

**Buy** (old: Buy)

**Price target: EUR 39.00** (old: EUR 38.00)

<b>Price:</b>	EUR 23.45	<b>Next result:</b>	FY 30.03.12
<b>Bloomberg:</b>	EUZ GR	<b>Market cap:</b>	EUR 119.7 m
<b>Reuters:</b>	EUZG.DE	<b>Enterprise Value:</b>	EUR 111.4 m

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### Value opportunity with subdued organic growth and weak thematics, est. PT changed

The share has underperformed the latest market rally by a wide margin (-24% relative to 3-months SDAX), largely on the back of Q3 results released in November that were behind expectations. Furthermore, as highlighted in December, the planned capacity expansion (€ 9m in capex) to accommodate the growth potential in the company's sources recycling and disposal business is hitting strong local opposition largely highlighted in the regional press and jeopardizing approvals.

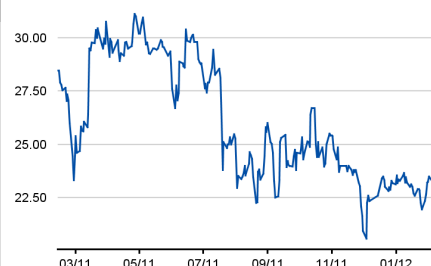
**Update on capacity expansion for Environmental Services.** In our update dated December 14 we highlighted that the plans to expand capacities in Thune were suspended pending formal approval by local authorities which are being challenged by local residents and activists refusing to be a site for low-level radioactive waste treatment. The next deadline is February 28, when the city council will decide whether to accept the City's Planning Committee's recommendation to stop the expansion, according to the regional press. **This issue weighs on thematics for the share as Environmental Services remains the most promising organic growth opportunity for the stock in the long run.**

**Organic growth to remain muted in 2012E margin: expansion capped by ongoing investments in RadPharm.** Based on recent conversations with management, we got the feeling that the pricing-driven margin expansion in the company's Isotope Products division (75% of earnings) has now "maxed out" at very high level (est. EBIT margin of 30% into 2013E) given a quasi global monopoly position. Meanwhile, the RadPharm division which has carried the bulk of growth in 2011 is both faced with higher investment in R+D to bring to market the next generation of therapeutic radioactive components while the dynamics of top line growth (+ e2% in 2012E) are seen at risk from at least one customer with liquidity issues. **As a result, sales are cut by 4.5%, EBIT is cut by 9% and EPS by 23% given lower cash generation** (higher receivables due to RadPharm and higher capex from RadPharm). 2011 results are due March 30. The company is guiding for sale of € 110m to € 120m, (eH&A € 111.6m) and group net income in excess of € 10m (eH&A € 10.7m).

**The stock remains fundamentally cheap**, with sound earnings quality driven by the strength and the weight of the Isotope Products division (70% earnings recurrence, group ROCE of approx. 18%), **making it a BUY, PT up to € 39.00 (€ 38.00) on valuation being rolled-over into 2013E. We however caution against the lack the short term catalysts.**

