



**Buy** (old: Buy)

**Price target: EUR 28.00** (old: EUR 28.00)

<b>Price:</b>	EUR 20.44	<b>Next result:</b>	Q2 02.08.16
<b>Bloomberg:</b>	EUZ GR	<b>Market cap:</b>	EUR 104.9 m
<b>Reuters:</b>	EUZG.DE	<b>Enterprise Value:</b>	EUR 90.5 m

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### Solid start into the year & outlook confirmed

Eckert & Ziegler reported sound Q1 figures this morning which slightly exceeded expectations on EBIT and reiterated its guidance for the FY.

**Q1 sales remained flat yoy (-0.1% yoy) at € 35.8m which was in line with expectations** (H&A: € 35.0m) and is a positive sign given the deconsolidation of the US seed business during Q1 (€ 0.9m). Isotope Products (~48% of sales) increased soundly by 10.7% yoy to € 19.8m largely on the back of a solid underlying development as well as minor positive FX effects. Therapy (~22% of sales) decreased by 8.3% yoy to € 6.4m largely due to the deconsolidation of the US seed business. Radiopharma (~25% of sales) improved by 6.7% yoy to € 9.6m, affected by an improving cyclotron business as well as strong and growing consumable sales.

**Q1 EBIT came down by 16.8% yoy to € 4.3m and thus exceeded expectations (H&A: € 3.9m)**. Isotope Products posted a strong EBIT of € 3.5m (-4.8% yoy) which was however affected by a slightly weaker product mix (e.g. less oil & gas measurement). Therapy EBIT came in at € -0.4m (€ +0.2m) which was largely due to costs related to the US seeds business which was only sold during Q1. Radiopharma EBIT reached € 1.5m (+6.8% yoy) and benefited from a sound consumable business as well as a pick-up in cyclotron sales.

**Q1 net income decreased by 7.2% yoy to € 2.5m (H&A: € 2.6m)** thanks to a normalised tax rate of around 33% vs 37% last year.

**Outlook: Management reiterated its 2016E guidance of € 137-140m sales (H&A: flat yoy at € 140m) as well as an EPS of approximately € 1.80 (H&A: € 1.79)**. This reflects the deconsolidation of the US seeds business as well as missing positive one-offs of >€ 6m in 2015 from the sale of minority interests in OctreoPharm which was partly offset restructuring costs and other negative one-offs.

All in all, Q1 results came in at a solid level and the **recent divestment of the loss-making US seed business should provide a healthy relief** to the Therapy segment, allowing for an improved underlying profitability going forward. **BUY** with a **PT of € 28** based on FCFY 2016E.

- continued -

Y/E 31.12 (EUR m)	2012	2013	2014	2015	2016E	2017E	2018E
Sales	120.0	117.1	127.3	140.0	139.5	144.4	149.4
Sales growth	3 %	-2 %	9 %	10 %	0 %	3 %	3 %
EBITDA	27.5	22.1	20.1	25.6	23.3	24.1	16.0
EBIT	19.7	12.8	13.0	16.8	14.9	15.4	22.4
Net income	10.3	9.1	6.8	10.7	9.5	9.9	15.8
Net debt	-15.4	-6.8	-3.1	-15.9	-25.2	-29.8	-49.3
Net gearing	-19.1 %	-8.2 %	-3.5 %	-16.0 %	-25.0 %	-25.9 %	-30.7 %
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EPS pro forma	1.95	1.72	1.28	2.03	1.79	1.87	3.00
CPS	1.74	1.14	0.82	1.62	2.68	1.76	4.42
DPS	0.60	0.60	0.60	0.60	0.60	0.63	0.00
Dividend yield	2.9 %	2.9 %	2.9 %	2.9 %	2.9 %	3.1 %	4.9 %
Gross profit margin	54.3 %	48.7 %	50.1 %	44.5 %	50.3 %	50.3 %	50.3 %
EBITDA margin	22.9 %	18.8 %	15.8 %	18.3 %	16.7 %	16.7 %	10.7 %
EBIT margin	16.4 %	10.9 %	10.2 %	12.0 %	10.7 %	10.7 %	15.0 %
ROCE	15.9 %	9.3 %	8.6 %	10.7 %	9.2 %	9.2 %	13.1 %
EV/sales	0.8	0.9	0.9	0.7	0.6	0.6	0.4
EV/EBITDA	3.6	4.8	5.6	3.9	3.9	3.6	4.0
EV/EBIT	5.0	8.3	8.7	5.9	6.1	5.6	2.9
PER	10.5	11.9	15.9	10.1	11.4	11.0	6.8
Adjusted FCF yield	14.2 %	9.6 %	8.1 %	13.7 %	13.0 %	14.2 %	14.0 %

