

**Buy** (old: Buy)

**Price target: EUR 110.00** (old: EUR 110.00)

**Price:** EUR 90.60      **Next result:** FY '18 28.03.18  
**Bloomberg:** EUZ@GR      **Market cap:** EUR 421.1 m  
**Reuters:** EUZG.DE      **Enterprise Value:** EUR 372.9 m

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## Roadshow underpins stellar prospects in radiopharma

We hosted a RS with Mr. Eckert (CEO) in London, which **reinforced our positive view on ample opportunities in the vibrant radiopharma market**. The bigger theme at play is **an increasing awareness for nuclear medicine at pharma giants** (eg Novartis, Bayer).

**These companies are beefing up their oncology portfolio by snapping up promising radiotherapeutics** that increasingly gain on importance. This is not least driven by a favorable reimbursement environment for therapies based on <sup>68</sup>Ga/<sup>177</sup>Lu pairing making it a lucrative capital allocation option. It is hence hardly surprising to see, apart from already approved Lutathera (1,500 doses sold as of 9m'18), **a number of other therapies targeting various types of tumors in development pipelines**.

**For EUZ this represents a massive opportunity**. First, its consumables-like business with generators (generators need to be replaced in less than 1 year) is thriving on **soaring demand for gallium-68 amid rapid adoption of Lutathera** (radiopharmaceutical for treatment of NETs), which is preceded by gallium imaging. Moreover, **the brisk demand for gallium-68 is not seen to abate given a number of new therapies based on <sup>68</sup>Ga/<sup>177</sup>Lu pairing** coming on the market in the next years.

More distant, yet **another significant opportunity lies in liver cancer treatment where EUZ already has made inroads**. It currently generates c. € 2m of sales by supplying SIRTEX with the relevant isotope Yttrium-90 (Yt-90) for its liver cancer therapy. Following the takeover of SIRTEX by a Chinese consortium the **demand for Yt-90 is seen to surge easily by factor of 100x** as it brings the therapy to China, which accounts for more than half of the world's incidents of liver cancer.

In our view, **this could yield incremental sales of € 30-40m even when assuming price reductions and likely JV with a local partner** (our current DCF reflects € 14.5m sales). While the timing is uncertain, **we expect significant positive developments in the coming years given the ongoing Chinese healthcare reform**, which should provide better visibility on the related sales potential.

All in all, thanks to its deep know-how and expertise in the area of radio isotopes **we are optimistic on the potential for EUZ to become an integral part of the nuclear medicine value chain that is yet to be established**. Our **€ 110 PT** is based on DCF. **BUY.** - continued -

Y/E 31.12 (EUR m)	2014	2015	2016	2017	2018E	2019E	2020E
Sales	127.3	139.7	119.9	138.6	165.1	168.1	184.1
Sales growth	9 %	10 %	-14 %	16 %	19 %	2 %	10 %
EBITDA	20.1	26.9	24.9	26.6	33.3	34.3	38.7
EBIT	13.0	18.2	16.1	18.0	24.4	24.8	28.9
Net income	6.8	10.7	9.5	14.7	16.1	17.0	19.8
Net debt	-3.1	-15.9	-24.9	-56.0	-60.1	-63.9	-65.3
Net gearing	-3.5 %	-16.0 %	-23.7 %	-49.8 %	-48.6 %	-48.0 %	-45.1 %
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EPS pro forma	1.28	2.20	1.93	2.19	3.05	3.21	3.75
CPS	0.82	1.62	2.42	3.54	1.94	2.79	2.35
DPS	0.60	0.60	0.66	0.80	0.88	0.97	1.13
Dividend yield	0.7 %	0.7 %	0.8 %	1.0 %	1.1 %	1.2 %	1.4 %
Gross profit margin	50.1 %	45.0 %	49.7 %	46.1 %	46.0 %	47.5 %	49.0 %
EBITDA margin	15.8 %	19.3 %	20.8 %	19.2 %	20.2 %	20.4 %	21.0 %
EBIT margin	10.2 %	13.0 %	13.5 %	13.0 %	14.8 %	14.7 %	15.7 %
ROCE	8.6 %	11.6 %	10.6 %	12.7 %	17.0 %	16.3 %	17.8 %
EV/sales	3.4	3.0	3.4	2.7	2.3	2.2	2.0
EV/EBITDA	21.3	15.4	16.4	14.2	11.2	10.8	9.5
EV/EBIT	33.1	22.9	25.3	21.0	15.3	14.9	12.7
PER	64.0	37.3	42.5	20.9	24.1	22.7	19.4
Adjusted FCF yield	2.1 %	3.4 %	2.9 %	3.3 %	4.6 %	4.9 %	5.7 %

