

**Buy** (old: Buy)

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

<b>Price:</b>	EUR 78.40	<b>Next result:</b>	Q2 07.05.19
<b>Bloomberg:</b>	EUZ@GR	<b>Market cap:</b>	EUR 402.7 m
<b>Reuters:</b>	EUZG.DE	<b>Enterprise Value:</b>	EUR 355.8 m

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### Stock to own for the long term and a “must have” into Q1 numbers

Eckert & Ziegler posted a **strong finish to a very successful year 2018 with organic sales up 21% yoy in Q4 alone**. This brought the FY organic sales growth to 18.5% yoy with EBIT jumping 30% yoy to € 23.4m. The strong EBIT growth was achieved despite M&A integration costs and IT-related expenses to better prepare organizational structures for continuous strong growth of Radiopharma.

In fact, **Q1 should mark another outstanding quarter** shedding light on continuous robust development of the most profitable segment Radiopharma (20% of sales; 40% of EBIT). **An easy comparable base should provide further tailwind** as Q1 2018 had a slow start, especially in Radiopharma with only 3% yoy sales growth compared to +34% in Q4 and +18% for the FY.

With that, **Q1 sales should grow by c. 10% to € 39m** assuming sustained dynamic growth in Radiopharma and still some positive momentum from Isotope products (60% of sales), especially from the energy sector. This should translate into **substantial EBIT growth of c. 40% yoy to € 5.5m** thanks to robust demand for high-margin ga-68 generators in particular, in our view.

Importantly, the **sound momentum in Radiopharma is seen to persist well into 2019**. This is not least supported by seemingly rapid adoption of Lutathera which is preceded by gallium-68 imaging therapy (NETSPOT) driving the demand for generators (*next page*). In fact, **management is looking to grow this segment's sales by >35% yoy to c. € 43m** thanks to positive development in major product categories (e.g. gallium-68 generators, complementary infrastructure for radiosynthesis). Additionally, **H2 should benefit from production capacity additions for ga-68 generators**.

With that, **expected Q1 EPS of c. € 0.7** (21% of FY, in line with hist. average) should put Eckert & Ziegler on a good run-rate to achieve the FY targets of c. € 180m and an EPS of € 3.50. What's more, **the expected capacity additions for ga-68 generators could result in guidance outperformance**, in our view.

All in all, **we recognize the potential of Eckert & Ziegler becoming an integral part of the nuclear medicine value chain** that is yet to be fully established with a number of pharma giants (e.g. Novartis, Bayer) increasingly looking into this space. Our **PT of € 110** is based on DCF. **BUY**. - continued -

Y/E 31.12 (EUR m)	2015	2016	2017	2018	2019E	2020E	2021E
Sales	139.7	119.9	138.6	168.7	179.0	190.6	205.2
Sales growth	10 %	-14 %	16 %	22 %	6 %	7 %	8 %
EBITDA	26.9	24.9	26.6	32.0	36.2	39.1	43.9
EBIT	18.2	16.1	18.0	23.4	26.7	29.3	33.9
Net income	10.7	9.5	14.7	16.1	18.9	20.7	24.0
Net debt	-15.9	-24.9	-56.0	-54.1	-58.1	-64.1	-74.9
Net gearing	-16.0 %	-23.7 %	-49.8 %	-44.1 %	-42.5 %	-42.4 %	-44.4 %
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EPS pro forma	2.20	1.93	2.19	3.12	3.66	4.01	4.65
CPS	1.62	2.42	3.54	2.53	2.82	3.23	3.65
DPS	0.60	0.66	0.80	0.00	0.00	0.00	1.23
Dividend yield	0.8 %	0.8 %	1.0 %	1.1 %	1.2 %	1.4 %	1.6 %
Gross profit margin	45.0 %	49.7 %	46.1 %	44.1 %	47.5 %	49.0 %	50.0 %
EBITDA margin	19.3 %	20.8 %	19.2 %	18.9 %	20.2 %	20.5 %	21.4 %
EBIT margin	13.0 %	13.5 %	13.0 %	13.9 %	14.9 %	15.4 %	16.5 %
ROCE	13.6 %	12.0 %	13.8 %	17.6 %	18.3 %	18.6 %	20.4 %
EV/sales	2.8	3.2	2.6	2.1	2.0	1.8	1.7
EV/EBITDA	14.7	15.7	13.5	11.3	9.9	9.0	7.8
EV/EBIT	21.9	24.1	19.9	15.5	13.4	12.0	10.1
PER	35.7	40.6	30.6	21.9	18.7	16.8	14.0
Adjusted FCF yield	3.5 %	3.1 %	3.4 %	4.8 %	5.6 %	6.2 %	7.4 %

