



**Buy** (old: Buy)

**Price target: EUR 43.00** (old: EUR 37.00)

<b>Price:</b>	EUR 34.62	<b>Next result:</b>	Q3 09.11.17
<b>Bloomberg:</b>	EUZ GR	<b>Market cap:</b>	EUR 177.8 m
<b>Reuters:</b>	EUZG.DE	<b>Enterprise Value:</b>	EUR 150.4 m

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### Solid Q2, turnaround on track, chg. in est. & PT

Eckert & Ziegler reported solid Q2 figures yesterday underscoring that its turnaround is well on track and underlying dynamics remain solid. Against this backdrop, we **increase our PT to € 43** (old: € 37) and reiterate our BUY recommendation.

**Q2 sales increased by 8.7% yoy to € 32m** (H&A: € 31m) when adjusted for the recently sold cyclotron business. Key driver was the Radiopharma segment (21% of sales) which grew by 42% yoy to € 7.0m thanks to a very healthy gallium generator business and a strong US business in general. Moreover, the Therapy business (19% of sales) increased sales by 12% yoy to € 6.3m amid minor consolidation effects as well as a weak Q2 2016. Isotope Products' sales (60% of sales) remained broadly flat yoy (-1% yoy) and benefitted from first time consolidation effects related to the Gamma acquisition (organically -3-4% yoy).

**Q2 EBIT came down 3.1% yoy to € 4.9m (H&A: € 5.0m)**. This was affected by a peak in demand in the Isotope Products segment last year as well as some negative FX effects which led to a 46% yoy segmental EBIT decline to € 1.8m. Positively however, **Therapy EBIT increased by 158% yoy to € 1.2m** thanks to economies of scale as well as efficiency gains from the restructuring. Similarly, **Radiopharma increased EBIT by 91% yoy to € 2.4m** on the back of operating leverage amid the strong sales development as well as the divestment of the loss-making cyclotron business.

**Q2 net income grew by 145% yoy to € 6.0m** (H&A: € 3.5m), largely due to a deconsolidation gain from the sale of the cyclotron business of ~€ 2.5m (net of tax).

**Outlook: Management reiterated its guidance** of up to € 150m of sales as well as an EPS of € 2.80 which includes an income from discontinued operations of € 0.60/share. **Operational EPS looks set to come in at € 2.20 which is in-line with our estimates** (€ 2.22).

**Action:** We increase our estimates to 1) reflect the sale of the cyclotron business (May 17) as well as the acquisition (May 17) and integration of Gamma.

All in all, Q2 figures underscore that Eckert & Ziegler's **repositioning in the Therapy as well as Radiopharma segments is very well on track** while the comparable base in Isotope Products should become more favourable. As a result, newsflow should remain positive and we roll-over valuation to FCFY 2018E. **Trading at 7x EV/EBIT 2018E**, the stock is a **BUY** with a **PT of € 43** (old: € 37). - continued -

Y/E 31.12 (EUR m)	2013	2014	2015	2016	2017E	2018E	2019E
Sales	117.1	127.3	139.7	137.9	141.5	152.8	157.4
Sales growth	-2 %	9 %	10 %	-1 %	3 %	8 %	3 %
EBITDA	22.1	20.1	25.3	25.0	28.2	30.8	32.2
EBIT	12.8	13.0	16.5	16.2	19.2	21.0	22.1
Net income	9.1	6.8	10.4	9.6	14.8	12.8	13.6
Net debt	-6.8	-3.1	-15.9	-24.9	-39.4	-46.1	-56.0
Net gearing	-8.2 %	-3.5 %	-16.0 %	-23.7 %	-33.6 %	-36.8 %	-41.8 %
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EPS pro forma	1.72	1.28	1.97	1.97	3.39	2.42	2.57
CPS	1.14	0.82	1.57	2.42	2.22	2.01	2.47
DPS	0.60	0.60	0.60	0.66	0.84	0.73	0.77
Dividend yield	1.7 %	1.7 %	1.7 %	1.9 %	2.4 %	2.1 %	2.2 %
Gross profit margin	48.7 %	50.1 %	44.4 %	47.9 %	49.4 %	49.8 %	49.9 %
EBITDA margin	18.8 %	15.8 %	18.1 %	18.1 %	20.0 %	20.1 %	20.4 %
EBIT margin	10.9 %	10.2 %	11.8 %	11.8 %	13.6 %	13.7 %	14.0 %
ROCE	9.3 %	8.6 %	10.5 %	9.8 %	11.4 %	12.2 %	12.2 %
EV/sales	1.5	1.5	1.2	1.2	1.1	0.9	0.9
EV/EBITDA	8.1	9.2	6.8	6.6	5.3	4.7	4.2
EV/EBIT	14.0	14.3	10.4	10.1	7.8	6.9	6.1
PER	20.1	27.0	17.6	17.6	10.2	14.3	13.5
Adjusted FCF yield	5.5 %	4.8 %	7.6 %	7.6 %	8.9 %	10.2 %	11.5 %