Source: Company data, Hauck & Aufhäuser Close price as of: 09.05.2016



Source: Company data, Hauck & Aufhäuser

<b>High/low 52 weeks:</b>	24.31 / 17.26
<b>Price/Book Ratio:</b>	1.1
<b>Relative performance (SDAX):</b>	
3 months	2.9 %
6 months	10.8 %
12 months	-11.1 %

### Changes in estimates

		Sales	EBIT	EPS
2016	old:	139.5	14.9	1.79
	Δ	-	-	-
2017	old:	144.4	15.4	1.87
	Δ	-	-	-
2018	old:	149.4	22.4	3.00
	Δ	-	-	-

### Key share data:

Number of shares: (in m pcs)	5.3
Authorised capital: (in € m)	0.6
Book value per share: (in €)	19.1
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)	Q1 16	Q1 16 est	Q1 15	yoy	Q4 15	qoq
<b>Sales</b>	<b>35.8</b>	<b>35.0</b>	<b>35.9</b>	-0.1%	<b>37.3</b>	-4.0%
Isotope Products*	19.8	18.8	17.9	10.7%	19.9	-0.9%
Therapy	6.4	6.8	7.0	-8.3%	9.4	-31.7%
Radiopharma	9.6	9.4	9.0	6.7%	8.0	20.4%
Holding	0.0	0.0	2.0	-99.8%	0.0	-
<b>EBIT</b>	<b>4.3</b>	<b>3.9</b>	<b>5.1</b>	-16.8%	<b>3.0</b>	41.0%
Margin	11.9%	11.1%	14.3%	- 2.4 pp	8.1%	+ 3.8 pp
Isotope Products*	3.5	3.4	3.7	-4.8%	3.9	-9.5%
Margin	17.8%	18.1%	20.7%	- 2.9 pp	19.5%	- 1.7 pp
Therapy	-0.4	0.0	0.2	-295.3%	-0.2	107.0%
Margin	-6.5%	0.0%	3.0%	- 10 pp	-2.1%	- 4 pp
Radiopharma	1.5	1.0	1.4	6.8%	-0.5	-420.7%
Margin	15.8%	10.6%	15.7%	+ 0.0 pp	-5.9%	+ 22 pp
Holding	-0.4	-0.5	-0.2	68.8%	-0.2	88.1%
<b>Net profit</b>	<b>2.5</b>	<b>2.6</b>	<b>3.0</b>	-16.8%	<b>1.7</b>	42.8%
Net margin	7.0%	7.7%	8.4%	- 1.4 pp	4.7%	+ 2.3 pp

Source: company data, Hauck&Aufhäuser \*now incl. the former Environmental segment