Y/E 31.12 (EUR m)	2007	2008	2009	2010	2011E	2012E	2013E
Sales	54.4	71.6	101.4	111.1	111.6	116.4	118.3
Sales growth	8 %	32 %	42 %	10 %	0 %	4 %	2 %
EBITDA	9.7	18.7	22.6	26.4	30.5	31.4	32.5
EBIT	6.0	9.6	15.5	16.6	20.6	21.1	22.0
Net income	1.9	4.5	13.3	9.4	10.7	11.6	12.1
Net debt	6.8	10.9	-23.8	-7.6	-14.6	-17.4	-20.9
Net gearing	18.7 %	26.6 %	-31.2 %	-11.2 %	-20.1 %	-21.4 %	-16.7 %
Net Debt/EBITDA	0.7	0.6	0.0	0.0	0.0	0.0	0.0
EPS fully diluted	0.61	1.43	3.48	1.81	2.06	2.23	2.33
CPS	0.93	1.16	3.71	1.01	1.78	2.14	2.31
DPS	0.25	0.30	0.45	0.60	0.68	0.74	0.77
Dividend yield	1.1 %	1.3 %	1.9 %	2.6 %	2.9 %	3.2 %	3.3 %
Gross profit margin	49.3 %	47.7 %	50.4 %	52.0 %	52.0 %	52.0 %	52.0 %
EBITDA margin	17.8 %	26.2 %	22.2 %	23.8 %	27.3 %	27.0 %	27.4 %
EBIT margin	11.0 %	13.4 %	15.2 %	14.9 %	18.4 %	18.1 %	18.6 %
ROCE	11.1 %	10.4 %	14.4 %	16.2 %	18.7 %	17.0 %	15.6 %
EV/sales	1.5	1.2	1.0	1.1	1.0	0.9	0.9
EV/EBITDA	8.2	4.5	4.6	4.5	3.7	3.5	3.2
EV/EBIT	13.3	8.7	6.8	7.1	5.4	5.2	4.8
PER	37.9	16.3	11.8	12.9	11.3	10.4	10.0
Adjusted Free Cash Flow	3.9 %	12.1 %	12.3 %	9.9 %	10.6 %	11.9 %	13.1 %

Source: Company data, Hauck & Aufhäuser Close price as of: 24.02.2012



Source: Company data, Hauck & Aufhäuser

**High/low 52 weeks:** 31.11 / 20.59

**Price/Book Ratio:** 1.7

**Relative performance (SDAX):**

3 months -24.2 %

6 months -19.7 %

12 months -16.6 %

#### Changes in estimates

		Sales	EBIT	EPS
2011	old:	111.6	20.6	2.06
	Δ	-	-	-
2012	old:	119.7	23.2	2.47
	Δ	-2.8%	-9.0%	-9.4%
2013	old:	125.4	28.6	3.08
	Δ	-5.7%	-23.3%	-24.1%