Source: Company data, Hauck & Aufhäuser Close price as of: 02.08.2017



Source: Company data, Hauck & Aufhäuser

**High/low 52 weeks:** 37.75 / 20.81  
**Price/Book Ratio:** 1.6  
**Relative performance (SDAX):**  
 3 months 34.1 %  
 6 months 21.1 %  
 12 months 43.4 %

### Changes in estimates

		Sales	EBIT	EPS
2017	old:	137.1	19.0	2.22
	Δ	3.2%	1.2%	52.7%
2018	old:	142.6	20.4	2.41
	Δ	7.2%	2.7%	0.6%
2019	old:	146.9	21.3	2.53
	Δ	7.2%	3.5%	1.6%

### Key share data:

Number of shares: (in m pcs) 5.3  
 Authorised capital: (in € m) 0.6  
 Book value per share: (in €) 22.2  
 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 17	Q2 17 est	Q2 16	yoy	Q1 17	qoq	H1 17	H1 16	yoy
<b>Sales</b>	<b>32.0</b>	<b>31.0</b>	<b>29.5</b>	8.7%	<b>32.8</b>	-2.4%	<b>64.8</b>	<b>60.9</b>	6.4%
Isotope Products*	18.7	19.0	18.9	-0.9%	20.4	-8.2%	39.1	38.6	1.2%
Therapy	6.3	6.0	5.6	11.6%	6.0	4.5%	12.3	12.0	2.0%
Radiopharma	7.0	6.0	5.0	41.9%	6.4	9.5%	13.5	10.2	31.5%
Others	0.0	0.0	0.0	-	0.0	-	0.0	0.0	-
<b>EBIT</b>	<b>4.9</b>	<b>5.0</b>	<b>5.0</b>	-3.1%	<b>5.4</b>	-8.8%	<b>10.2</b>	<b>9.3</b>	10.4%
Margin	15.2%	16.1%	17.1%	- 1.9 pp	16.3%	- 1.1 pp	15.8%	15.2%	+ 0.6 pp
Isotope Products*	1.8	2.1	3.4	-46.4%	3.5	-49.0%	5.4	6.9	-22.2%
Margin	9.7%	11.1%	17.9%	- 8.2 pp	17.4%	- 7.7 pp	13.7%	17.8%	- 4.1 pp
Therapy	1.2	0.8	0.4	157.8%	0.3	258.7%	1.5	0.0	4515.6%
Margin	18.4%	13.3%	8.0%	+ 10 pp	5.4%	+ 13 pp	12.0%	0.3%	+ 11.8 pp
Radiopharma	2.4	2.1	1.3	90.6%	1.5	57.7%	3.9	2.8	41.8%
Margin	34.0%	35.0%	25.3%	+ 8.7 pp	23.6%	+ 10 pp	29.0%	26.9%	+ 2.1 pp
Others	-0.5	0.0	0.0	-	0.0	1425.8%	-0.5	-0.4	-
<b>Net profit</b>	<b>6.0</b>	<b>3.5</b>	<b>2.4</b>	145.2%	<b>3.7</b>	63.1%	<b>9.7</b>	<b>4.9</b>	98.1%
Net margin	18.7%	11.3%	8.3%	+ 10.4 pp	11.2%	+ 7.5 pp	14.9%	8.0%	+ 0.9 pp

