



Buy (old: Buy)

Price target: EUR 31.00 (old: EUR 28.00)

Price: EUR 20.89 **Next result:** Q4 23.03.177
Bloomberg: EUZ GR **Market cap:** EUR 107.3 m
Reuters: EUZG.DE **Enterprise Value:** EUR 92.6 m

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Sound Q2 figures, first positive indication on 2017E, chg. in est. & PT

Eckert & Ziegler reported sound Q3 results this morning and introduced a first outlook on 2017E. A conference call was held at 10 am today.

Q3 sales decreased by 1.8% yoy to € 33m which was fully in line with expectations (H&A: € 32.5m). More importantly, sales grew organically by c. 2% yoy underscoring the decent underlying dynamics. Isotope Products remained broadly flat yoy at € 17.5m thanks to a healthy business in the medical field which compensated for a still mixed business in oil & gas. Radiopharma posted solid sales growth of 10.1% yoy to € 9.9m on the back of growing generator sales. The Therapy segment showed a decline of sales by 16.8% yoy to € 5.7m which was due to the deconsolidation of the US seed business (H&A: € 1-2m) as well as generally weak afterloader sales.

Q3 EBIT increased strongly by 56.2% yoy to € 4.1m exceeding expectations (H&A: € 3.7m). This was driven by Radiopharma which contributed an EBIT of € 1.9m thanks to a sound product mix as well as economies of scale. Isotope Products posted a solid EBIT of € 2.6m thanks to solid dynamics in the medical field which could however only partly offset the lower share of high margin oil & gas business. Moreover, the Therapy segment reached an EBIT of € -0.2m (Q3 15: € -1.0m) showing first improvements from the recent restructuring & the deconsolidation of the loss-making US seed business.

Q3 net income grew by 38.2% yoy to € 2.8m (H&A: € 2.6m) which was primarily driven by the sound EBIT but affected by a slightly higher than expected tax rate (32%).

Outlook: Management reiterated its FY 2016E guidance of approximately € 140m sales (H&A: € 140m) as well as an EPS of ~€ 1.80 (H&A: € 1.79) which looks well achievable following € 103m sales as well as EPS of € 1.43 after 9M 2016. Importantly, **management gave a first indication on FY 2017E expecting sales of around € 150m (H&A: € 148m) as well as an EPS of >€ 2.00 (H&A: € 2.09).**

Action: We increase our sales & EBIT estimates to account for the better than expected dynamics in Radiopharma, a gradual improvement from oil & gas in 2017E as well as some additional benefits from the restructuring going into 2017E. 2016E EPS are raised less than EBIT due to a higher tax rate.

All in all, Q3 results underscore that Eckert & Ziegler is well on track and underlying dynamics look set to remain intact. **Trading at 5.6x EV/EBIT 2016E, the stock looks undervalued** and hence is a **BUY** with a new **PT of € 31** (old: € 28) based conservatively on FCFY 2016E.

- continued -



Source: Company data, Hauck & Aufhäuser

High/low 52 weeks: 21.95 / 17.26
Price/Book Ratio: 1.1
Relative performance (SDAX):
 3 months 0.6 %
 6 months -0.6 %
 12 months 4.7 %

Changes in estimates

		Sales	EBIT	EPS
2016	old:	139.5	14.9	1.79
	Δ	0.3%	10.6%	2.8%
2017	old:	144.4	15.4	1.87
	Δ	2.7%	15.2%	11.9%

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.