#### Key share data:

Number of shares: (in m pcs) 5.2

Authorised capital: (in € m) 0.6

Book value per share: (in €) 13.9

Ø trading volume: (12 months) 20,453

#### Major shareholders:

Free float 67.0 %

Founders 31.7 %

Eckert & Ziegler AG 1.3 %

#### 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.

## Financials

Profit and loss (EUR m)	2007	2008	2009	2010	2011E	2012E	2013E
<b>Sales</b>	<b>54.4</b>	<b>71.6</b>	<b>101.4</b>	<b>111.1</b>	<b>111.6</b>	<b>116.4</b>	<b>118.3</b>
<i>Sales growth</i>	8.1 %	31.5 %	41.6 %	9.6 %	0.5 %	4.3 %	1.7 %
Cost of sales	27.6	37.5	50.3	53.3	53.6	55.9	56.8
<b>Gross profit</b>	<b>26.9</b>	<b>34.2</b>	<b>51.1</b>	<b>57.8</b>	<b>58.0</b>	<b>60.5</b>	<b>61.5</b>
Sales and marketing	10.2	15.1	18.4	18.9	19.5	20.4	20.7
General and administration	10.5	14.6	19.1	18.8	18.4	18.6	18.9
Research and development	0.3	3.1	2.5	2.9	2.9	3.0	3.1
Other operating income	0.6	17.2	9.3	2.9	2.9	3.0	3.1
Other operating expenses	0.5	9.0	5.0	3.5	-0.5	0.4	-0.1
Unusual or infrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBITDA</b>	<b>9.7</b>	<b>18.7</b>	<b>22.6</b>	<b>26.4</b>	<b>30.5</b>	<b>31.4</b>	<b>32.5</b>
Depreciation	3.7	9.2	7.1	9.8	9.9	10.3	10.5
<b>EBITA</b>	<b>6.0</b>	<b>9.6</b>	<b>15.5</b>	<b>16.6</b>	<b>20.6</b>	<b>21.1</b>	<b>22.0</b>
Amortisation of goodwill	0.0	0.0	4.4	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>6.0</b>	<b>9.6</b>	<b>15.5</b>	<b>16.6</b>	<b>20.6</b>	<b>21.1</b>	<b>22.0</b>
Interest income	0.1	0.1	0.1	0.3	0.3	0.3	0.3
Interest expenses	0.8	1.2	1.3	2.5	1.3	1.3	1.3
Other financial result	-0.3	-0.1	1.0	0.0	0.0	0.0	0.0
Financial result	-1.1	-1.3	-0.3	-2.2	-1.0	-1.0	-1.0
<b>Recurring pretax income from continuing operations</b>	<b>4.9</b>	<b>8.3</b>	<b>15.2</b>	<b>14.4</b>	<b>19.6</b>	<b>20.1</b>	<b>21.0</b>
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Earnings before taxes</b>	<b>4.9</b>	<b>8.3</b>	<b>15.2</b>	<b>14.4</b>	<b>19.6</b>	<b>20.1</b>	<b>21.0</b>
Taxes	2.8	5.3	-6.7	3.9	7.1	6.6	6.9
<b>Net income from continuing operations</b>	<b>2.2</b>	<b>3.0</b>	<b>21.9</b>	<b>10.4</b>	<b>12.4</b>	<b>13.5</b>	<b>14.1</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>2.2</b>	<b>3.0</b>	<b>21.9</b>	<b>10.4</b>	<b>12.4</b>	<b>13.5</b>	<b>14.1</b>
Minority interest	0.2	-1.5	8.6	1.0	1.7	1.8	1.9
<b>Net income (net of minority interest)</b>	<b>1.9</b>	<b>4.5</b>	<b>13.3</b>	<b>9.4</b>	<b>10.7</b>	<b>11.6</b>	<b>12.1</b>
Average number of shares	3.1	3.1	3.8	5.2	5.2	5.2	5.2
<b>EPS reported</b>	<b>0.62</b>	<b>1.43</b>	<b>3.48</b>	<b>1.81</b>	<b>2.06</b>	<b>2.24</b>	<b>2.33</b>