Source: Company data, Hauck & Aufhäuser Close price as of: 26.02.2019



Source: Company data, Hauck & Aufhäuser

**High/low 52 weeks:** 99.50 / 34.10  
**Price/Book Ratio:** 3.9  
**Relative performance (SDAX):**  
3 months -  
6 months -  
12 months -

### Changes in estimates

		Sales	EBIT	EPS
2018	old:	165.1	24.4	3.05
	Δ	-	-	-
2019	old:	168.1	24.8	3.21
	Δ	-	-	-
2020	old:	184.1	28.9	3.75
	Δ	-	-	-

### Key share data:

Number of shares: (in m pcs) 5.3  
Authorised capital: (in € m) 0.6  
Book value per share: (in €) 23.4  
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.

## Future therapies to drive demand for gallium-68

### Selected Lu-177 based radiotherapeutics under development

Product	Company/Sponsor	Est. study completion date
Lutathera	Novartis (AAA)	Approved for marketing (2018)
<sup>177</sup> Lu-PSMA-617	Novartis (Endocyte)	May, 2021
<sup>177</sup> Lu-PSMA-R2	Novartis (AAA)	June 24, 2022
<sup>177</sup> Lu-EB-PSMA617	Peking Union Medical College Hospital	n/a
<sup>177</sup> Lu-PP-F11N	University Hospital, Basel, Switzerland	October 2020
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Source: Hauck&Aufhäuser