## Financials

Profit and loss (EUR m)	2012	2013	2014	2015	2016E	2017E	2018E
<b>Sales</b>	<b>120.0</b>	<b>117.1</b>	<b>127.3</b>	<b>140.0</b>	<b>139.5</b>	<b>144.4</b>	<b>149.4</b>
Sales growth	3.3 %	-2.4 %	8.6 %	10.1 %	-0.4 %	3.5 %	3.5 %
Cost of sales	54.8	60.1	63.5	77.7	69.3	71.8	74.3
<b>Gross profit</b>	<b>65.2</b>	<b>57.1</b>	<b>63.8</b>	<b>62.4</b>	<b>70.2</b>	<b>72.6</b>	<b>75.2</b>
Sales and marketing	20.6	21.9	23.6	25.6	25.8	26.7	27.6
General and administration	22.8	23.9	25.0	27.0	27.5	28.4	29.4
Research and development	3.5	4.9	0.0	0.0	0.0	0.0	0.0
Other operating income	9.5	8.6	2.9	13.6	3.2	3.3	3.4
Other operating expenses	8.1	2.2	5.1	6.5	5.1	5.3	5.5
Unusual or infrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBITDA</b>	<b>27.5</b>	<b>22.1</b>	<b>20.1</b>	<b>25.6</b>	<b>23.3</b>	<b>24.1</b>	<b>16.0</b>
Depreciation	7.7	9.3	7.1	8.8	8.4	8.7	0.0
<b>EBITA</b>	<b>19.7</b>	<b>12.8</b>	<b>13.0</b>	<b>16.8</b>	<b>14.9</b>	<b>15.4</b>	<b>16.0</b>
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
<b>EBIT</b>	<b>19.7</b>	<b>12.8</b>	<b>13.0</b>	<b>16.8</b>	<b>14.9</b>	<b>15.4</b>	<b>22.4</b>
Interest income	0.5	1.3	0.5	0.2	0.2	0.2	1.2
Interest expenses	2.8	1.2	1.6	1.5	1.0	0.9	0.0
Other financial result	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial result	-2.3	0.1	-1.2	-1.3	-0.8	-0.7	1.2
<b>Recurring pretax income from continuing operations</b>	<b>17.5</b>	<b>12.9</b>	<b>11.8</b>	<b>15.5</b>	<b>14.1</b>	<b>14.7</b>	<b>23.6</b>
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Earnings before taxes</b>	<b>17.5</b>	<b>12.9</b>	<b>11.8</b>	<b>15.5</b>	<b>14.1</b>	<b>14.7</b>	<b>23.6</b>
Taxes	5.7	2.4	5.3	5.1	4.7	4.9	7.8
<b>Net income from continuing operations</b>	<b>11.8</b>	<b>10.5</b>	<b>6.5</b>	<b>10.4</b>	<b>9.5</b>	<b>9.9</b>	<b>15.8</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>11.8</b>	<b>10.5</b>	<b>6.5</b>	<b>10.4</b>	<b>9.5</b>	<b>9.9</b>	<b>15.8</b>
Minority interest	1.5	1.4	-0.3	-0.4	0.0	0.0	0.0
<b>Net income (net of minority interest)</b>	<b>10.3</b>	<b>9.1</b>	<b>6.8</b>	<b>10.7</b>	<b>9.5</b>	<b>9.9</b>	<b>15.8</b>
Average number of shares	5.3	5.3	5.3	5.3	5.3	5.3	5.3
<b>EPS reported</b>	<b>1.95</b>	<b>1.72</b>	<b>1.28</b>	<b>2.03</b>	<b>1.79</b>	<b>1.87</b>	<b>3.00</b>