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

## Financials

Profit and loss (EUR m)	2013	2014	2015	2016	2017E	2018E	2019E
<b>Sales</b>	<b>117.1</b>	<b>127.3</b>	<b>139.7</b>	<b>137.9</b>	<b>141.5</b>	<b>152.8</b>	<b>157.4</b>
Sales growth	-2.4 %	8.6 %	9.8 %	-1.3 %	2.6 %	8.0 %	3.0 %
Cost of sales	60.1	63.5	77.7	71.8	71.5	76.7	78.8
<b>Gross profit</b>	<b>57.1</b>	<b>63.8</b>	<b>62.1</b>	<b>66.1</b>	<b>69.9</b>	<b>76.1</b>	<b>78.5</b>
Sales and marketing	21.9	23.6	25.6	22.6	22.9	24.8	25.3
General and administration	23.9	25.0	27.0	26.7	27.2	29.6	30.4
Research and development	4.9	0.0	0.0	0.0	0.0	0.0	0.0
Other operating income	8.6	2.9	13.6	5.1	5.2	5.6	5.8
Other operating expenses	2.2	5.1	6.5	5.7	5.9	6.4	6.5
Unusual or infrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBITDA</b>	<b>22.1</b>	<b>20.1</b>	<b>25.3</b>	<b>25.0</b>	<b>28.2</b>	<b>30.8</b>	<b>32.2</b>
Depreciation	9.3	7.1	8.8	8.8	9.1	9.8	10.1
<b>EBITA</b>	<b>12.8</b>	<b>13.0</b>	<b>16.5</b>	<b>16.2</b>	<b>19.2</b>	<b>21.0</b>	<b>22.1</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>12.8</b>	<b>13.0</b>	<b>16.5</b>	<b>16.2</b>	<b>19.2</b>	<b>21.0</b>	<b>22.1</b>
Interest income	1.3	0.5	0.2	0.4	0.2	0.2	0.3
Interest expenses	1.2	1.6	1.5	1.4	1.0	1.0	1.0
Other financial result	0.0	0.0	0.0	0.0	-0.5	-0.5	-0.5
Financial result	0.1	-1.2	-1.3	-0.9	-1.3	-1.3	-1.2
<b>Recurring pretax income from continuing operations</b>	<b>12.9</b>	<b>11.8</b>	<b>15.2</b>	<b>15.3</b>	<b>17.9</b>	<b>19.7</b>	<b>20.9</b>
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Earnings before taxes</b>	<b>12.9</b>	<b>11.8</b>	<b>15.2</b>	<b>15.3</b>	<b>17.9</b>	<b>19.7</b>	<b>20.9</b>
Taxes	2.4	5.3	5.1	4.6	6.3	6.9	7.3
<b>Net income from continuing operations</b>	<b>10.5</b>	<b>6.5</b>	<b>10.1</b>	<b>10.7</b>	<b>11.6</b>	<b>12.8</b>	<b>13.6</b>
Result from discontinued operations (net of tax)	0.0	0.0	0.0	-0.9	3.2	0.0	0.0
<b>Net income</b>	<b>10.5</b>	<b>6.5</b>	<b>10.1</b>	<b>9.8</b>	<b>14.8</b>	<b>12.8</b>	<b>13.6</b>
Minority interest	1.4	-0.3	-0.4	0.2	0.0	0.0	0.0
<b>Net income (net of minority interest)</b>	<b>9.1</b>	<b>6.8</b>	<b>10.4</b>	<b>9.6</b>	<b>14.8</b>	<b>12.8</b>	<b>13.6</b>
Average number of shares	5.3	5.3	5.3	5.3	5.3	5.3	5.3
<b>EPS reported</b>	<b>1.72</b>	<b>1.28</b>	<b>1.97</b>	<b>1.81</b>	<b>2.80</b>	<b>2.42</b>	<b>2.57</b>