Source: Company data, Hauck & Aufhäuser Close price as of: 30.04.2019



Source: Company data, Hauck & Aufhäuser

**High/low 52 weeks:** 99.50 / 36.30  
**Price/Book Ratio:** 2.9  
**Relative performance (SDAX):**  
 3 months -  
 6 months -  
 12 months 114.6 %

#### Changes in estimates

		Sales	EBIT	EPS
2019	old:	168.1	24.8	3.21
	Δ	5.9%	7.8%	13.9%
2020	old:	184.1	28.9	3.75
	Δ	3.0%	0.8%	6.4%
2021	old:			
	Δ			

#### Key share data:

Number of shares: (in m pcs) 5.2  
 Authorised capital: (in € m) 0.6  
 Book value per share: (in €) 26.5  
 Ø trading volume: (12 months) 20,453

#### Major shareholders:

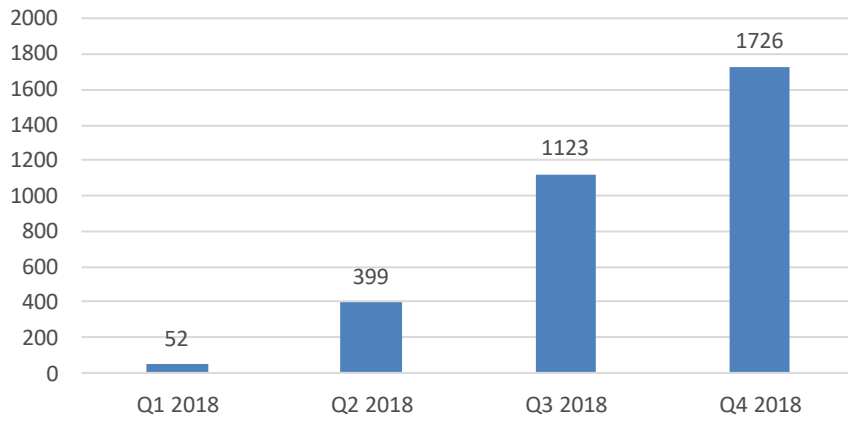
Free float 67.8 %  
 Founders 32.2 %  
 Eckert & Ziegler AG 0.1 %

#### 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.

## Lutathera – number of doses sold on the rise

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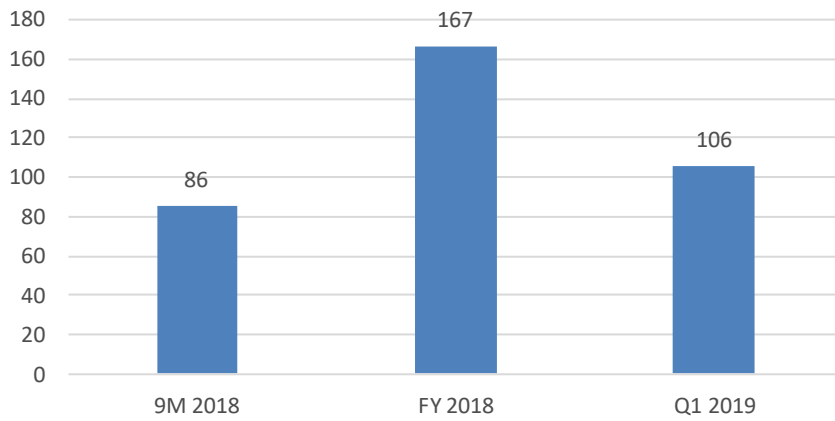