Profit and loss (common size)	2012	2013	2014	2015	2016E	2017E	2018E
<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	45.7 %	51.3 %	49.9 %	55.5 %	49.7 %	49.7 %	49.7 %
<b>Gross profit</b>	<b>54.3 %</b>	<b>48.7 %</b>	<b>50.1 %</b>	<b>44.5 %</b>	<b>50.3 %</b>	<b>50.3 %</b>	<b>50.3 %</b>
Sales and marketing	17.2 %	18.7 %	18.5 %	18.3 %	18.5 %	18.5 %	18.5 %
General and administration	19.0 %	20.4 %	19.7 %	19.3 %	19.7 %	19.7 %	19.7 %
Research and development	2.9 %	4.2 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other operating income	7.9 %	7.4 %	2.3 %	9.7 %	2.3 %	2.3 %	2.3 %
Other operating expenses	6.8 %	1.8 %	4.0 %	4.6 %	3.7 %	3.7 %	3.7 %
Unusual or infrequent items	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>EBITDA</b>	<b>22.9 %</b>	<b>18.8 %</b>	<b>15.8 %</b>	<b>18.3 %</b>	<b>16.7 %</b>	<b>16.7 %</b>	<b>10.7 %</b>
Depreciation	6.5 %	7.9 %	5.6 %	6.3 %	6.0 %	6.0 %	0.0 %
<b>EBITA</b>	<b>16.4 %</b>	<b>10.9 %</b>	<b>10.2 %</b>	<b>12.0 %</b>	<b>10.7 %</b>	<b>10.7 %</b>	<b>10.7 %</b>
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 %
<b>EBIT</b>	<b>16.4 %</b>	<b>10.9 %</b>	<b>10.2 %</b>	<b>12.0 %</b>	<b>10.7 %</b>	<b>10.7 %</b>	<b>15.0 %</b>
Interest income	0.4 %	1.1 %	0.4 %	0.1 %	0.1 %	0.2 %	0.8 %
Interest expenses	2.3 %	1.0 %	1.3 %	1.1 %	0.7 %	0.6 %	0.0 %
Other financial result	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Financial result	-1.9 %	0.1 %	-0.9 %	-0.9 %	-0.5 %	-0.5 %	0.8 %
<b>Recurring pretax income from continuing operations</b>	<b>14.6 %</b>	<b>11.0 %</b>	<b>9.3 %</b>	<b>11.1 %</b>	<b>10.1 %</b>	<b>10.2 %</b>	<b>15.8 %</b>
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Earnings before taxes</b>	<b>14.6 %</b>	<b>11.0 %</b>	<b>9.3 %</b>	<b>11.1 %</b>	<b>10.1 %</b>	<b>10.2 %</b>	<b>15.8 %</b>
Tax rate	32.6 %	18.9 %	44.9 %	33.1 %	33.0 %	33.0 %	33.0 %
<b>Net income from continuing operations</b>	<b>9.8 %</b>	<b>9.0 %</b>	<b>5.1 %</b>	<b>7.4 %</b>	<b>6.8 %</b>	<b>6.8 %</b>	<b>10.6 %</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>9.8 %</b>	<b>9.0 %</b>	<b>5.1 %</b>	<b>7.4 %</b>	<b>6.8 %</b>	<b>6.8 %</b>	<b>10.6 %</b>
Minority interest	1.2 %	1.2 %	-0.2 %	-0.3 %	0.0 %	0.0 %	0.0 %
<b>Net income (net of minority interest)</b>	<b>8.6 %</b>	<b>7.8 %</b>	<b>5.3 %</b>	<b>7.7 %</b>	<b>6.8 %</b>	<b>6.8 %</b>	<b>10.6 %</b>