## Financials

Profit and loss (EUR m)	2014	2015	2016	2017	2018E	2019E	2020E
<b>Sales</b>	<b>127.3</b>	<b>139.7</b>	<b>119.9</b>	<b>138.6</b>	<b>165.1</b>	<b>168.1</b>	<b>184.1</b>
Sales growth	8.7 %	9.7 %	-14.2 %	15.7 %	19.1 %	1.8 %	9.6 %
Cost of sales	63.5	76.9	60.3	74.8	89.2	88.2	93.9
<b>Gross profit</b>	<b>63.8</b>	<b>62.8</b>	<b>59.6</b>	<b>63.9</b>	<b>75.9</b>	<b>79.8</b>	<b>90.2</b>
Sales and marketing	23.6	25.5	18.1	20.0	25.6	26.1	28.2
General and administration	25.0	26.3	24.7	23.9	30.5	31.1	33.9
Research and development	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other operating income	2.9	13.2	3.5	3.8	4.6	4.5	4.6
Other operating expenses	5.1	6.1	5.0	4.5	0.0	2.4	3.9
Unusual or infrequent items	0.0	0.0	0.9	-1.2	0.0	0.0	0.0
<b>EBITDA</b>	<b>20.1</b>	<b>26.9</b>	<b>24.9</b>	<b>26.6</b>	<b>33.3</b>	<b>34.3</b>	<b>38.7</b>
Depreciation	7.1	8.8	8.7	8.6	8.9	9.5	9.8
<b>EBITA</b>	<b>13.0</b>	<b>18.2</b>	<b>16.1</b>	<b>18.0</b>	<b>24.4</b>	<b>24.8</b>	<b>28.9</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 (inc revaluation net)</b>	<b>13.0</b>	<b>18.2</b>	<b>16.1</b>	<b>18.0</b>	<b>24.4</b>	<b>24.8</b>	<b>28.9</b>
Interest income	0.5	0.2	0.4	0.3	0.3	0.3	0.3
Interest expenses	1.6	1.4	1.2	0.9	0.8	0.8	0.8
Other financial result	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial result	-1.2	-1.3	-0.7	-0.6	-0.5	-0.5	-0.5
<b>Recurring pretax income from continuing operations</b>	<b>11.8</b>	<b>16.9</b>	<b>15.4</b>	<b>17.3</b>	<b>23.9</b>	<b>24.2</b>	<b>28.4</b>
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Earnings before taxes</b>	<b>11.8</b>	<b>16.9</b>	<b>15.4</b>	<b>17.3</b>	<b>23.9</b>	<b>24.2</b>	<b>28.4</b>
Taxes	5.3	5.6	5.0	5.3	7.2	7.3	8.5
<b>Net income from continuing operations</b>	<b>6.5</b>	<b>11.3</b>	<b>10.4</b>	<b>12.0</b>	<b>16.7</b>	<b>17.0</b>	<b>19.8</b>
Result from discontinued operations (net of tax)	0.0	-0.9	-0.7	3.1	0.0	0.0	0.0
<b>Net income</b>	<b>6.5</b>	<b>10.3</b>	<b>9.8</b>	<b>15.1</b>	<b>16.7</b>	<b>17.0</b>	<b>19.8</b>
Minority interest	-0.3	-0.4	0.2	0.4	0.6	0.0	0.0
<b>Net profit (reported)</b>	<b>6.8</b>	<b>10.7</b>	<b>9.5</b>	<b>14.7</b>	<b>16.1</b>	<b>17.0</b>	<b>19.8</b>
Average number of shares	5.3	5.3	5.3	5.3	5.3	5.3	5.3
<b>EPS reported</b>	<b>1.28</b>	<b>2.02</b>	<b>1.81</b>	<b>2.78</b>	<b>3.05</b>	<b>3.21</b>	<b>3.75</b>