Profit and loss (common size)	2007	2008	2009	2010	2011E	2012E	2013E
<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	50.7 %	52.3 %	49.6 %	48.0 %	48.0 %	48.0 %	48.0 %
<b>Gross profit</b>	<b>49.3 %</b>	<b>47.7 %</b>	<b>50.4 %</b>	<b>52.0 %</b>	<b>52.0 %</b>	<b>52.0 %</b>	<b>52.0 %</b>
Sales and marketing	18.8 %	21.1 %	18.2 %	17.0 %	17.5 %	17.5 %	17.5 %
General and administration	19.2 %	20.4 %	18.8 %	16.9 %	16.5 %	16.0 %	16.0 %
Research and development	0.5 %	4.3 %	2.5 %	2.6 %	2.6 %	2.6 %	2.6 %
Other operating income	1.0 %	24.1 %	9.2 %	2.6 %	2.6 %	2.6 %	2.6 %
Other operating expenses	0.9 %	12.5 %	4.9 %	3.1 %	-0.4 %	0.3 %	-0.1 %
Unusual or infrequent items	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>EBITDA</b>	<b>17.8 %</b>	<b>26.2 %</b>	<b>22.2 %</b>	<b>23.8 %</b>	<b>27.3 %</b>	<b>27.0 %</b>	<b>27.4 %</b>
Depreciation	6.9 %	12.8 %	7.0 %	8.9 %	8.9 %	8.9 %	8.9 %
<b>EBITA</b>	<b>11.0 %</b>	<b>13.4 %</b>	<b>15.2 %</b>	<b>14.9 %</b>	<b>18.4 %</b>	<b>18.1 %</b>	<b>18.6 %</b>
Amortisation of goodwill	0.0 %	0.0 %	4.3 %	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>11.0 %</b>	<b>13.4 %</b>	<b>15.2 %</b>	<b>14.9 %</b>	<b>18.4 %</b>	<b>18.1 %</b>	<b>18.6 %</b>
Interest income	0.1 %	0.1 %	0.1 %	0.3 %	0.3 %	0.3 %	0.3 %
Interest expenses	1.5 %	1.7 %	1.3 %	2.3 %	1.2 %	1.1 %	1.1 %
Other financial result	-0.5 %	-0.2 %	0.9 %	0.0 %	0.0 %	0.0 %	0.0 %
Financial result	-1.9 %	-1.8 %	-0.3 %	-2.0 %	-0.9 %	-0.8 %	-0.8 %
<b>Recurring pretax income from continuing operations</b>	<b>9.0 %</b>	<b>11.6 %</b>	<b>14.9 %</b>	<b>12.9 %</b>	<b>17.5 %</b>	<b>17.3 %</b>	<b>17.7 %</b>
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Earnings before taxes</b>	<b>9.0 %</b>	<b>11.6 %</b>	<b>14.9 %</b>	<b>12.9 %</b>	<b>17.5 %</b>	<b>17.3 %</b>	<b>17.7 %</b>
Tax rate	56.3 %	63.4 %	-44.5 %	27.4 %	35.0 %	33.0 %	33.0 %
<b>Net income from continuing operations</b>	<b>3.9 %</b>	<b>4.2 %</b>	<b>21.6 %</b>	<b>9.4 %</b>	<b>11.1 %</b>	<b>11.6 %</b>	<b>11.9 %</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>3.9 %</b>	<b>4.2 %</b>	<b>21.6 %</b>	<b>9.4 %</b>	<b>11.1 %</b>	<b>11.6 %</b>	<b>11.9 %</b>