Profit and loss (common size)	2013	2014	2015	2016	2017E	2018E	2019E
<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	51.3 %	49.9 %	55.6 %	52.1 %	50.6 %	50.2 %	50.1 %
<b>Gross profit</b>	<b>48.7 %</b>	<b>50.1 %</b>	<b>44.4 %</b>	<b>47.9 %</b>	<b>49.4 %</b>	<b>49.8 %</b>	<b>49.9 %</b>
Sales and marketing	18.7 %	18.5 %	18.4 %	16.4 %	16.2 %	16.2 %	16.1 %
General and administration	20.4 %	19.7 %	19.3 %	19.4 %	19.2 %	19.4 %	19.3 %
Research and development	4.2 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other operating income	7.4 %	2.3 %	9.7 %	3.7 %	3.7 %	3.7 %	3.7 %
Other operating expenses	1.8 %	4.0 %	4.6 %	4.2 %	4.2 %	4.2 %	4.2 %
Unusual or infrequent items	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>EBITDA</b>	<b>18.8 %</b>	<b>15.8 %</b>	<b>18.1 %</b>	<b>18.1 %</b>	<b>20.0 %</b>	<b>20.1 %</b>	<b>20.4 %</b>
Depreciation	7.9 %	5.6 %	6.3 %	6.4 %	6.4 %	6.4 %	6.4 %
<b>EBITA</b>	<b>10.9 %</b>	<b>10.2 %</b>	<b>11.8 %</b>	<b>11.8 %</b>	<b>13.6 %</b>	<b>13.7 %</b>	<b>14.0 %</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>10.9 %</b>	<b>10.2 %</b>	<b>11.8 %</b>	<b>11.8 %</b>	<b>13.6 %</b>	<b>13.7 %</b>	<b>14.0 %</b>
Interest income	1.1 %	0.4 %	0.1 %	0.3 %	0.1 %	0.2 %	0.2 %
Interest expenses	1.0 %	1.3 %	1.1 %	1.0 %	0.7 %	0.7 %	0.6 %
Other financial result	0.0 %	0.0 %	0.0 %	0.0 %	-0.4 %	-0.3 %	-0.3 %
Financial result	0.1 %	-0.9 %	-0.9 %	-0.7 %	-0.9 %	-0.8 %	-0.8 %
<b>Recurring pretax income from continuing operations</b>	<b>11.0 %</b>	<b>9.3 %</b>	<b>10.9 %</b>	<b>11.1 %</b>	<b>12.6 %</b>	<b>12.9 %</b>	<b>13.3 %</b>
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Earnings before taxes</b>	<b>11.0 %</b>	<b>9.3 %</b>	<b>10.9 %</b>	<b>11.1 %</b>	<b>12.6 %</b>	<b>12.9 %</b>	<b>13.3 %</b>
Tax rate	18.9 %	44.9 %	33.8 %	30.3 %	35.0 %	35.0 %	35.0 %
<b>Net income from continuing operations</b>	<b>9.0 %</b>	<b>5.1 %</b>	<b>7.2 %</b>	<b>7.7 %</b>	<b>8.2 %</b>	<b>8.4 %</b>	<b>8.6 %</b>
Result from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	-0.6 %	2.2 %	0.0 %	0.0 %
<b>Net income</b>	<b>9.0 %</b>	<b>5.1 %</b>	<b>7.2 %</b>	<b>7.1 %</b>	<b>10.5 %</b>	<b>8.4 %</b>	<b>8.6 %</b>
Minority interest	1.2 %	-0.2 %	-0.3 %	0.2 %	0.0 %	0.0 %	0.0 %
<b>Net income (net of minority interest)</b>	<b>7.8 %</b>	<b>5.3 %</b>	<b>7.5 %</b>	<b>6.9 %</b>	<b>10.5 %</b>	<b>8.4 %</b>	<b>8.6 %</b>