Profit and loss (common size)	2014	2015	2016	2017	2018E	2019E	2020E
<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	49.9 %	55.0 %	50.3 %	53.9 %	54.0 %	52.5 %	51.0 %
<b>Gross profit</b>	<b>50.1 %</b>	<b>45.0 %</b>	<b>49.7 %</b>	<b>46.1 %</b>	<b>46.0 %</b>	<b>47.5 %</b>	<b>49.0 %</b>
Sales and marketing	18.5 %	18.3 %	15.1 %	14.4 %	15.5 %	15.5 %	15.3 %
General and administration	19.7 %	18.8 %	20.6 %	17.3 %	18.5 %	18.5 %	18.4 %
Research and development	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other operating income	2.3 %	9.4 %	2.9 %	2.7 %	2.8 %	2.7 %	2.5 %
Other operating expenses	4.0 %	4.3 %	4.2 %	3.2 %	0.0 %	1.5 %	2.1 %
Unusual or infrequent items	0.0 %	0.0 %	0.7 %	neg.	0.0 %	0.0 %	0.0 %
<b>EBITDA</b>	<b>15.8 %</b>	<b>19.3 %</b>	<b>20.8 %</b>	<b>19.2 %</b>	<b>20.2 %</b>	<b>20.4 %</b>	<b>21.0 %</b>
Depreciation	5.6 %	6.3 %	7.3 %	6.2 %	5.4 %	5.7 %	5.3 %
<b>EBITA</b>	<b>10.2 %</b>	<b>13.0 %</b>	<b>13.5 %</b>	<b>13.0 %</b>	<b>14.8 %</b>	<b>14.7 %</b>	<b>15.7 %</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 (inc revaluation net)</b>	<b>10.2 %</b>	<b>13.0 %</b>	<b>13.5 %</b>	<b>13.0 %</b>	<b>14.8 %</b>	<b>14.7 %</b>	<b>15.7 %</b>
Interest income	0.4 %	0.1 %	0.4 %	0.2 %	0.2 %	0.1 %	0.1 %
Interest expenses	1.3 %	1.0 %	1.0 %	0.6 %	0.5 %	0.5 %	0.4 %
Other financial result	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Financial result	neg.	neg.	neg.	neg.	neg.	neg.	neg.
<b>Recurring pretax income from continuing operations</b>	<b>9.3 %</b>	<b>12.1 %</b>	<b>12.9 %</b>	<b>12.5 %</b>	<b>14.4 %</b>	<b>14.4 %</b>	<b>15.4 %</b>
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Earnings before taxes</b>	<b>9.3 %</b>	<b>12.1 %</b>	<b>12.9 %</b>	<b>12.5 %</b>	<b>14.4 %</b>	<b>14.4 %</b>	<b>15.4 %</b>
Tax rate	44.9 %	33.3 %	32.2 %	30.7 %	30.0 %	30.0 %	30.0 %
<b>Net income from continuing operations</b>	<b>5.1 %</b>	<b>8.1 %</b>	<b>8.7 %</b>	<b>8.7 %</b>	<b>10.1 %</b>	<b>10.1 %</b>	<b>10.8 %</b>
Result from discontinued operations (net of tax)	0.0 %	-0.7 %	-0.6 %	2.2 %	0.0 %	0.0 %	0.0 %
<b>Net income</b>	<b>5.1 %</b>	<b>7.4 %</b>	<b>8.2 %</b>	<b>10.9 %</b>	<b>10.1 %</b>	<b>10.1 %</b>	<b>10.8 %</b>