Y/E 31.12 (EUR m)	2012	2013	2014	2015	2016E	2017E	2018E
Sales	120.0	117.1	127.3	140.0	139.9	148.3	154.2
Sales growth	3 %	-2 %	9 %	10 %	0 %	6 %	4 %
EBITDA	27.5	22.1	20.1	25.6	24.9	26.7	27.6
EBIT	19.7	12.8	13.0	16.8	16.5	17.8	18.7
Net income	10.3	9.1	6.8	10.7	9.7	11.0	11.6
Net debt	-15.4	-6.8	-3.1	-15.9	-25.3	-30.5	-45.4
Net gearing	-19.1 %	-8.2 %	-3.5 %	-16.0 %	-25.1 %	-26.2 %	-28.8 %
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	1.84	2.09	2.20
CPS	1.74	1.14	0.82	1.62	2.70	1.83	1.85
DPS	0.60	0.60	0.60	0.60	0.60	0.68	0.72
Dividend yield	2.9 %	2.9 %	2.9 %	2.9 %	2.9 %	3.3 %	3.4 %
Gross profit margin	54.3 %	48.7 %	50.1 %	44.5 %	50.3 %	50.5 %	50.6 %
EBITDA margin	22.9 %	18.8 %	15.8 %	18.3 %	17.8 %	18.0 %	17.9 %
EBIT margin	16.4 %	10.9 %	10.2 %	12.0 %	11.8 %	12.0 %	12.1 %
ROCE	15.9 %	9.3 %	8.6 %	10.7 %	10.1 %	10.5 %	10.9 %
EV/sales	0.8	0.9	0.9	0.7	0.7	0.6	0.5
EV/EBITDA	3.7	4.9	5.7	4.0	3.7	3.3	2.6
EV/EBIT	5.1	8.5	8.9	6.1	5.6	4.9	3.9
PER	10.7	12.2	16.3	10.3	11.3	10.0	9.5
Adjusted FCF yield	13.9 %	9.3 %	7.9 %	13.4 %	13.0 %	15.5 %	18.6 %

Source: Company data, Hauck & Aufhäuser Close price as of: 02.11.2016

Eckert & Ziegler AG

Eckert & Ziegler Key Figures (€ m)	Q3 16	Q3 16 est	Q3 15	yoy	Q2 16	qoq	9M 16	9M 15	yoy
Sales	33.1	32.5	33.7	-1.8%	34.3	-3.5%	103.2	102.5	0.7%
Isotope Products*	17.5	17.0	17.7	-1.2%	18.9	-7.5%	56.1	54.5	2.9%
Therapy	5.7	6.0	6.9	-16.8%	5.6	1.7%	17.7	21.5	-17.7%
Radiopharma	9.9	9.5	9.0	10.1%	9.8	1.2%	29.3	26.2	11.7%
Others	0.0	0.0	0.0	-	0.0	-	0.0	0.2	-
EBIT	4.1	3.7	2.6	56.2%	4.9	-15.8%	13.3	15.0	-11.5%
Margin	12.5%	9.9%	7.8%	+ 4.6 pp	14.3%	- 1.8 pp	12.9%	14.7%	- 1.8 pp
Isotope Products*	2.6	2.5	3.6	-27.7%	3.4	-22.5%	9.5	8.2	16.6%
Margin	15.0%	14.7%	20.5%	- 5.5 pp	17.9%	- 2.9 pp	16.9%	15.0%	+ 2.0 pp
Therapy	-0.2	0.2	-1.0	-77.7%	0.4	-149.6%	-0.2	-2.9	-93.5%
Margin	-3.9%	3.3%	-14.5%	+ 11 pp	8.0%	- 12 pp	-1.1%	-13.5%	+ 12.4 pp
Radiopharma	1.9	1.5	1.3	43.2%	1.1	69.8%	4.5	8.7	-48.2%
Margin	19.2%	15.8%	14.8%	+ 4.4 pp	11.4%	+ 8 pp	15.5%	33.3%	- 17.9 pp
Others	-0.2	-0.5	-1.3	-	0.0	315.4%	-0.6	1.0	-
Net profit	2.8	2.6	2.1	38.2%	2.2	28.6%	7.5	9.5	-20.9%
Net margin	8.6%	8.0%	6.1%	+ 2.5 pp	6.5%	+ 2.1 pp	7.3%	9.3%	- 0.2 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
Sales	120.0	117.1	127.3	140.0	139.9	148.3	154.2
Sales growth	3.3 %	-2.4 %	8.6 %	10.1 %	-0.1 %	6.0 %	4.0 %
Cost of sales	54.8	60.1	63.5	77.7	69.5	73.4	76.2
Gross profit	65.2	57.1	63.8	62.4	70.4	74.9	78.1
Sales and marketing	20.6	21.9	23.6	25.6	25.9	27.4	28.5
General and administration	22.8	23.9	25.0	27.0	27.5	29.2	30.4
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	3.4	3.5
Other operating expenses	8.1	2.2	5.1	6.5	3.6	3.8	4.0
Unusual or infrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	27.5	22.1	20.1	25.6	24.9	26.7	27.6
Depreciation	7.7	9.3	7.1	8.8	8.4	8.9	8.9
EBITA	19.7	12.8	13.0	16.8	16.5	17.8	18.7
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	19.7	12.8	13.0	16.8	16.5	17.8	18.7
Interest income	0.5	1.3	0.5	0.2	0.2	0.2	0.2
Interest expenses	2.8	1.2	1.6	1.5	1.0	1.0	1.0
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	-0.8	-0.8
Recurring pretax income from continuing operations	17.5	12.9	11.8	15.5	15.7	17.0	17.9
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	17.5	12.9	11.8	15.5	15.7	17.0	17.9
Taxes	5.7	2.4	5.3	5.1	6.0	5.9	6.3
Net income from continuing operations	11.8	10.5	6.5	10.4	9.7	11.0	11.6
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	11.8	10.5	6.5	10.4	9.7	11.0	11.6
Minority interest	1.5	1.4	-0.3	-0.4	0.0	0.0	0.0
Net income (net of minority interest)	10.3	9.1	6.8	10.7	9.7	11.0	11.6
Average number of shares	5.3	5.3	5.3	5.3	5.3	5.3	5.3
EPS reported	1.95	1.72	1.28	2.03	1.84	2.09	2.20