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2013	2014	2015	2016	2017E	2018E	2019E
<b>Intangible assets</b>	<b>52.7</b>	<b>55.6</b>	<b>54.1</b>	<b>53.0</b>	<b>53.0</b>	<b>53.0</b>	<b>53.0</b>
Property, plant and equipment	33.5	36.1	36.0	37.8	37.8	37.0	35.9
Financial assets	7.3	6.3	2.8	2.9	2.9	2.9	2.9
<b>FIXED ASSETS</b>	<b>93.5</b>	<b>98.0</b>	<b>92.9</b>	<b>93.7</b>	<b>93.6</b>	<b>92.8</b>	<b>91.8</b>
Inventories	17.8	24.3	25.0	25.1	27.7	30.0	30.9
Accounts receivable	23.1	23.8	21.4	23.2	23.8	25.7	26.5
Other current assets	5.2	9.9	16.5	11.9	8.7	9.4	9.7
Liquid assets	29.4	21.8	31.5	36.6	42.4	48.8	58.4
Deferred taxes	9.9	9.5	9.4	9.0	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>85.4</b>	<b>89.3</b>	<b>103.8</b>	<b>105.8</b>	<b>102.6</b>	<b>113.8</b>	<b>125.4</b>
<b>TOTAL ASSETS</b>	<b>178.9</b>	<b>187.3</b>	<b>196.7</b>	<b>199.5</b>	<b>196.3</b>	<b>206.6</b>	<b>217.2</b>
SHAREHOLDERS EQUITY	83.5	88.6	99.7	105.2	117.3	125.0	134.0
MINORITY INTEREST	7.1	5.9	5.0	4.9	0.0	0.0	0.0
Long-term debt	17.6	7.3	5.0	4.1	2.0	1.7	1.4
Provisions for pensions and similar obligations	8.7	11.1	10.5	11.8	12.0	12.3	12.5
Other provisions	28.0	27.2	31.4	35.3	36.0	36.7	37.4
<b>Non-current liabilities</b>	<b>54.3</b>	<b>45.6</b>	<b>46.9</b>	<b>51.2</b>	<b>50.0</b>	<b>50.7</b>	<b>51.4</b>
short-term liabilities to banks	5.1	11.4	10.6	7.5	1.0	1.0	1.0
Accounts payable	7.8	8.2	7.5	6.4	6.4	6.8	7.0
Advance payments received on orders	2.2	3.1	0.4	1.4	1.4	1.4	1.4
Other liabilities (incl. from lease and rental contracts)	15.5	19.5	18.6	15.6	20.1	21.7	22.4
Deferred taxes	3.3	4.9	6.2	5.6	0.0	0.0	0.0
Deferred income	0.1	0.1	1.8	1.7	0.0	0.0	0.0
<b>Current liabilities</b>	<b>34.0</b>	<b>47.2</b>	<b>45.1</b>	<b>38.2</b>	<b>28.9</b>	<b>31.0</b>	<b>31.8</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>178.9</b>	<b>187.3</b>	<b>196.7</b>	<b>199.5</b>	<b>196.3</b>	<b>206.6</b>	<b>217.2</b>