Source: Novartis; Hauck & Aufhäuser

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## Lutathera generates \$ 106m sales in Q1'19 vs. € 168m in FY 2018

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Source: Novartis; Hauck & Aufhäuser

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## Financials

Profit and loss (EUR m)	2015	2016	2017	2018	2019E	2020E	2021E
<b>Sales</b>	<b>139.7</b>	<b>119.9</b>	<b>138.6</b>	<b>168.7</b>	<b>178.0</b>	<b>189.6</b>	<b>204.2</b>
<i>Sales growth</i>	9.7 %	-14.2 %	15.7 %	21.7 %	5.5 %	6.5 %	7.7 %
Cost of sales	76.9	60.3	74.8	94.4	93.4	96.7	102.1
<b>Gross profit</b>	<b>62.8</b>	<b>59.6</b>	<b>63.9</b>	<b>74.3</b>	<b>84.5</b>	<b>92.9</b>	<b>102.1</b>
Sales and marketing	25.5	18.1	20.0	23.3	27.6	29.0	30.6
General and administration	26.3	24.7	23.9	26.9	32.9	34.9	37.2
Research and development	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other operating income	13.2	3.5	3.8	3.5	4.8	4.7	4.9
Other operating expenses	6.1	5.0	4.5	4.5	2.1	4.6	5.5
Unusual or infrequent items	0.0	0.9	-1.2	0.2	0.0	0.0	0.0
<b>EBITDA</b>	<b>26.9</b>	<b>24.9</b>	<b>26.6</b>	<b>32.0</b>	<b>36.2</b>	<b>38.9</b>	<b>43.7</b>
Depreciation	8.8	8.7	8.6	8.6	9.5	9.8	10.0
<b>EBITA</b>	<b>18.2</b>	<b>16.1</b>	<b>18.0</b>	<b>23.4</b>	<b>26.7</b>	<b>29.1</b>	<b>33.7</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>18.2</b>	<b>16.1</b>	<b>18.0</b>	<b>23.4</b>	<b>26.7</b>	<b>29.1</b>	<b>33.7</b>
Interest income	0.2	0.4	0.3	0.2	0.2	0.2	0.2
Interest expenses	1.4	1.2	0.9	0.7	0.7	0.7	0.7
Other financial result	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial result	-1.3	-0.7	-0.6	-0.5	-0.5	-0.5	-0.5
<b>Recurring pretax income from continuing operations</b>	<b>16.9</b>	<b>15.4</b>	<b>17.3</b>	<b>22.9</b>	<b>26.2</b>	<b>28.6</b>	<b>33.2</b>
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Earnings before taxes</b>	<b>16.9</b>	<b>15.4</b>	<b>17.3</b>	<b>22.9</b>	<b>26.2</b>	<b>28.6</b>	<b>33.2</b>
Taxes	5.6	5.0	5.3	6.0	7.3	8.0	9.3
<b>Net income from continuing operations</b>	<b>11.3</b>	<b>10.4</b>	<b>12.0</b>	<b>16.9</b>	<b>18.9</b>	<b>20.6</b>	<b>23.9</b>
Result from discontinued operations (net of tax)	-0.9	-0.7	3.1	0.0	0.0	0.0	0.0
<b>Net income</b>	<b>10.3</b>	<b>9.8</b>	<b>15.1</b>	<b>16.9</b>	<b>18.9</b>	<b>20.6</b>	<b>23.9</b>
Minority interest	-0.4	0.2	0.4	0.8	0.0	0.0	0.0
<b>Net profit (reported)</b>	<b>10.7</b>	<b>9.5</b>	<b>14.7</b>	<b>16.1</b>	<b>18.9</b>	<b>20.6</b>	<b>23.9</b>
Average number of shares	5.3	5.3	5.3	5.2	5.2	5.2	5.2
<b>EPS reported</b>	<b>2.02</b>	<b>1.81</b>	<b>2.78</b>	<b>3.12</b>	<b>3.65</b>	<b>3.99</b>	<b>4.63</b>