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2012	2013	2014	2015	2016E	2017E	2018E
<b>Intangible assets</b>	<b>45.8</b>	<b>52.7</b>	<b>55.6</b>	<b>54.1</b>	<b>54.1</b>	<b>54.1</b>	<b>54.1</b>
Property, plant and equipment	31.2	33.5	36.1	36.0	36.6	36.9	36.9
Financial assets	4.0	7.3	6.3	2.8	2.8	2.8	2.8
<b>FIXED ASSETS</b>	<b>81.0</b>	<b>93.5</b>	<b>98.0</b>	<b>92.9</b>	<b>93.5</b>	<b>93.8</b>	<b>93.8</b>
Inventories	15.5	17.8	24.3	25.0	26.3	28.3	18.7
Accounts receivable	22.0	23.1	23.8	21.4	26.8	27.7	28.7
Other current assets	6.0	5.2	9.9	16.5	8.6	8.9	9.2
Liquid assets	30.8	29.4	21.8	31.5	40.0	44.0	49.3
Deferred taxes	9.1	9.9	9.5	9.4	0.0	0.0	0.0
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>CURRENT ASSETS</b>	<b>83.4</b>	<b>85.4</b>	<b>89.3</b>	<b>103.8</b>	<b>101.6</b>	<b>108.9</b>	<b>105.8</b>
<b>TOTAL ASSETS</b>	<b>164.4</b>	<b>178.9</b>	<b>187.3</b>	<b>196.7</b>	<b>195.1</b>	<b>202.7</b>	<b>199.6</b>
SHAREHOLDERS EQUITY	80.7	83.5	88.6	99.7	100.8	115.2	160.4
MINORITY INTEREST	6.2	7.1	5.9	5.0	5.0	0.0	0.0
Long-term debt	9.8	17.6	7.3	5.0	4.2	3.6	0.0
Provisions for pensions and similar obligations	8.9	8.7	11.1	10.5	10.7	10.9	8.4
Other provisions	22.0	28.0	27.2	31.4	32.1	32.7	0.0
<b>Non-current liabilities</b>	<b>40.6</b>	<b>54.3</b>	<b>45.6</b>	<b>46.9</b>	<b>47.0</b>	<b>47.2</b>	<b>8.4</b>
short-term liabilities to banks	5.7	5.1	11.4	10.6	10.6	10.6	0.0
Accounts payable	7.5	7.8	8.2	7.5	8.5	8.8	9.2
Advance payments received on orders	2.3	2.2	3.1	0.4	0.4	0.4	0.4
Other liabilities (incl. from lease and rental contracts)	18.9	15.5	19.5	18.6	19.5	20.5	21.2
Deferred taxes	1.5	3.3	4.9	6.2	2.2	0.0	0.0
Deferred income	1.0	0.1	0.1	1.8	1.2	0.0	0.0
<b>Current liabilities</b>	<b>36.9</b>	<b>34.0</b>	<b>47.2</b>	<b>45.1</b>	<b>42.4</b>	<b>40.3</b>	<b>30.8</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>164.4</b>	<b>178.9</b>	<b>187.3</b>	<b>196.7</b>	<b>195.1</b>	<b>202.7</b>	<b>199.6</b>