Minority interest	0.4 %	-2.0 %	8.5 %	0.9 %	1.5 %	1.6 %	1.6 %
<b>Net income (net of minority interest)</b>	<b>3.6 %</b>	<b>6.3 %</b>	<b>13.1 %</b>	<b>8.5 %</b>	<b>9.6 %</b>	<b>10.0 %</b>	<b>10.3 %</b>

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2007	2008	2009	2010	2011E	2012E	2013E
<b>Intangible assets</b>	<b>18.2</b>	<b>38.7</b>	<b>42.1</b>	<b>40.9</b>	<b>40.9</b>	<b>40.9</b>	<b>40.9</b>
Property, plant and equipment	17.7	23.8	27.3	27.6	26.7	31.4	35.9
Financial assets	1.7	1.4	1.8	1.3	1.3	1.3	1.3
<b>FIXED ASSETS</b>	<b>37.7</b>	<b>63.9</b>	<b>71.1</b>	<b>69.8</b>	<b>68.9</b>	<b>73.6</b>	<b>78.1</b>
Inventories	7.7	8.6	12.6	12.7	13.3	13.9	14.1
Accounts receivable	11.5	14.0	16.2	17.3	17.7	18.5	18.8
Other current assets	2.2	3.5	6.2	3.1	6.9	7.2	7.3
Liquid assets	5.4	7.6	43.9	29.4	36.4	39.2	42.7
Deferred taxes	3.1	1.2	11.8	12.2	13.0	13.5	13.8
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>CURRENT ASSETS</b>	<b>29.9</b>	<b>34.9</b>	<b>90.8</b>	<b>74.7</b>	<b>87.2</b>	<b>92.2</b>	<b>96.6</b>
<b>TOTAL ASSETS</b>	<b>67.6</b>	<b>98.8</b>	<b>161.9</b>	<b>144.5</b>	<b>156.2</b>	<b>165.8</b>	<b>174.8</b>
SHAREHOLDERS EQUITY	36.1	40.9	76.4	68.3	72.6	81.0	124.9
MINORITY INTEREST	0.4	2.0	10.3	5.3	7.0	8.8	0.0
Long-term debt	3.9	10.8	14.3	16.0	16.0	16.0	16.0
Provisions for pensions and similar obligations	0.1	0.4	5.7	5.9	6.3	6.5	6.7
Other provisions	3.7	16.5	18.3	19.5	19.5	19.5	0.0
<b>Non-current liabilities</b>	<b>7.7</b>	<b>27.7</b>	<b>38.2</b>	<b>41.5</b>	<b>41.8</b>	<b>42.1</b>	<b>22.7</b>
short-term liabilities to banks	8.3	7.8	5.8	5.8	5.8	5.8	5.8
Accounts payable	3.9	4.3	4.4	4.3	4.3	4.5	4.6
Advance payments received on orders	0.3	1.0	8.0	3.4	4.0	2.0	0.0
Other liabilities (incl. from lease and rental contracts)	7.4	12.3	14.4	15.3	15.9	16.5	16.8
Deferred taxes	1.3	1.1	2.6	0.0	2.8	2.9	0.0
Deferred income	2.3	1.8	1.8	0.6	2.0	2.0	0.0
<b>Current liabilities</b>	<b>23.4</b>	<b>28.3</b>	<b>37.0</b>	<b>29.4</b>	<b>34.8</b>	<b>33.9</b>	<b>27.2</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>67.6</b>	<b>98.8</b>	<b>161.9</b>	<b>144.4</b>	<b>156.2</b>	<b>165.8</b>	<b>174.8</b>