Profit and loss (common size)	2015	2016	2017	2018	2019E	2020E	2021E
<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	55.0 %	50.3 %	53.9 %	55.9 %	52.5 %	51.0 %	50.0 %
<b>Gross profit</b>	<b>45.0 %</b>	<b>49.7 %</b>	<b>46.1 %</b>	<b>44.1 %</b>	<b>47.5 %</b>	<b>49.0 %</b>	<b>50.0 %</b>
Sales and marketing	18.3 %	15.1 %	14.4 %	13.8 %	15.5 %	15.3 %	15.0 %
General and administration	18.8 %	20.6 %	17.3 %	15.9 %	18.5 %	18.4 %	18.2 %
Research and development	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other operating income	9.4 %	2.9 %	2.7 %	2.1 %	2.7 %	2.5 %	2.4 %
Other operating expenses	4.3 %	4.2 %	3.2 %	2.6 %	1.2 %	2.4 %	2.7 %
Unusual or infrequent items	0.0 %	0.7 %	neg.	0.1 %	0.0 %	0.0 %	0.0 %
<b>EBITDA</b>	<b>19.3 %</b>	<b>20.8 %</b>	<b>19.2 %</b>	<b>18.9 %</b>	<b>20.4 %</b>	<b>20.5 %</b>	<b>21.4 %</b>
Depreciation	6.3 %	7.3 %	6.2 %	5.1 %	5.3 %	5.2 %	4.9 %
<b>EBITA</b>	<b>13.0 %</b>	<b>13.5 %</b>	<b>13.0 %</b>	<b>13.9 %</b>	<b>15.0 %</b>	<b>15.4 %</b>	<b>16.5 %</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>13.5 %</b>	<b>13.0 %</b>	<b>13.9 %</b>	<b>15.0 %</b>	<b>15.4 %</b>	<b>16.5 %</b>
Interest income	0.1 %	0.4 %	0.2 %	0.1 %	0.1 %	0.1 %	0.1 %
Interest expenses	1.0 %	1.0 %	0.6 %	0.4 %	0.4 %	0.4 %	0.3 %
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>12.1 %</b>	<b>12.9 %</b>	<b>12.5 %</b>	<b>13.6 %</b>	<b>14.7 %</b>	<b>15.1 %</b>	<b>16.3 %</b>
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Earnings before taxes</b>	<b>12.1 %</b>	<b>12.9 %</b>	<b>12.5 %</b>	<b>13.6 %</b>	<b>14.7 %</b>	<b>15.1 %</b>	<b>16.3 %</b>
Tax rate	33.3 %	32.2 %	30.7 %	26.2 %	28.0 %	28.0 %	28.0 %
<b>Net income from continuing operations</b>	<b>8.1 %</b>	<b>8.7 %</b>	<b>8.7 %</b>	<b>10.0 %</b>	<b>10.6 %</b>	<b>10.9 %</b>	<b>11.7 %</b>
Result from discontinued operations (net of tax)	-0.7 %	-0.6 %	2.2 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Net income</b>	<b>7.4 %</b>	<b>8.2 %</b>	<b>10.9 %</b>	<b>10.0 %</b>	<b>10.6 %</b>	<b>10.9 %</b>	<b>11.7 %</b>
Minority interest	neg.	0.2 %	0.3 %	0.4 %	0.0 %	0.0 %	0.0 %
<b>Net profit (reported)</b>	<b>7.6 %</b>	<b>8.0 %</b>	<b>10.6 %</b>	<b>9.6 %</b>	<b>10.6 %</b>	<b>10.9 %</b>	<b>11.7 %</b>