Minority interest	neg.	neg.	0.2 %	0.3 %	0.3 %	0.0 %	0.0 %
<b>Net profit (reported)</b>	<b>5.3 %</b>	<b>7.6 %</b>	<b>8.0 %</b>	<b>10.6 %</b>	<b>9.8 %</b>	<b>10.1 %</b>	<b>10.8 %</b>

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2014	2015	2016	2017	2018E	2019E	2020E
<b>Intangible assets</b>	<b>55.6</b>	<b>54.1</b>	<b>53.0</b>	<b>51.4</b>	<b>51.4</b>	<b>51.4</b>	<b>51.4</b>
Property, plant and equipment	36.1	36.0	37.8	33.8	33.9	39.4	44.6
Financial assets	6.3	2.8	2.9	3.2	3.2	3.2	3.2
<b>FIXED ASSETS</b>	<b>98.0</b>	<b>92.9</b>	<b>93.7</b>	<b>88.5</b>	<b>88.6</b>	<b>94.1</b>	<b>99.3</b>
Inventories	24.3	25.0	25.1	26.8	31.9	32.5	35.6
Accounts receivable	23.8	21.4	23.2	24.3	28.9	29.5	32.3
Other current assets	9.9	16.5	11.9	10.9	10.2	10.3	11.3
Liquid assets	21.8	31.5	36.6	57.7	60.6	64.4	65.8
Deferred taxes	9.5	9.4	9.0	8.8	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>89.3</b>	<b>103.8</b>	<b>105.8</b>	<b>128.5</b>	<b>131.6</b>	<b>136.7</b>	<b>145.0</b>
<b>TOTAL ASSETS</b>	<b>187.3</b>	<b>196.7</b>	<b>199.5</b>	<b>217.0</b>	<b>220.2</b>	<b>230.8</b>	<b>244.3</b>
<b>SHAREHOLDERS EQUITY</b>	<b>88.6</b>	<b>99.7</b>	<b>105.2</b>	<b>112.3</b>	<b>123.6</b>	<b>133.1</b>	<b>145.0</b>
MINORITY INTEREST	5.9	5.0	4.9	5.2	5.2	5.2	5.2
Long-term debt	7.3	5.0	4.1	0.0	0.0	0.0	0.0
Provisions for pensions and similar obligations	11.1	10.5	11.8	11.7	11.9	12.1	12.4
Other provisions	27.2	31.4	35.3	48.7	49.6	50.6	51.6
<b>Non-current liabilities</b>	<b>45.6</b>	<b>46.9</b>	<b>51.2</b>	<b>60.4</b>	<b>61.6</b>	<b>62.8</b>	<b>64.1</b>
short-term liabilities to banks	11.4	10.6	7.5	1.7	0.5	0.5	0.5
Accounts payable	8.2	7.5	6.4	4.5	6.1	6.0	6.4
Advance payments received on orders	3.1	0.4	1.4	5.9	5.9	5.9	5.9
Other liabilities (incl. from lease and rental contracts)	19.5	18.6	15.6	17.3	17.3	17.3	17.3
Deferred taxes	4.9	6.2	5.6	6.4	0.0	0.0	0.0
Deferred income	0.1	1.8	1.7	3.3	0.0	0.0	0.0
<b>Current liabilities</b>	<b>47.2</b>	<b>45.1</b>	<b>38.2</b>	<b>39.1</b>	<b>29.8</b>	<b>29.7</b>	<b>30.1</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>187.3</b>	<b>196.7</b>	<b>199.5</b>	<b>217.0</b>	<b>220.2</b>	<b>230.8</b>	<b>244.3</b>

