt / equity	-0.1	-0.2	-0.2	-0.1	-0.1	-0.1	-0.3
Interest cover	6.6	7.9	7.1	10.8	8.3	9.6	12.7
Dividend payout ratio	32.7 %	29.6 %	29.9 %	40.3 %	33.5 %	33.5 %	33.5 %
Asset utilisation							
Capital employed turnover	1.0	1.0	0.9	0.8	0.8	0.9	1.0
Operating assets turnover	2.2	2.1	2.0	1.8	1.9	1.9	2.3
Plant turnover	4.0	4.0	3.9	3.5	4.0	4.4	6.6
Inventory turnover (sales/inventory)	8.8	8.2	7.8	6.6	6.5	6.4	6.4
Returns							
ROCE	14.3 %	19.9 %	15.9 %	9.3 %	11.5 %	12.4 %	13.7 %
ROE	13.8 %	13.7 %	12.8 %	10.9 %	10.3 %	11.2 %	14.1 %
Other							
Interest paid / avg. debt	12.0 %	14.5 %	16.7 %	6.2 %	10.1 %	11.3 %	10.4 %
No. employees (average)	509	547	550	0	0	0	0
Number of shares	5.2	5.3	5.3	5.3	5.3	5.3	5.3
DPS	0.6	0.6	0.6	0.6	0.6	0.0	0.0
EPS reported	1.81	1.98	1.95	1.72	1.73	2.06	2.31
Valuation ratios							
P/BV	1.8	1.6	1.5	1.5	1.4	1.3	1.4
EV/sales	1.1	1.0	0.9	1.0	0.9	0.8	0.7
EV/EBITDA	4.5	3.7	4.1	5.5	4.4	4.0	3.4
EV/EBITA	7.1	4.9	5.7	9.5	7.0	5.8	5.0
EV/EBIT	7.1	4.9	5.7	9.5	7.0	5.8	5.0
EV/FCF	16.1	10.2	18.5	24.3	25.4	11.2	8.4
Adjusted FCF yield	9.9 %	12.0 %	12.3 %	8.3 %	10.7 %	11.9 %	13.9 %
Dividend yield	2.6 %	2.6 %	2.6 %	2.6 %	2.5 %	3.0 %	3.3 %

Source: Company data, Hauck & Aufhäuser

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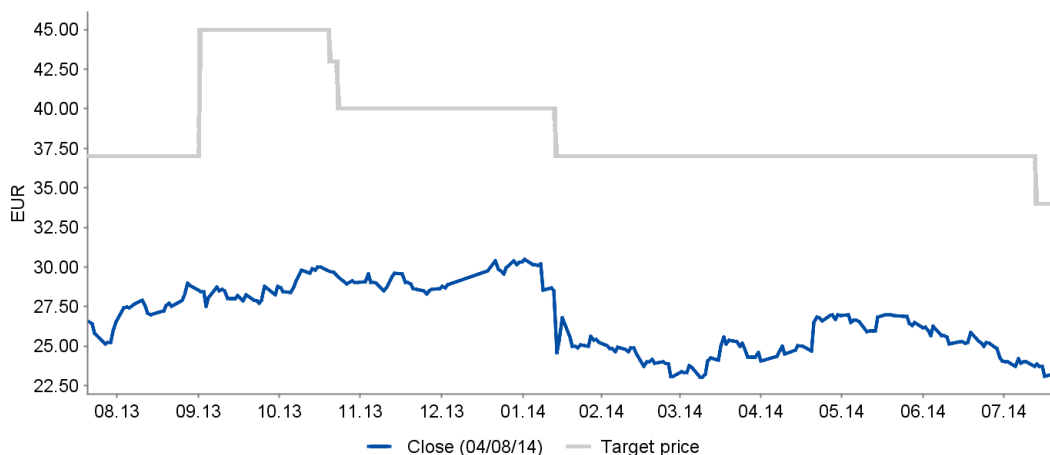
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Company	Disclosure
Eckert & Ziegler AG	2, 5

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

Price and Rating History
Eckert & Ziegler AG as of 05/08/14

Initiation coverage
08-April-10



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