Balance sheet (common size)	2013	2014	2015	2016	2017E	2018E	2019E
<b>Intangible assets</b>	<b>29.4 %</b>	<b>29.7 %</b>	<b>27.5 %</b>	<b>26.6 %</b>	<b>27.0 %</b>	<b>25.6 %</b>	<b>24.4 %</b>
Property, plant and equipment	18.7 %	19.3 %	18.3 %	19.0 %	19.2 %	17.9 %	16.5 %
Financial assets	4.1 %	3.4 %	1.4 %	1.4 %	1.5 %	1.4 %	1.3 %
<b>FIXED ASSETS</b>	<b>52.2 %</b>	<b>52.3 %</b>	<b>47.2 %</b>	<b>47.0 %</b>	<b>47.7 %</b>	<b>44.9 %</b>	<b>42.2 %</b>
Inventories	9.9 %	13.0 %	12.7 %	12.6 %	14.1 %	14.5 %	14.2 %
Accounts receivable	12.9 %	12.7 %	10.9 %	11.6 %	12.1 %	12.4 %	12.2 %
Other current assets	2.9 %	5.3 %	8.4 %	6.0 %	4.4 %	4.5 %	4.5 %
Liquid assets	16.5 %	11.7 %	16.0 %	18.3 %	21.6 %	23.6 %	26.9 %
Deferred taxes	5.6 %	5.1 %	4.8 %	4.5 %	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>47.8 %</b>	<b>47.7 %</b>	<b>52.8 %</b>	<b>53.0 %</b>	<b>52.3 %</b>	<b>55.1 %</b>	<b>57.8 %</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	46.7 %	47.3 %	50.7 %	52.7 %	59.8 %	60.5 %	61.7 %
MINORITY INTEREST	4.0 %	3.2 %	2.5 %	2.5 %	0.0 %	0.0 %	0.0 %
Long-term debt	9.8 %	3.9 %	2.5 %	2.1 %	1.0 %	0.8 %	0.7 %
Provisions for pensions and similar obligations	4.9 %	5.9 %	5.3 %	5.9 %	6.1 %	5.9 %	5.8 %
Other provisions	15.7 %	14.5 %	16.0 %	17.7 %	18.3 %	17.8 %	17.2 %
<b>Non-current liabilities</b>	<b>30.3 %</b>	<b>24.3 %</b>	<b>23.8 %</b>	<b>25.7 %</b>	<b>25.5 %</b>	<b>24.5 %</b>	<b>23.7 %</b>
short-term liabilities to banks	2.8 %	6.1 %	5.4 %	3.8 %	0.5 %	0.5 %	0.5 %
Accounts payable	4.3 %	4.4 %	3.8 %	3.2 %	3.2 %	3.3 %	3.2 %
Advance payments received on orders	1.3 %	1.6 %	0.2 %	0.7 %	0.7 %	0.7 %	0.7 %
Other liabilities (incl. from lease and rental contracts)	8.7 %	10.4 %	9.4 %	7.8 %	10.2 %	10.5 %	10.3 %
Deferred taxes	1.8 %	2.6 %	3.2 %	2.8 %	0.0 %	0.0 %	0.0 %
Deferred income	0.1 %	0.1 %	0.9 %	0.8 %	0.0 %	0.0 %	0.0 %
<b>Current liabilities</b>	<b>19.0 %</b>	<b>25.2 %</b>	<b>22.9 %</b>	<b>19.1 %</b>	<b>14.7 %</b>	<b>15.0 %</b>	<b>14.7 %</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)	2013	2014	2015	2016	2017E	2018E	2019E
Net profit/loss	10.5	6.5	10.1	9.8	14.8	12.8	13.6
Depreciation of fixed assets (incl. leases)	2.6	7.1	8.8	8.8	9.1	9.8	10.1
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
Others	4.4	1.3	-5.5	-0.8	-2.9	0.2	0.2
Cash flow from operations before changes in w/c	17.6	14.9	13.3	17.7	20.9	22.8	23.9
Increase/decrease in inventory	-2.1	-5.1	0.3	0.3	-2.6	-2.2	-0.9
Increase/decrease in accounts receivable	-0.2	-0.8	2.0	2.0	-0.6	-1.9	-0.8
Increase/decrease in accounts payable	-3.6	3.1	0.2	0.1	0.0	0.5	0.2
Increase/decrease in other working capital positions	2.9	-1.5	0.1	0.2	2.8	0.9	0.4
Increase/decrease in working capital	-2.9	-4.3	2.6	2.6	-0.5	-2.8	-1.1
<b>Cash flow from operating activities</b>	<b>14.6</b>	<b>10.7</b>	<b>15.9</b>	<b>20.3</b>	<b>20.4</b>	<b>20.1</b>	<b>22.8</b>
CAPEX	9.7	7.8	3.8	5.3	9.0	9.0	9.0
Payments for acquisitions	7.4	0.8	0.6	0.2	-6.4	0.0	0.0
Financial investments	0.4	2.3	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	0.0	0.1	5.4	0.0	0.0	0.0	0.0
<b>Cash flow from investing activities</b>	<b>-17.4</b>	<b>-10.8</b>	<b>1.0</b>	<b>-5.5</b>	<b>-2.6</b>	<b>-9.0</b>	<b>-9.0</b>
Cash flow before financing	-2.7	-0.2	16.9	14.8	17.9	11.1	13.8
Increase/decrease in debt position	6.1	-4.1	-3.3	-3.9	-8.7	-0.3	-0.3
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	3.2	3.2	3.2	3.2	3.6	4.4	3.8
Others	-1.2	-1.3	-2.0	-2.5	0.0	0.0	0.0
Effects of exchange rate changes on cash	-0.4	1.2	0.9	0.3	0.0	0.0	0.0
<b>Cash flow from financing activities</b>	<b>1.7</b>	<b>-8.5</b>	<b>-8.4</b>	<b>-9.5</b>	<b>-12.2</b>	<b>-4.7</b>	<b>-4.1</b>
Increase/decrease in liquid assets	-1.4	-7.5	9.3	5.6	5.7	6.4	9.7
<b>Liquid assets at end of period</b>	<b>28.8</b>	<b>21.2</b>	<b>31.2</b>	<b>36.8</b>	<b>42.4</b>	<b>48.8</b>	<b>58.4</b>