Balance sheet (common size)	2012	2013	2014	2015	2016E	2017E	2018E
<b>Intangible assets</b>	<b>27.9 %</b>	<b>29.4 %</b>	<b>29.7 %</b>	<b>27.5 %</b>	<b>27.7 %</b>	<b>26.7 %</b>	<b>27.1 %</b>
Property, plant and equipment	18.9 %	18.7 %	19.3 %	18.3 %	18.8 %	18.2 %	18.5 %
Financial assets	2.5 %	4.1 %	3.4 %	1.4 %	1.4 %	1.4 %	1.4 %
<b>FIXED ASSETS</b>	<b>49.3 %</b>	<b>52.2 %</b>	<b>52.3 %</b>	<b>47.2 %</b>	<b>47.9 %</b>	<b>46.3 %</b>	<b>47.0 %</b>
Inventories	9.4 %	9.9 %	13.0 %	12.7 %	13.5 %	14.0 %	9.4 %
Accounts receivable	13.4 %	12.9 %	12.7 %	10.9 %	13.7 %	13.7 %	14.4 %
Other current assets	3.7 %	2.9 %	5.3 %	8.4 %	4.4 %	4.4 %	4.6 %
Liquid assets	18.8 %	16.5 %	11.7 %	16.0 %	20.5 %	21.7 %	24.7 %
Deferred taxes	5.5 %	5.6 %	5.1 %	4.8 %	0.0 %	0.0 %	0.0 %
Deferred charges and prepaid expenses	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>CURRENT ASSETS</b>	<b>50.7 %</b>	<b>47.8 %</b>	<b>47.7 %</b>	<b>52.8 %</b>	<b>52.1 %</b>	<b>53.7 %</b>	<b>53.0 %</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	49.1 %	46.7 %	47.3 %	50.7 %	51.7 %	56.8 %	80.4 %
MINORITY INTEREST	3.8 %	4.0 %	3.2 %	2.5 %	2.5 %	0.0 %	0.0 %
Long-term debt	5.9 %	9.8 %	3.9 %	2.5 %	2.2 %	1.8 %	0.0 %
Provisions for pensions and similar obligations	5.4 %	4.9 %	5.9 %	5.3 %	5.5 %	5.4 %	4.2 %
Other provisions	13.4 %	15.7 %	14.5 %	16.0 %	16.4 %	16.1 %	0.0 %
<b>Non-current liabilities</b>	<b>24.7 %</b>	<b>30.3 %</b>	<b>24.3 %</b>	<b>23.8 %</b>	<b>24.1 %</b>	<b>23.3 %</b>	<b>4.2 %</b>
short-term liabilities to banks	3.4 %	2.8 %	6.1 %	5.4 %	5.4 %	5.2 %	0.0 %
Accounts payable	4.5 %	4.3 %	4.4 %	3.8 %	4.4 %	4.4 %	4.6 %
Advance payments received on orders	1.4 %	1.3 %	1.6 %	0.2 %	0.2 %	0.2 %	0.2 %
Other liabilities (incl. from lease and rental contracts)	11.5 %	8.7 %	10.4 %	9.4 %	10.0 %	10.1 %	10.6 %
Deferred taxes	0.9 %	1.8 %	2.6 %	3.2 %	1.1 %	0.0 %	0.0 %
Deferred income	0.6 %	0.1 %	0.1 %	0.9 %	0.6 %	0.0 %	0.0 %
<b>Current liabilities</b>	<b>22.4 %</b>	<b>19.0 %</b>	<b>25.2 %</b>	<b>22.9 %</b>	<b>21.7 %</b>	<b>19.9 %</b>	<b>15.4 %</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)	2012	2013	2014	2015	2016E	2017E	2018E
Net profit/loss	11.8	10.5	6.5	10.4	9.5	9.9	15.8
Depreciation of fixed assets (incl. leases)	7.7	2.6	7.1	8.8	8.4	8.7	0.0
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	-2.8	4.4	1.3	-5.5	0.2	0.2	-2.5
Cash flow from operations before changes in w/c	16.7	17.6	14.9	13.6	18.0	18.7	13.3
Increase/decrease in inventory	-1.3	-2.1	-5.1	0.3	-1.3	-2.0	9.6
Increase/decrease in accounts receivable	-2.2	-0.2	-0.8	2.0	-5.4	-0.9	-1.0
Increase/decrease in accounts payable	5.5	-3.6	3.1	0.2	1.0	0.3	0.3
Increase/decrease in other working capital positions	-2.8	2.9	-1.5	0.1	8.9	0.7	0.4
Increase/decrease in working capital	-0.8	-2.9	-4.3	2.6	3.3	-1.9	9.4
<b>Cash flow from operating activities</b>	<b>15.9</b>	<b>14.6</b>	<b>10.7</b>	<b>16.2</b>	<b>21.3</b>	<b>16.8</b>	<b>22.7</b>
CAPEX	9.8	9.7	7.8	3.8	9.0	9.0	0.0
Payments for acquisitions	0.0	7.4	0.8	0.6	0.0	0.0	0.0
Financial investments	0.0	0.4	2.3	0.0	0.0	0.0	0.0
Income from asset disposals	-1.5	0.0	0.1	5.4	0.0	0.0	0.0
<b>Cash flow from investing activities</b>	<b>-11.4</b>	<b>-17.4</b>	<b>-10.8</b>	<b>1.0</b>	<b>-9.0</b>	<b>-9.0</b>	<b>0.0</b>
Cash flow before financing	4.5	-2.7	-0.2	17.2	12.3	7.8	3.3
Increase/decrease in debt position	-2.5	6.1	-4.1	-3.3	-0.7	-0.6	-14.1
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividends paid	3.1	3.2	3.2	3.2	3.1	3.2	3.3
Others	-1.0	-1.2	-1.3	-2.0	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.0	-0.4	1.2	0.9	0.0	0.0	0.0
<b>Cash flow from financing activities</b>	<b>-6.6</b>	<b>1.7</b>	<b>-8.5</b>	<b>-8.4</b>	<b>-3.8</b>	<b>-3.8</b>	<b>-17.5</b>
Increase/decrease in liquid assets	-2.1	-1.4	-7.5	9.6	8.5	4.0	n/a
<b>Liquid assets at end of period</b>	<b>30.2</b>	<b>28.8</b>	<b>21.2</b>	<b>31.5</b>	<b>40.0</b>	<b>44.0</b>	<b>49.3</b>