Profit and loss (common size)	2012	2013	2014	2015	2016E	2017E	2018E
Sales	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Cost of sales	45.7 %	51.3 %	49.9 %	55.5 %	49.7 %	49.5 %	49.4 %
Gross profit	54.3 %	48.7 %	50.1 %	44.5 %	50.3 %	50.5 %	50.6 %
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 %	2.6 %	2.6 %	2.6 %
Unusual or infrequent items	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBITDA	22.9 %	18.8 %	15.8 %	18.3 %	17.8 %	18.0 %	17.9 %
Depreciation	6.5 %	7.9 %	5.6 %	6.3 %	6.0 %	6.0 %	5.8 %
EBITA	16.4 %	10.9 %	10.2 %	12.0 %	11.8 %	12.0 %	12.1 %
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	16.4 %	10.9 %	10.2 %	12.0 %	11.8 %	12.0 %	12.1 %
Interest income	0.4 %	1.1 %	0.4 %	0.1 %	0.1 %	0.2 %	0.1 %
Interest expenses	2.3 %	1.0 %	1.3 %	1.1 %	0.7 %	0.7 %	0.6 %
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 %	-0.5 %
Recurring pretax income from continuing operations	14.6 %	11.0 %	9.3 %	11.1 %	11.2 %	11.5 %	11.6 %
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Earnings before taxes	14.6 %	11.0 %	9.3 %	11.1 %	11.2 %	11.5 %	11.6 %
Tax rate	32.6 %	18.9 %	44.9 %	33.1 %	38.0 %	35.0 %	35.0 %
Net income from continuing operations	9.8 %	9.0 %	5.1 %	7.4 %	7.0 %	7.4 %	7.5 %
Result from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income	9.8 %	9.0 %	5.1 %	7.4 %	7.0 %	7.4 %	7.5 %
Minority interest	1.2 %	1.2 %	-0.2 %	-0.3 %	0.0 %	0.0 %	0.0 %
Net income (net of minority interest)	8.6 %	7.8 %	5.3 %	7.7 %	7.0 %	7.4 %	7.5 %