Balance sheet (common size)	2007	2008	2009	2010	2011E	2012E	2013E
<b>Intangible assets</b>	<b>27.0 %</b>	<b>39.2 %</b>	<b>26.0 %</b>	<b>28.3 %</b>	<b>26.2 %</b>	<b>24.7 %</b>	<b>23.4 %</b>
Property, plant and equipment	26.3 %	24.1 %	16.8 %	19.1 %	17.1 %	18.9 %	20.6 %
Financial assets	2.6 %	1.4 %	1.1 %	0.9 %	0.9 %	0.8 %	0.8 %
<b>FIXED ASSETS</b>	<b>55.8 %</b>	<b>64.7 %</b>	<b>43.9 %</b>	<b>48.3 %</b>	<b>44.1 %</b>	<b>44.4 %</b>	<b>44.7 %</b>
Inventories	11.4 %	8.7 %	7.8 %	8.8 %	8.5 %	8.4 %	8.1 %
Accounts receivable	17.0 %	14.2 %	10.0 %	11.9 %	11.4 %	11.2 %	10.8 %
Other current assets	3.3 %	3.5 %	3.9 %	2.1 %	4.4 %	4.3 %	4.2 %
Liquid assets	8.0 %	7.7 %	27.1 %	20.4 %	23.3 %	23.6 %	24.4 %
Deferred taxes	4.6 %	1.2 %	7.3 %	8.5 %	8.3 %	8.2 %	7.9 %
Deferred charges and prepaid expenses	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>CURRENT ASSETS</b>	<b>44.2 %</b>	<b>35.3 %</b>	<b>56.1 %</b>	<b>51.7 %</b>	<b>55.9 %</b>	<b>55.6 %</b>	<b>55.3 %</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	53.5 %	41.4 %	47.2 %	47.3 %	46.5 %	48.9 %	71.5 %
MINORITY INTEREST	0.5 %	2.0 %	6.3 %	3.7 %	4.5 %	5.3 %	0.0 %
Long-term debt	5.8 %	10.9 %	8.8 %	11.1 %	10.3 %	9.7 %	9.2 %
Provisions for pensions and similar obligations	0.1 %	0.4 %	3.5 %	4.1 %	4.0 %	3.9 %	3.8 %
Other provisions	5.4 %	16.7 %	11.3 %	13.5 %	12.5 %	11.8 %	0.0 %
<b>Non-current liabilities</b>	<b>11.4 %</b>	<b>28.0 %</b>	<b>23.6 %</b>	<b>28.7 %</b>	<b>26.8 %</b>	<b>25.4 %</b>	<b>13.0 %</b>
short-term liabilities to banks	12.2 %	7.8 %	3.6 %	4.0 %	3.7 %	3.5 %	3.3 %
Accounts payable	5.7 %	4.3 %	2.7 %	3.0 %	2.8 %	2.7 %	2.6 %
Advance payments received on orders	0.4 %	1.0 %	4.9 %	2.3 %	2.6 %	1.2 %	0.0 %
Other liabilities (incl. from lease and rental contracts)	10.9 %	12.5 %	8.9 %	10.6 %	10.2 %	10.0 %	9.6 %
Deferred taxes	2.0 %	1.2 %	1.6 %	0.0 %	1.8 %	1.8 %	0.0 %
Deferred income	3.4 %	1.8 %	1.1 %	0.4 %	1.3 %	1.2 %	0.0 %
<b>Current liabilities</b>	<b>34.7 %</b>	<b>28.6 %</b>	<b>22.9 %</b>	<b>20.3 %</b>	<b>22.3 %</b>	<b>20.4 %</b>	<b>15.6 %</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)	2007	2008	2009	2010	2011E	2012E	2013E
Net profit/loss	2.2	3.0	15.7	10.4	12.4	13.5	14.1
Depreciation of fixed assets (incl. leases)	3.7	9.2	7.0	9.8	9.9	10.3	10.5
Amortisation of goodwill	0.0	0.0	4.4	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	1.9	-5.0	-0.8	1.6	0.4	0.3	0.1
Cash flow from operations before changes in w/c	7.8	7.1	26.3	16.9	22.7	24.1	24.6
Increase/decrease in inventory	-2.1	-0.8	-4.1	0.0	-0.6	-0.6	-0.2
Increase/decrease in accounts receivable	0.1	-2.5	-2.2	-1.0	-0.5	-0.8	-0.3
Increase/decrease in accounts payable	0.1	0.4	0.1	-0.1	0.0	0.2	0.1
Increase/decrease in other working capital positions	0.6	4.4	6.3	-0.6	-2.6	-1.6	-1.8
Increase/decrease in working capital	-1.2	1.5	0.2	-1.8	-3.6	-2.8	-2.3
<b>Cash flow from operating activities</b>	<b>6.6</b>	<b>8.6</b>	<b>26.5</b>	<b>15.0</b>	<b>19.1</b>	<b>21.3</b>	<b>22.3</b>
CAPEX	4.2	6.0	5.7	7.7	9.0	15.0	15.0
Payments for acquisitions	0.7	0.2	5.3	22.8	0.0	0.0	0.0
Financial investments	0.1	-0.5	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	0.2	0.2	1.3	0.2	0.0	0.0	0.0
<b>Cash flow from investing activities</b>	<b>-4.7</b>	<b>-5.5</b>	<b>-9.7</b>	<b>-30.4</b>	<b>-9.0</b>	<b>-15.0</b>	<b>-15.0</b>
Cash flow before financing	1.9	3.1	16.8	-15.4	10.1	3.5	3.8
Increase/decrease in debt position	-1.2	0.6	1.9	1.7	0.0	0.0	0.0
Purchase of own shares	0.0	0.0	4.5	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	24.4	1.3	0.0	0.0	0.0
Dividends paid	0.8	0.8	0.6	2.3	3.1	3.5	3.8
Others	-0.3	-0.1	-1.6	0.0	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.2	0.1	-0.3	0.4	0.0	0.0	0.0
<b>Cash flow from financing activities</b>	<b>-2.2</b>	<b>-0.3</b>	<b>19.5</b>	<b>0.7</b>	<b>-3.1</b>	<b>-3.5</b>	<b>-3.8</b>
Increase/decrease in liquid assets	-0.1	2.9	36.0	-14.2	7.0	n/a	n/a
<b>Liquid assets at end of period</b>	<b>5.4</b>	<b>7.6</b>	<b>43.6</b>	<b>29.4</b>	<b>36.4</b>	<b>39.2</b>	<b>42.7</b>