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2013	2014	2015	2016	2017E	2018E	2019E
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	68.9	67.6	72.0	74.5	84.9	96.8	110.4
yoy change	-1.0 %	-1.9 %	6.5 %	3.5 %	14.0 %	14.0 %	14.0 %
NAFTA	32.8	41.6	44.5	46.1	53.0	60.9	70.1
yoy change	-0.9 %	26.8 %	7.0 %	3.5 %	15.0 %	15.0 %	15.0 %
Asia Pacific	11.3	11.8	13.0	14.0	15.8	17.9	20.2
yoy change	-13.7 %	4.4 %	10.0 %	8.0 %	13.0 %	13.0 %	13.0 %
Rest of world	4.1	6.3	10.3	3.3	-12.3	-22.9	-43.3
yoy change	-2.4 %	53.7 %	62.9 %	-67.5 %	neg.	neg.	neg.
<b>TTL</b>	<b>117.1</b>	<b>127.3</b>	<b>139.7</b>	<b>137.9</b>	<b>141.5</b>	<b>152.8</b>	<b>157.4</b>
yoy change	-2.4 %	8.6 %	9.8 %	-1.3 %	2.6 %	8.0 %	3.0 %

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2013	2014	2015	2016	2017E	2018E	2019E
<b>P&amp;L growth analysis</b>							
Sales growth	-2.4 %	8.6 %	9.8 %	-1.3 %	2.6 %	8.0 %	3.0 %
EBITDA growth	-19.7 %	-8.9 %	25.8 %	-1.1 %	12.9 %	9.0 %	4.5 %
EBIT growth	-35.0 %	1.1 %	27.4 %	-1.7 %	18.2 %	9.4 %	5.3 %
EPS growth	-11.9 %	-25.5 %	53.8 %	-8.3 %	54.8 %	-13.3 %	5.8 %
<b>Efficiency</b>							
Total operating costs / sales	37.8 %	39.9 %	32.6 %	36.2 %	35.9 %	36.1 %	35.9 %
Sales per employee	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EBITDA per employee	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Balance sheet analysis</b>							
Avg. working capital / sales	25.0 %	26.6 %	26.9 %	28.6 %	29.8 %	29.8 %	30.6 %
Inventory turnover (sales/inventory)	6.6	5.2	5.6	5.5	5.1	5.1	5.1
Trade debtors in days of sales	72.1	68.2	55.9	61.4	61.4	61.4	61.4
A/P turnover [(A/P*365)/sales]	47.3	47.3	35.4	32.5	32.5	32.5	32.5
Cash conversion cycle (days)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Cash flow analysis</b>							
Free cash flow	5.0	2.8	12.1	15.0	11.4	11.1	13.8
Free cash flow/sales	4.3 %	2.2 %	8.6 %	10.9 %	8.1 %	7.3 %	8.8 %
FCF / net profit	55.0 %	41.9 %	116.0 %	156.9 %	77.4 %	86.5 %	101.5 %
Capex / depre	379.3 %	141.3 %	43.8 %	60.8 %	99.4 %	92.0 %	89.4 %
Capex / maintenance capex	113.8 %	121.6 %	48.7 %	67.6 %	99.4 %	92.0 %	89.4 %
Capex / sales	8.6 %	7.9 %	2.7 %	3.9 %	6.4 %	5.9 %	5.7 %
<b>Security</b>							
Net debt	-6.8	-3.1	-15.9	-24.9	-39.4	-46.1	-56.0
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net debt / equity	-0.1	0.0	-0.2	-0.2	-0.3	-0.4	-0.4
Interest cover	10.8	8.0	11.2	11.7	19.2	21.0	22.1
Dividend payout ratio	40.3 %	46.8 %	29.4 %	37.4 %	30.0 %	30.0 %	30.0 %
<b>Asset utilisation</b>							
Capital employed turnover	0.8	0.8	0.9	0.8	0.8	0.9	0.8
Operating assets turnover	1.8	1.7	1.9	1.8	1.7	1.8	1.9
Plant turnover	3.5	3.5	3.9	3.6	3.7	4.1	4.4
Inventory turnover (sales/inventory)	6.6	5.2	5.6	5.5	5.1	5.1	5.1
<b>Returns</b>							
ROCE	9.3 %	8.6 %	10.5 %	9.8 %	11.4 %	12.2 %	12.2 %
ROE	10.9 %	7.6 %	10.5 %	9.1 %	12.6 %	10.3 %	10.1 %
<b>Other</b>							
Interest paid / avg. debt	6.2 %	7.9 %	8.6 %	10.2 %	13.6 %	35.1 %	38.9 %
No. employees (average)	0	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	0.7	0.8	0.7	0.8
EPS reported	1.72	1.28	1.97	1.81	2.80	2.42	2.57
<b>Valuation ratios</b>							
P/BV	2.2	2.1	1.8	1.7	1.6	1.5	1.4
EV/sales	1.5	1.5	1.2	1.2	1.1	0.9	0.9
EV/EBITDA	8.1	9.2	6.8	6.6	5.3	4.7	4.2
EV/EBITA	14.0	14.3	10.4	10.1	7.8	6.9	6.1
EV/EBIT	14.0	14.3	10.4	10.1	7.8	6.9	6.1
EV/FCF	35.9	65.5	14.3	11.0	13.1	13.0	9.8
Adjusted FCF yield	5.5 %	4.8 %	7.6 %	7.6 %	8.9 %	10.2 %	11.5 %
Dividend yield	1.7 %	1.7 %	1.7 %	1.9 %	2.4 %	2.1 %	2.2 %