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2012	2013	2014	2015	2016E	2017E	2018E
Intangible assets	45.8	52.7	55.6	54.1	54.1	54.1	54.1
Property, plant and equipment	31.2	33.5	36.1	36.0	36.6	36.7	27.8
Financial assets	4.0	7.3	6.3	2.8	2.8	2.8	2.8
FIXED ASSETS	81.0	93.5	98.0	92.9	93.5	93.6	84.7
Inventories	15.5	17.8	24.3	25.0	26.4	29.1	30.8
Accounts receivable	22.0	23.1	23.8	21.4	26.8	28.4	29.6
Other current assets	6.0	5.2	9.9	16.5	8.6	9.1	9.5
Liquid assets	30.8	29.4	21.8	31.5	40.1	44.7	45.4
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
CURRENT ASSETS	83.4	85.4	89.3	103.8	101.9	111.3	115.3
TOTAL ASSETS	164.4	178.9	187.3	196.7	195.4	204.9	200.0
SHAREHOLDERS EQUITY	80.7	83.5	88.6	99.7	101.0	116.6	157.3
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	10.9
Other provisions	22.0	28.0	27.2	31.4	32.1	32.7	0.0
Non-current liabilities	40.6	54.3	45.6	46.9	47.0	47.2	10.9
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	8.6	9.1	9.4
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	21.1	21.9
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
Current liabilities	36.9	34.0	47.2	45.1	42.4	41.1	31.7
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	164.4	178.9	187.3	196.7	195.4	204.9	200.0

Balance sheet (common size)	2012	2013	2014	2015	2016E	2017E	2018E
Intangible assets	27.9 %	29.4 %	29.7 %	27.5 %	27.7 %	26.4 %	27.1 %
Property, plant and equipment	18.9 %	18.7 %	19.3 %	18.3 %	18.7 %	17.9 %	13.9 %
Financial assets	2.5 %	4.1 %	3.4 %	1.4 %	1.4 %	1.4 %	1.4 %
FIXED ASSETS	49.3 %	52.2 %	52.3 %	47.2 %	47.8 %	45.7 %	42.3 %
Inventories	9.4 %	9.9 %	13.0 %	12.7 %	13.5 %	14.2 %	15.4 %
Accounts receivable	13.4 %	12.9 %	12.7 %	10.9 %	13.7 %	13.9 %	14.8 %
Other current assets	3.7 %	2.9 %	5.3 %	8.4 %	4.4 %	4.5 %	4.7 %
Liquid assets	18.8 %	16.5 %	11.7 %	16.0 %	20.5 %	21.8 %	22.7 %
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 %
CURRENT ASSETS	50.7 %	47.8 %	47.7 %	52.8 %	52.2 %	54.3 %	57.7 %
TOTAL ASSETS	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
SHAREHOLDERS EQUITY	49.1 %	46.7 %	47.3 %	50.7 %	51.7 %	56.9 %	78.7 %
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 %	5.3 %	5.5 %
Other provisions	13.4 %	15.7 %	14.5 %	16.0 %	16.4 %	16.0 %	0.0 %
Non-current liabilities	24.7 %	30.3 %	24.3 %	23.8 %	24.0 %	23.0 %	5.5 %
short-term liabilities to banks	3.4 %	2.8 %	6.1 %	5.4 %	5.4 %	5.1 %	0.0 %
Accounts payable	4.5 %	4.3 %	4.4 %	3.8 %	4.4 %	4.4 %	4.7 %
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 %	10.3 %	11.0 %
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 %
Current liabilities	22.4 %	19.0 %	25.2 %	22.9 %	21.7 %	20.0 %	15.9 %
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)	2012	2013	2014	2015	2016E	2017E	2018E
Net profit/loss	11.8	10.5	6.5	10.4	9.7	11.0	11.6
Depreciation of fixed assets (incl. leases)	7.7	2.6	7.1	8.8	8.4	8.9	8.9
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	0.0
Cash flow from operations before changes in w/c	16.7	17.6	14.9	13.6	18.3	20.2	20.5
Increase/decrease in inventory	-1.3	-2.1	-5.1	0.3	-1.3	-2.7	-1.8
Increase/decrease in accounts receivable	-2.2	-0.2	-0.8	2.0	-5.4	-1.6	-1.1
Increase/decrease in accounts payable	5.5	-3.6	3.1	0.2	1.0	0.5	0.3
Increase/decrease in other working capital positions	-2.8	2.9	-1.5	0.1	8.9	1.1	0.5
Increase/decrease in working capital	-0.8	-2.9	-4.3	2.6	3.1	-2.7	-2.1
Cash flow from operating activities	15.9	14.6	10.7	16.2	21.4	17.4	18.4
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
Cash flow from investing activities	-11.4	-17.4	-10.8	1.0	-9.0	-9.0	0.0
Cash flow before financing	4.5	-2.7	-0.2	17.2	12.4	8.4	3.6
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	3.6
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
Cash flow from financing activities	-6.6	1.7	-8.5	-8.4	-3.8	-3.8	-17.7
Increase/decrease in liquid assets	-2.1	-1.4	-7.5	9.6	8.6	4.6	n/a
Liquid assets at end of period	30.2	28.8	21.2	31.5	40.1	44.7	45.4

