

H&A FIRST TAKE

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27-March-19

## Strong finish to 2018; solid initial 2019E outlook

Eckert&Ziegler released headline FY18 numbers ahead of a scheduled release tomorrow (28<sup>th</sup> Mar) and postponed the final release to 5<sup>th</sup> April.

EUR	Q4 2018	Q4 2017	yoy	FY 2018	FY 2017	yoy
Sales	44.9	38.2	17.5%	168.7	138.6	21.7%
Net Profit (excl. disc. operations)	3.1	2.5	23.8%	16.1	11.6	38.8%
Net margin	6.9%	6.5%	+0.4 pp	9.5%	8.4%	+1.2 pp
EPS (excl. disc. operations)	0.62	0.47	31.5%	3.12	2.19	42.1%

Source: Company data; Hauck&Aufhäuser

- **FY18 in line with the raised guidance.** FY18 sales grew strongly by 22% yoy to € 168.7m largely driven by major order in the Isotope Products division from oil exploration companies and continuously sound demand for Ga-68 generators. This translated into 39% net income growth to € 16.1m and 42% EPS growth thanks to share buybacks.
- **Sustained sound momentum in Q4.** Q4 sales were up 17.5% yoy while pro-forma net income grew by 28.4%. With that the implied Q4 EBIT margin should have notably improved to c. 11.5% compared to 8.2% in Q4'17. With that, incr. EBIT margin in Q4 amounted to >30%. In our view, this reflects the ongoing mix shift in favour of high-margin Radiopharma.
- **Solid initial FY19E outlook provided.** For the FY19E mgmt expects net income of c. € 18m (eH&A: € 17m) translating into a healthy 12% yoy growth, despite high comps of +39% yoy. This should mean that the ongoing positive development of Radiopharma should more than overcompensate for an expected decline in the energy sector revenue (e.g. oil & gas) of the Isotope Products division.
- **Higher dividend proposed.** Mgmt also will propose a dividend of € 1.20 which is a 50% increase over the last year figure of € 0.80. This would translate into a dividend yield of c. 1.5%.

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**Buy**

**Price target:** EUR 110.00

**Price:** EUR 82.40

Close price as of: 26.03.2019

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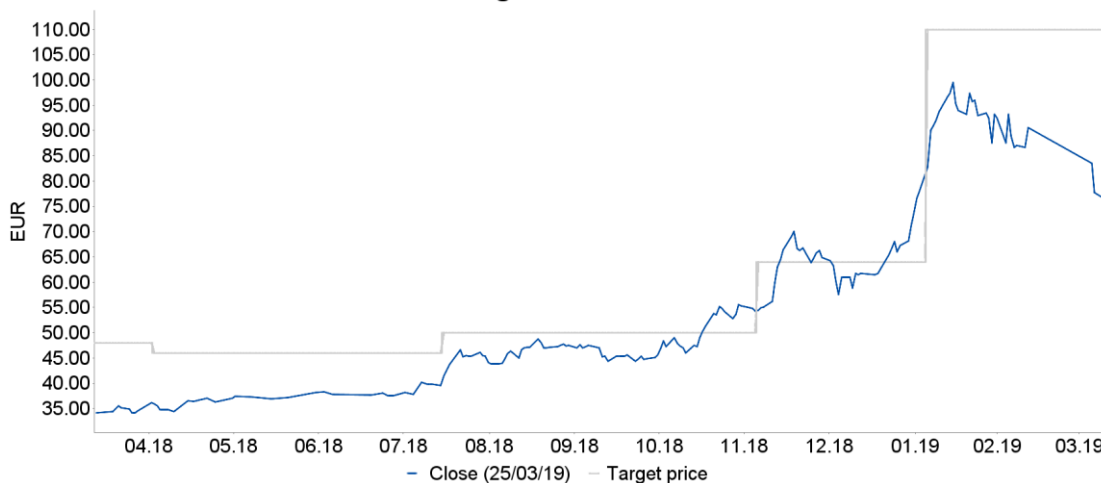
Company	Disclosure
Eckert & Ziegler AG	2

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

#### Price and Rating History Eckert & Ziegler AG as of 27/03/19

Initiation coverage

08-April-10



Company	Date	Analyst	Rating	Target price	Close
Eckert & Ziegler AG	27.02.2019	Halitsa, Aliaksandr	Buy	EUR 110,00	EUR 90,60
	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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<b>Buy</b>	64.00 %	85.00 %
<b>Sell</b>	12.00 %	0.00 %
<b>Hold</b>	24.00 %	15.00 %

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