Balance sheet (common size)	2014	2015	2016	2017	2018E	2019E	2020E
<b>Intangible assets</b>	<b>29.7 %</b>	<b>27.5 %</b>	<b>26.6 %</b>	<b>23.7 %</b>	<b>23.4 %</b>	<b>22.3 %</b>	<b>21.1 %</b>
Property, plant and equipment	19.3 %	18.3 %	19.0 %	15.6 %	15.4 %	17.1 %	18.3 %
Financial assets	3.4 %	1.4 %	1.4 %	1.5 %	1.5 %	1.4 %	1.3 %
<b>FIXED ASSETS</b>	<b>52.3 %</b>	<b>47.2 %</b>	<b>47.0 %</b>	<b>40.8 %</b>	<b>40.2 %</b>	<b>40.8 %</b>	<b>40.6 %</b>
Inventories	13.0 %	12.7 %	12.6 %	12.3 %	14.5 %	14.1 %	14.6 %
Accounts receivable	12.7 %	10.9 %	11.6 %	11.2 %	13.1 %	12.8 %	13.2 %
Other current assets	5.3 %	8.4 %	6.0 %	5.0 %	4.6 %	4.5 %	4.6 %
Liquid assets	11.7 %	16.0 %	18.3 %	26.6 %	27.5 %	27.9 %	27.0 %
Deferred taxes	5.1 %	4.8 %	4.5 %	4.1 %	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>47.7 %</b>	<b>52.8 %</b>	<b>53.0 %</b>	<b>59.2 %</b>	<b>59.8 %</b>	<b>59.2 %</b>	<b>59.4 %</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>
<b>SHAREHOLDERS EQUITY</b>	<b>47.3 %</b>	<b>50.7 %</b>	<b>52.7 %</b>	<b>51.8 %</b>	<b>56.2 %</b>	<b>57.7 %</b>	<b>59.3 %</b>
MINORITY INTEREST	3.2 %	2.5 %	2.5 %	2.4 %	2.4 %	2.2 %	2.1 %
Long-term debt	3.9 %	2.5 %	2.1 %	0.0 %	0.0 %	0.0 %	0.0 %
Provisions for pensions and similar obligations	5.9 %	5.3 %	5.9 %	5.4 %	5.4 %	5.3 %	5.1 %
Other provisions	14.5 %	16.0 %	17.7 %	22.4 %	22.5 %	21.9 %	21.1 %
<b>Non-current liabilities</b>	<b>24.3 %</b>	<b>23.8 %</b>	<b>25.7 %</b>	<b>27.8 %</b>	<b>28.0 %</b>	<b>27.2 %</b>	<b>26.2 %</b>
short-term liabilities to banks	6.1 %	5.4 %	3.8 %	0.8 %	0.2 %	0.2 %	0.2 %
Accounts payable	4.4 %	3.8 %	3.2 %	2.1 %	2.8 %	2.6 %	2.6 %
Advance payments received on orders	1.6 %	0.2 %	0.7 %	2.7 %	2.7 %	2.5 %	2.4 %
Other liabilities (incl. from lease and rental contracts)	10.4 %	9.4 %	7.8 %	8.0 %	7.9 %	7.5 %	7.1 %
Deferred taxes	2.6 %	3.2 %	2.8 %	3.0 %	0.0 %	0.0 %	0.0 %
Deferred income	0.1 %	0.9 %	0.8 %	1.5 %	0.0 %	0.0 %	0.0 %
<b>Current liabilities</b>	<b>25.2 %</b>	<b>22.9 %</b>	<b>19.1 %</b>	<b>18.0 %</b>	<b>13.5 %</b>	<b>12.9 %</b>	<b>12.3 %</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)	2014	2015	2016	2017	2018E	2019E	2020E
Net profit/loss	6.5	10.3	9.8	15.1	16.7	17.0	19.8
Depreciation of fixed assets (incl. leases)	7.1	8.8	8.7	8.6	8.9	9.5	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	1.3	-5.5	-0.8	5.5	0.2	-1.8	-1.8
Cash flow from operations before changes in w/c	14.9	13.6	17.7	29.3	25.8	24.7	27.9
Increase/decrease in inventory	-5.1	0.3	0.3	-1.7	-5.1	-0.6	-3.1
Increase/decrease in accounts receivable	-0.8	2.0	2.0	-1.1	-4.6	-0.5	-2.8
Increase/decrease in accounts payable	3.1	0.2	0.1	-1.9	1.6	-0.1	0.4
Increase/decrease in other working capital positions	-1.5	0.1	0.2	2.2	0.7	-0.2	-1.0
Increase/decrease in working capital	-4.3	2.6	2.6	-2.5	-7.4	-1.3	-6.5
<b>Cash flow from operating activities</b>	<b>10.7</b>	<b>16.2</b>	<b>20.3</b>	<b>26.8</b>	<b>18.4</b>	<b>23.4</b>	<b>21.4</b>
CAPEX	7.8	3.8	5.3	4.2	9.0	15.0	15.0
Payments for acquisitions	0.8	0.6	0.2	5.5	0.0	0.0	0.0
Financial investments	2.3	0.0	0.0	0.5	0.0	0.0	0.0
Income from asset disposals	0.1	5.4	0.0	15.2	0.0	0.0	0.0
<b>Cash flow from investing activities</b>	<b>-10.8</b>	<b>1.0</b>	<b>-5.5</b>	<b>5.1</b>	<b>-9.0</b>	<b>-15.0</b>	<b>-15.0</b>
Cash flow before financing	-0.2	17.2	14.8	31.9	9.4	8.4	6.4
Increase/decrease in debt position	-4.1	-3.3	-3.9	-5.3	-1.2	0.0	0.0
Purchase of own shares	0.0	0.0	0.0	0.0	1.2	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	3.5	4.1	4.5	5.0
Others	-1.3	-2.0	-2.5	-1.2	0.0	0.0	0.0
Effects of exchange rate changes on cash	1.2	0.9	0.3	-0.8	0.0	0.0	0.0
<b>Cash flow from financing activities</b>	<b>-8.5</b>	<b>-8.4</b>	<b>-9.5</b>	<b>-10.0</b>	<b>-6.5</b>	<b>-4.5</b>	<b>-5.0</b>
Increase/decrease in liquid assets	-7.5	9.6	5.6	21.1	2.9	3.8	1.4
<b>Liquid assets at end of period</b>	<b>21.2</b>	<b>31.4</b>	<b>37.0</b>	<b>57.7</b>	<b>60.6</b>	<b>64.4</b>	<b>65.8</b>