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	5.3	-5.5	0.0
yoy change	0.0 %	-2.4 %	53.7 %	67.6 %	-49.7 %	neg.	n/a
TTL	120.0	117.1	127.3	140.0	139.9	148.3	0.0
yoy change	3.3 %	-2.4 %	8.6 %	10.1 %	-0.1 %	6.0 %	n/a

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2012	2013	2014	2015	2016E	2017E	2018E
P&L growth analysis							
Sales growth	3.3 %	-2.4 %	8.6 %	10.1 %	-0.1 %	6.0 %	4.0 %
EBITDA growth	-9.7 %	-19.7 %	-8.9 %	27.2 %	-2.8 %	7.2 %	3.4 %
EBIT growth	-13.9 %	-35.0 %	1.1 %	29.7 %	-2.0 %	7.9 %	5.1 %
EPS growth	-1.2 %	-11.9 %	-25.5 %	58.2 %	-9.1 %	13.4 %	5.2 %
Efficiency							
Total operating costs / sales	37.9 %	37.8 %	39.9 %	32.5 %	38.5 %	38.5 %	38.5 %
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
Balance sheet analysis							
Avg. working capital / sales	22.2 %	25.0 %	26.6 %	26.9 %	29.6 %	31.1 %	32.0 %
Inventory turnover (sales/inventory)	7.8	6.6	5.2	5.6	5.3	5.1	5.0
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
Cash flow analysis							
Free cash flow	6.1	5.0	2.8	12.4	12.4	8.4	18.4
Free cash flow/sales	5.1 %	4.3 %	2.2 %	8.8 %	8.9 %	5.7 %	11.9 %
FCF / net profit	59.2 %	55.0 %	41.9 %	115.6 %	127.8 %	76.1 %	158.6 %
Capex / deprec	126.9 %	379.3 %	141.3 %	43.8 %	107.2 %	101.1 %	0.0 %
Capex / maintenance capex	141.0 %	113.8 %	121.6 %	48.7 %	119.1 %	112.4 %	0.0 %
Capex / sales	8.2 %	8.6 %	7.9 %	2.7 %	6.4 %	6.1 %	0.0 %
Security							
Net debt	-15.4	-6.8	-3.1	-15.9	-25.3	-30.5	-45.4
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	-0.3	-0.3	-0.3
Interest cover	7.1	10.8	8.0	11.4	17.1	17.8	18.7
Dividend payout ratio	29.9 %	40.3 %	46.8 %	28.6 %	32.6 %	32.6 %	32.6 %
Asset utilisation							
Capital employed turnover	0.9	0.8	0.8	0.9	0.9	0.9	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	4.0	5.6
Inventory turnover (sales/inventory)	7.8	6.6	5.2	5.6	5.3	5.1	5.0
Returns							
ROCE	15.9 %	9.3 %	8.6 %	10.7 %	10.1 %	10.5 %	10.9 %
ROE	12.8 %	10.9 %	7.6 %	10.8 %	9.6 %	9.5 %	7.4 %
Other							
Interest paid / avg. debt	16.7 %	6.2 %	7.9 %	8.6 %	6.3 %	6.9 %	14.1 %
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	0.7	0.7
EPS reported	1.95	1.72	1.28	2.03	1.84	2.09	2.20
Valuation ratios							
P/BV	1.4	1.3	1.2	1.1	1.1	0.9	0.7
EV/sales	0.8	0.9	0.9	0.7	0.7	0.6	0.5
EV/EBITDA	3.7	4.9	5.7	4.0	3.7	3.3	2.6
EV/EBITA	5.1	8.5	8.9	6.1	5.6	4.9	3.9
EV/EBIT	5.1	8.5	8.9	6.1	5.6	4.9	3.9
EV/FCF	16.5	21.8	40.6	8.2	7.4	10.4	4.0
Adjusted FCF yield	13.9 %	9.3 %	7.9 %	13.4 %	13.0 %	15.5 %	18.6 %
Dividend yield	2.9 %	2.9 %	2.9 %	2.9 %	2.9 %	3.3 %	3.4 %