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2012	2013	2014	2015	2016E	2017E	2018E
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	69.6	68.9	67.6	72.0	74.5	84.9	0.0
yoy change	0.9 %	-1.0 %	-1.9 %	6.5 %	3.5 %	14.0 %	n/a
NAFTA	33.1	32.8	41.6	44.5	46.1	53.0	0.0
yoy change	7.1 %	-0.9 %	26.8 %	7.0 %	3.5 %	15.0 %	n/a
Asia Pacific	13.1	11.3	11.8	13.0	14.0	15.8	0.0
yoy change	8.3 %	-13.7 %	4.4 %	10.0 %	8.0 %	13.0 %	n/a
Rest of world	4.2	4.1	6.3	10.6	4.9	-9.4	0.0
yoy change	0.0 %	-2.4 %	53.7 %	67.6 %	-53.6 %	neg.	n/a
<b>TTL</b>	<b>120.0</b>	<b>117.1</b>	<b>127.3</b>	<b>140.0</b>	<b>139.5</b>	<b>144.4</b>	<b>0.0</b>
yoy change	3.3 %	-2.4 %	8.6 %	10.1 %	-0.4 %	3.5 %	n/a

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2012	2013	2014	2015	2016E	2017E	2018E
<b>P&amp;L growth analysis</b>							
Sales growth	3.3 %	-2.4 %	8.6 %	10.1 %	-0.4 %	3.5 %	3.5 %
EBITDA growth	-9.7 %	-19.7 %	-8.9 %	27.2 %	-9.0 %	3.5 %	-33.7 %
EBIT growth	-13.9 %	-35.0 %	1.1 %	29.7 %	-11.4 %	3.6 %	45.3 %
EPS growth	-1.2 %	-11.9 %	-25.5 %	58.2 %	-11.7 %	4.2 %	60.6 %
<b>Efficiency</b>							
Total operating costs / sales	37.9 %	37.8 %	39.9 %	32.5 %	39.6 %	39.6 %	39.6 %
Sales per employee	218.2	n/a	n/a	n/a	n/a	n/a	n/a
EBITDA per employee	50.0	n/a	n/a	n/a	n/a	n/a	n/a
<b>Balance sheet analysis</b>							
Avg. working capital / sales	22.2 %	25.0 %	26.6 %	26.9 %	29.6 %	31.5 %	28.3 %
Inventory turnover (sales/inventory)	7.8	6.6	5.2	5.6	5.3	5.1	8.0
Trade debtors in days of sales	66.9	72.1	68.2	55.8	70.0	70.0	70.0
A/P turnover [(A/P*365)/sales]	49.6	47.3	47.3	35.4	45.0	45.0	45.0
Cash conversion cycle (days)	120.3	n/a	n/a	n/a	n/a	n/a	n/a
<b>Cash flow analysis</b>							
Free cash flow	6.1	5.0	2.8	12.4	12.3	7.8	22.7
Free cash flow/sales	5.1 %	4.3 %	2.2 %	8.8 %	8.8 %	5.4 %	15.2 %
FCF / net profit	59.2 %	55.0 %	41.9 %	115.6 %	130.0 %	79.5 %	143.4 %
Capex / depre	126.9 %	379.3 %	141.3 %	43.8 %	107.5 %	103.9 %	n/a
Capex / maintenance capex	141.0 %	113.8 %	121.6 %	48.7 %	119.5 %	115.4 %	n/a
Capex / sales	8.2 %	8.6 %	7.9 %	2.7 %	6.5 %	6.2 %	0.0 %
<b>Security</b>							
Net debt	-15.4	-6.8	-3.1	-15.9	-25.2	-29.8	-49.3
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net debt / equity	-0.2	-0.1	0.0	-0.2	-0.2	-0.3	-0.3
Interest cover	7.1	10.8	8.0	11.4	15.5	16.8	999.0
Dividend payout ratio	29.9 %	40.3 %	46.8 %	28.6 %	33.5 %	33.5 %	33.5 %
<b>Asset utilisation</b>							
Capital employed turnover	0.9	0.8	0.8	0.9	0.9	0.8	0.9
Operating assets turnover	2.0	1.8	1.7	1.9	1.7	1.7	2.0
Plant turnover	3.9	3.5	3.5	3.9	3.8	3.9	4.0
Inventory turnover (sales/inventory)	7.8	6.6	5.2	5.6	5.3	5.1	8.0
<b>Returns</b>							
ROCE	15.9 %	9.3 %	8.6 %	10.7 %	9.2 %	9.2 %	13.1 %
ROE	12.8 %	10.9 %	7.6 %	10.8 %	9.4 %	8.6 %	9.9 %
<b>Other</b>							
Interest paid / avg. debt	16.7 %	6.2 %	7.9 %	8.6 %	6.3 %	6.4 %	0.0 %
No. employees (average)	550	0	0	0	0	0	0
Number of shares	5.3	5.3	5.3	5.3	5.3	5.3	5.3
DPS	0.6	0.6	0.6	0.6	0.6	0.6	0.0
EPS reported	1.95	1.72	1.28	2.03	1.79	1.87	3.00
<b>Valuation ratios</b>							
P/BV	1.3	1.3	1.2	1.1	1.1	0.9	0.7
EV/sales	0.8	0.9	0.9	0.7	0.6	0.6	0.4
EV/EBITDA	3.6	4.8	5.6	3.9	3.9	3.6	4.0
EV/EBITA	5.0	8.3	8.7	5.9	6.1	5.6	4.0
EV/EBIT	5.0	8.3	8.7	5.9	6.1	5.6	2.9
EV/FCF	16.2	21.4	39.8	8.0	7.4	11.0	2.8
Adjusted FCF yield	14.2 %	9.6 %	8.1 %	13.7 %	13.0 %	14.2 %	14.0 %
Dividend yield	2.9 %	2.9 %	2.9 %	2.9 %	2.9 %	3.1 %	4.9 %