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2007	2008	2009	2010	2011E	2012E	2013E
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	30.8	43.9	61.9	67.8	68.1	71.0	72.2
yoy change	18.0 %	42.5 %	40.9 %	9.6 %	0.5 %	4.3 %	1.7 %
NAFTA	19.0	20.3	27.4	31.1	32.4	34.9	35.5
yoy change	3.3 %	6.8 %	34.9 %	13.6 %	4.0 %	7.9 %	1.7 %
Asia Pacific	2.6	6.2	10.1	11.1	10.0	9.3	9.5
yoy change	-7.1 %	138.5 %	63.5 %	9.6 %	-9.6 %	-7.3 %	1.7 %
Rest of world	2.0	1.2	2.0	1.1	1.1	1.2	1.2
yoy change	-35.5 %	-40.0 %	69.0 %	-45.2 %	0.5 %	4.3 %	1.7 %
<b>TTL</b>	<b>54.4</b>	<b>71.6</b>	<b>101.4</b>	<b>111.1</b>	<b>111.6</b>	<b>116.4</b>	<b>118.3</b>
yoy change	7.9 %	31.6 %	41.6 %	9.6 %	0.5 %	4.3 %	1.7 %

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2007	2008	2009	2010	2011E	2012E	2013E
<b>P&amp;L growth analysis</b>							
Sales growth	8.1 %	31.5 %	41.6 %	9.6 %	0.5 %	4.3 %	1.7 %
EBITDA growth	-7.4 %	93.1 %	20.4 %	17.1 %	15.3 %	3.2 %	3.3 %
EBIT growth	1.6 %	60.6 %	61.3 %	7.2 %	24.1 %	2.6 %	4.1 %
EPS growth	-12.6 %	131.0 %	143.0 %	-48.0 %	13.9 %	8.6 %	4.2 %
<b>Efficiency</b>							
Total operating costs / sales	38.4 %	34.3 %	35.2 %	37.1 %	33.6 %	33.9 %	33.4 %
Sales per employee	174.5	181.3	202.8	209.6	206.7	211.6	n/a
EBITDA per employee	31.1	47.4	45.1	49.8	56.4	57.1	n/a
<b>Balance sheet analysis</b>							
Avg. working capital / sales	25.6 %	22.5 %	16.6 %	17.4 %	20.1 %	20.8 %	22.9 %
Inventory turnover (sales/inventory)	7.1	8.4	8.0	8.8	8.4	8.4	8.4
Trade debtors in days of sales	76.8	71.3	58.3	56.7	58.0	58.0	58.0
A/P turnover [(A/P*365)/sales]	51.4	41.8	32.1	29.6	29.6	29.6	29.6
Cash conversion cycle (days)	127.5	112.9	117.9	113.9	118.9	118.9	n/a
<b>Cash flow analysis</b>							
Free cash flow	2.5	2.6	20.8	7.3	10.1	6.3	7.3
Free cash flow/sales	4.5 %	3.6 %	20.5 %	6.6 %	9.0 %	5.4 %	6.2 %
FCF / net profit	126.7 %	57.9 %	156.9 %	77.5 %	93.8 %	54.2 %	60.5 %
FCF yield	3.4 %	3.6 %	17.4 %	6.1 %	8.4 %	5.3 %	6.1 %
Capex / deprec	113.8 %	59.7 %	49.8 %	78.5 %	91.0 %	145.5 %	143.1 %
Capex / maintenance capex	0.0 %	0.0 %	0.0 %	78.5 %	91.0 %	145.5 %	143.1 %
Capex / sales	7.8 %	7.6 %	5.6 %	7.0 %	8.1 %	12.9 %	12.7 %
<b>Security</b>							
Net debt	6.8	10.9	-23.8	-7.6	-14.6	-17.4	-20.9
Net Debt/EBITDA	0.7	0.6	0.0	0.0	0.0	0.0	0.0
Net debt / equity	0.2	0.3	-0.3	-0.1	-0.2	-0.2	-0.2
Interest cover	7.2	7.7	11.6	6.6	15.8	16.2	16.9
Dividend payout ratio	44.5 %	14.1 %	17.4 %	32.7 %	32.8 %	32.8 %	38.4 %
<b>Asset utilisation</b>							
Capital employed turnover	1.0	0.9	0.8	1.0	0.9	0.9	0.8
Operating assets turnover	1.7	1.7	2.3	2.2	2.3	2.0	1.8
Plant turnover	3.1	3.0	3.7	4.0	4.2	3.7	3.3
Inventory turnover (sales/inventory)	7.1	8.4	8.0	8.8	8.4	8.4	8.4
<b>Returns</b>							
ROCE	11.1 %	10.4 %	14.4 %	16.2 %	18.7 %	17.0 %	15.6 %
ROE	5.4 %	11.0 %	17.3 %	13.8 %	14.8 %	14.4 %	9.7 %
<b>Other</b>							
Interest paid / avg. debt	7.3 %	8.1 %	6.9 %	12.0 %	6.0 %	6.0 %	6.0 %
No. employees (average)	312	395	500	530	540	550	0
Number of shares	3.1	3.1	3.8	5.2	5.2	5.2	5.2
DPS	0.3	0.3	0.5	0.6	0.7	0.7	0.8
EPS reported	0.62	1.43	3.48	1.81	2.06	2.24	2.33
<b>Valuation ratios</b>							
P/BV	2.0	1.8	1.2	1.8	1.7	1.5	1.0
EV/sales	1.5	1.2	1.0	1.1	1.0	0.9	0.9
EV/EBITDA	8.2	4.5	4.6	4.5	3.7	3.5	3.2
EV/EBITA	13.3	8.7	4.6	7.1	5.4	5.2	4.8
EV/EBIT	13.3	8.7	6.8	7.1	5.4	5.2	4.8
EV/FCF	32.1	32.0	4.9	16.2	11.1	17.3	14.4
Dividend yield	1.1 %	1.3 %	1.9 %	2.6 %	2.9 %	3.2 %	3.3 %