Source: Company data, Hauck & Aufhäuser

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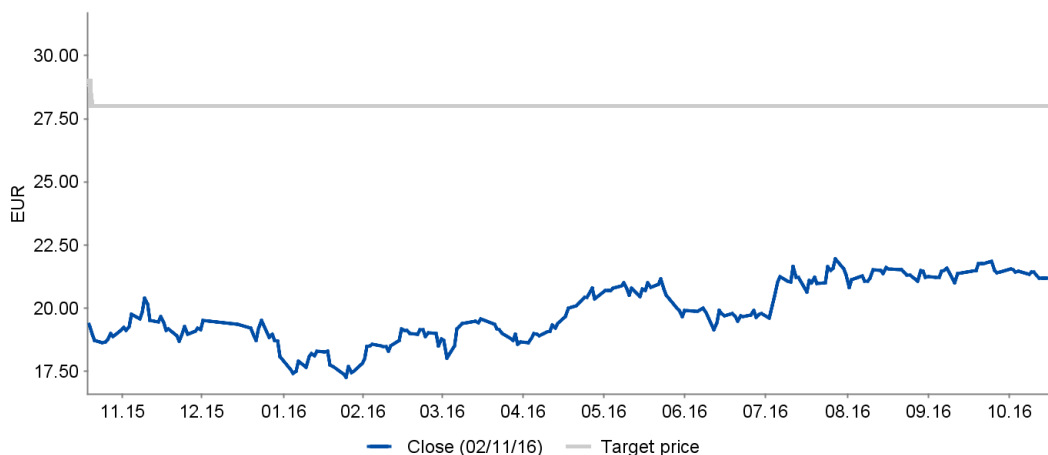
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Company	Disclosure
Eckert & Ziegler AG	2

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

Price and Rating History Eckert & Ziegler AG as of 03/11/16

Initiation coverage
08-April-10



Company	Date	Analyst	Rating	Target price	Close
Eckert & Ziegler AG	02.08.2016		Buy	EUR 28.00	-
	29.07.2016		Buy	EUR 28.00	-
	10.05.2016		Buy	EUR 28.00	-
	29.03.2016		Buy	EUR 28.00	-
	22.03.2016		Buy	EUR 28.00	-
	16.03.2016		Buy	EUR 28.00	-

02.12.2015	Buy	EUR 28.00	-
05.11.2015	Buy	EUR 28.00	-

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