Source: Company data, Hauck & Aufhäuser

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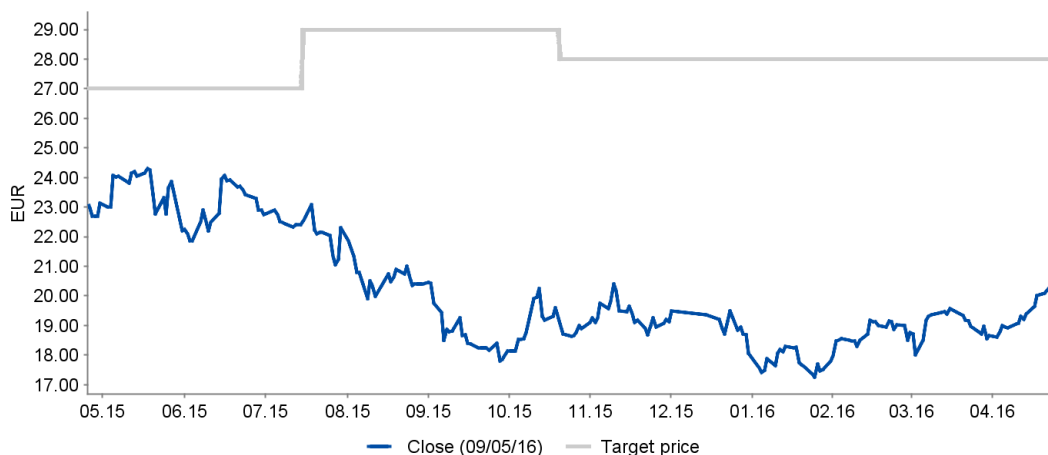
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Company	Disclosure
Eckert & Ziegler AG	2, 5

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

#### Price and Rating History Eckert & Ziegler AG as of 10/05/16

Initiation coverage  
08-April-10



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