Source: Company data, Hauck & Aufhäuser

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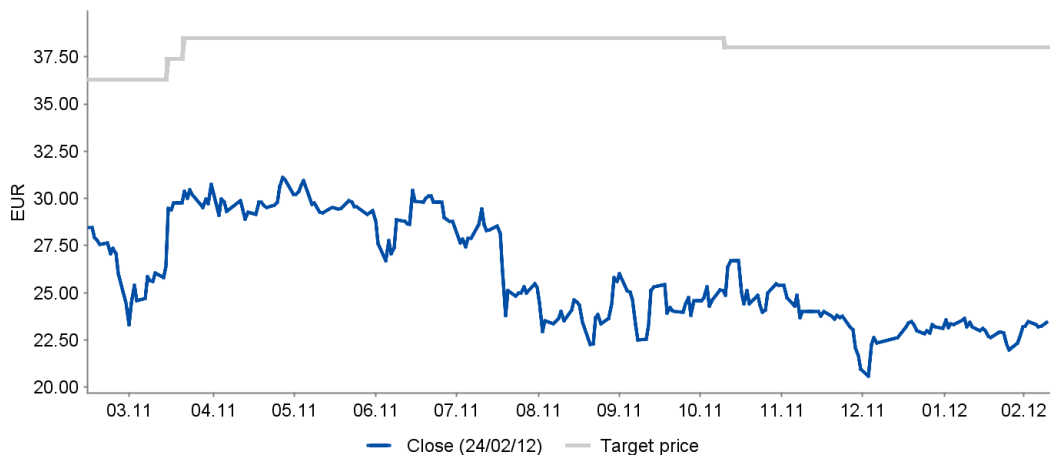
Company	Disclosure
Eckert & Ziegler AG	2, 5

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

#### Price and Rating History Eckert & Ziegler AG as of 27/02/12

Initiation coverage  
08-April-10



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