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2014	2015	2016	2017	2018E	2019E	2020E
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	67.6	72.0	74.5	84.9	96.8	110.4	125.9
yoy change	-1.9 %	6.5 %	3.5 %	14.0 %	14.0 %	14.0 %	14.0 %
NAFTA	41.6	44.5	46.1	53.0	60.9	70.1	80.6
yoy change	26.8 %	7.0 %	3.5 %	15.0 %	15.0 %	15.0 %	15.0 %
Asia Pacific	11.8	13.0	14.0	15.8	17.9	20.2	22.9
yoy change	4.4 %	10.0 %	8.0 %	13.0 %	13.0 %	13.0 %	13.0 %
Rest of world	6.3	10.2	-14.7	-15.1	-10.6	-32.6	-45.2
yoy change	53.7 %	62.1 %	neg.	neg.	neg.	neg.	neg.
<b>TTL</b>	<b>127.3</b>	<b>139.7</b>	<b>119.9</b>	<b>138.6</b>	<b>165.1</b>	<b>168.1</b>	<b>184.1</b>
yoy change	8.7 %	9.7 %	-14.2 %	15.7 %	19.1 %	1.8 %	9.6 %

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2014	2015	2016	2017	2018E	2019E	2020E
<b>P&amp;L growth analysis</b>							
Sales growth	8.7 %	9.7 %	-14.2 %	15.7 %	19.1 %	1.8 %	9.6 %
EBITDA growth	-8.7 %	33.7 %	-7.6 %	7.0 %	25.1 %	3.0 %	12.9 %
EBIT growth	1.1 %	40.2 %	-11.2 %	11.4 %	35.8 %	1.6 %	16.6 %
EPS growth	-25.5 %	57.5 %	-10.5 %	53.9 %	9.7 %	5.3 %	17.0 %
<b>Efficiency</b>							
Total operating costs / sales	39.9 %	32.0 %	37.0 %	32.2 %	31.2 %	32.8 %	33.3 %
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	26.6 %	26.9 %	32.9 %	29.3 %	27.1 %	29.4 %	28.7 %
Inventory turnover (sales/inventory)	5.2	5.6	4.8	5.2	5.2	5.2	5.2
Trade debtors in days of sales	68.2	55.9	70.7	64.0	64.0	64.0	64.0
A/P turnover [(A/P*365)/sales]	47.3	35.8	38.7	22.0	25.0	25.0	25.0
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	2.8	12.3	15.0	22.7	9.4	8.4	6.4
Free cash flow/sales	2.2 %	8.8 %	12.5 %	16.4 %	5.7 %	5.0 %	3.5 %
FCF / net profit	41.9 %	115.6 %	156.6 %	154.2 %	58.5 %	49.3 %	32.1 %
Capex / depn	141.3 %	43.8 %	61.0 %	53.9 %	101.1 %	157.9 %	153.1 %
Capex / maintenance capex	121.6 %	48.7 %	67.8 %	48.1 %	106.4 %	166.2 %	161.1 %
Capex / sales	7.9 %	2.8 %	4.4 %	3.4 %	5.5 %	8.9 %	8.1 %
<b>Security</b>							
Net debt	-3.1	-15.9	-24.9	-56.0	-60.1	-63.9	-65.3
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net debt / equity	neg.	neg.	neg.	neg.	neg.	neg.	neg.
Interest cover	8.0	12.6	13.9	20.4	30.5	31.0	36.1
Dividend payout ratio	46.8 %	28.8 %	37.4 %	27.9 %	28.0 %	29.3 %	30.2 %
<b>Asset utilisation</b>							
Capital employed turnover	0.8	0.9	0.8	1.0	1.1	1.1	1.1
Operating assets turnover	1.7	1.9	1.5	1.9	2.0	1.9	1.8
Plant turnover	3.5	3.9	3.2	4.1	4.9	4.3	4.1
Inventory turnover (sales/inventory)	5.2	5.6	4.8	5.2	5.2	5.2	5.2
<b>Returns</b>							
ROCE	8.6 %	11.6 %	10.6 %	12.7 %	17.0 %	16.3 %	17.8 %
ROE	7.6 %	10.7 %	9.1 %	13.1 %	13.0 %	12.7 %	13.7 %
<b>Other</b>							
Interest paid / avg. debt	7.9 %	8.4 %	8.6 %	13.2 %	71.1 %	155.7 %	157.6 %
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	0.7	0.8	0.9	1.0	1.1
EPS reported	1.28	2.02	1.81	2.78	3.05	3.21	3.75
<b>Valuation ratios</b>							
P/BV	4.9	4.3	4.1	3.9	3.5	3.3	3.0
EV/sales	3.4	3.0	3.4	2.7	2.3	2.2	2.0
EV/EBITDA	21.3	15.4	16.4	14.2	11.2	10.8	9.5
EV/EBITA	33.0	22.9	25.3	21.0	15.3	14.9	12.7
EV/EBIT	33.1	22.9	25.3	21.0	15.3	14.9	12.7
EV/FCF	151.2	33.7	27.3	16.6	39.6	44.2	57.8
Adjusted FCF yield	2.1 %	3.4 %	2.9 %	3.3 %	4.6 %	4.9 %	5.7 %
Dividend yield	0.7 %	0.7 %	0.8 %	1.0 %	1.1 %	1.2 %	1.4 %