Source: Company data, Hauck & Aufhäuser

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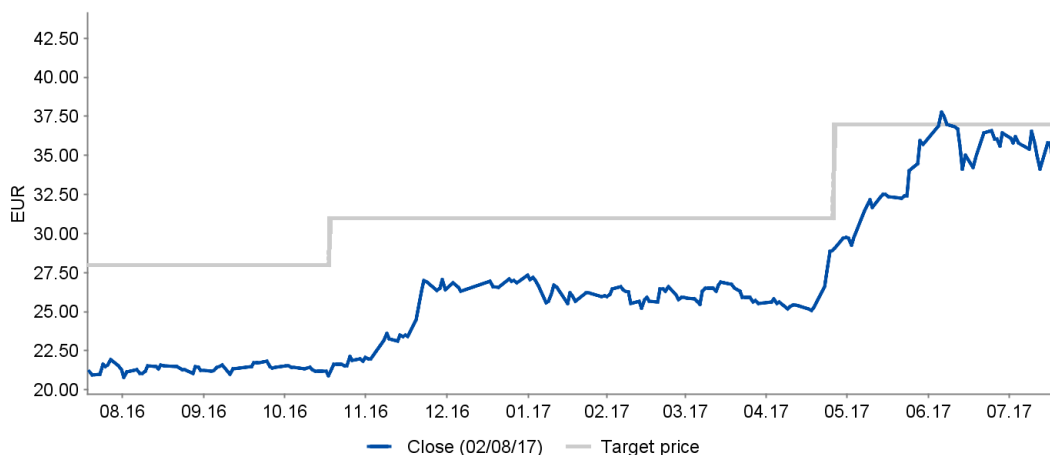
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Company	Disclosure
Eckert & Ziegler AG	2

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

#### Price and Rating History Eckert & Ziegler AG as of 03/08/17

Initiation coverage  
08-April-10



Company	Date	Analyst	Rating	Target price	Close
Eckert & Ziegler AG	15.05.2017	Teichler, Torben	Buy	EUR 37.00	EUR 29.72
Eckert & Ziegler AG	03.11.2016	Teichler, Torben	Buy	EUR 31.00	EUR 20.89

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