Source: Company data, Hauck & Aufhäuser

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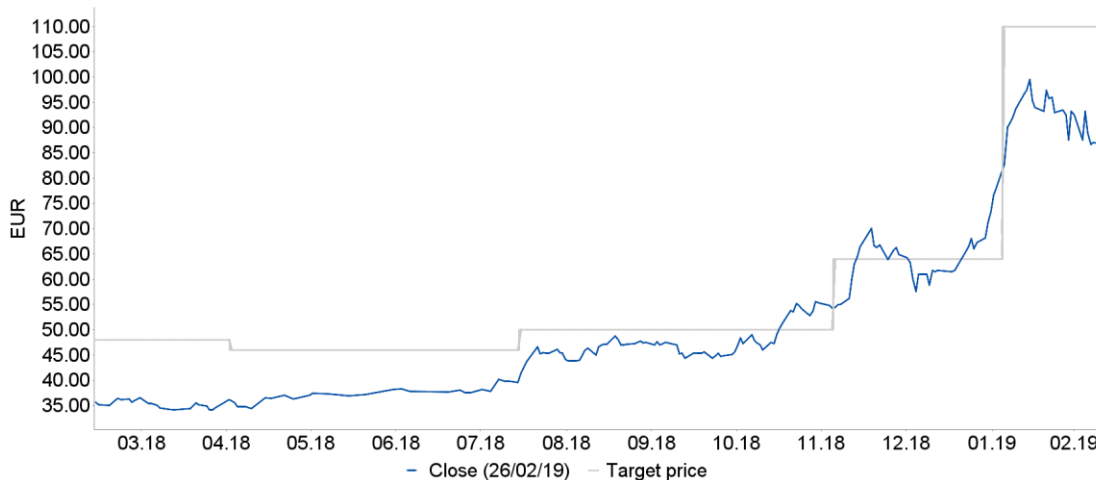
Company	Disclosure
Eckert & Ziegler AG	2

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

#### Price and Rating History Eckert & Ziegler AG as of 27/02/19

Initiation coverage

08-April-10



Company	Date	Analyst	Rating	Target price	Close
Eckert & Ziegler AG	22.01.2019	Halitsa, Aliaksandr	Buy	EUR 110,00	EUR 90,00
	21.11.2018	Halitsa, Aliaksandr	Buy	EUR 64,00	EUR 54,40
	01.08.2018	Halitsa, Aliaksandr	Buy	EUR 50,00	EUR 42,50
	19.04.2018	Halitsa, Aliaksandr	Buy	EUR 46,00	EUR 35,55

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