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2015	2016	2017	2018	2019E	2020E	2021E
<b>Intangible assets</b>	<b>54.1</b>	<b>53.0</b>	<b>51.4</b>	<b>52.5</b>	<b>52.5</b>	<b>52.5</b>	<b>52.5</b>
Property, plant and equipment	36.0	37.8	33.8	36.9	42.4	47.6	49.6
Financial assets	2.8	2.9	3.2	3.5	3.5	3.5	3.5
<b>FIXED ASSETS</b>	<b>92.9</b>	<b>93.7</b>	<b>88.5</b>	<b>93.0</b>	<b>98.5</b>	<b>103.7</b>	<b>105.7</b>
Inventories	25.0	25.1	26.8	28.8	34.4	36.6	39.4
Accounts receivable	21.4	23.2	24.3	28.3	31.2	33.2	35.8
Other current assets	16.5	11.9	10.9	14.9	10.9	11.7	12.6
Liquid assets	31.5	36.6	57.7	54.2	58.6	64.5	75.3
Deferred taxes	9.4	9.0	8.8	9.9	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>103.8</b>	<b>105.8</b>	<b>128.5</b>	<b>136.1</b>	<b>135.1</b>	<b>146.0</b>	<b>163.0</b>
<b>TOTAL ASSETS</b>	<b>196.7</b>	<b>199.5</b>	<b>217.0</b>	<b>229.1</b>	<b>233.6</b>	<b>249.7</b>	<b>268.7</b>
<b>SHAREHOLDERS EQUITY</b>	<b>99.7</b>	<b>105.2</b>	<b>112.3</b>	<b>122.6</b>	<b>136.6</b>	<b>151.1</b>	<b>168.4</b>
MINORITY INTEREST	5.0	4.9	5.2	1.2	1.2	1.2	1.2
Long-term debt	5.0	4.1	0.0	0.0	0.0	0.0	0.0
Provisions for pensions and similar obligations	10.5	11.8	11.7	11.4	11.6	11.8	12.1
Other provisions	31.4	35.3	48.7	55.1	56.2	57.3	58.4
<b>Non-current liabilities</b>	<b>46.9</b>	<b>51.2</b>	<b>60.4</b>	<b>66.5</b>	<b>67.8</b>	<b>69.1</b>	<b>70.5</b>
short-term liabilities to banks	10.6	7.5	1.7	0.0	0.0	0.0	0.0
Accounts payable	7.5	6.4	4.5	6.5	6.4	6.6	7.0
Advance payments received on orders	0.4	1.4	5.9	4.1	4.1	4.1	4.1
Other liabilities (incl. from lease and rental contracts)	18.6	15.6	17.3	17.4	17.4	17.4	17.4
Deferred taxes	6.2	5.6	6.4	7.1	0.0	0.0	0.0
Deferred income	1.8	1.7	3.3	3.6	0.0	0.0	0.0
<b>Current liabilities</b>	<b>45.1</b>	<b>38.2</b>	<b>39.1</b>	<b>38.8</b>	<b>27.9</b>	<b>28.2</b>	<b>28.5</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>196.7</b>	<b>199.5</b>	<b>217.0</b>	<b>229.1</b>	<b>233.6</b>	<b>249.7</b>	<b>268.7</b>

Balance sheet (common size)	2015	2016	2017	2018	2019E	2020E	2021E
<b>Intangible assets</b>	<b>27.5 %</b>	<b>26.6 %</b>	<b>23.7 %</b>	<b>22.9 %</b>	<b>22.5 %</b>	<b>21.0 %</b>	<b>19.5 %</b>
Property, plant and equipment	18.3 %	19.0 %	15.6 %	16.1 %	18.2 %	19.1 %	18.5 %
Financial assets	1.4 %	1.4 %	1.5 %	1.5 %	1.5 %	1.4 %	1.3 %
<b>FIXED ASSETS</b>	<b>47.2 %</b>	<b>47.0 %</b>	<b>40.8 %</b>	<b>40.6 %</b>	<b>42.2 %</b>	<b>41.5 %</b>	<b>39.3 %</b>
Inventories	12.7 %	12.6 %	12.3 %	12.6 %	14.7 %	14.7 %	14.7 %
Accounts receivable	10.9 %	11.6 %	11.2 %	12.4 %	13.4 %	13.3 %	13.3 %
Other current assets	8.4 %	6.0 %	5.0 %	6.5 %	4.7 %	4.7 %	4.7 %
Liquid assets	16.0 %	18.3 %	26.6 %	23.7 %	25.1 %	25.8 %	28.0 %
Deferred taxes	4.8 %	4.5 %	4.1 %	4.3 %	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>52.8 %</b>	<b>53.0 %</b>	<b>59.2 %</b>	<b>59.4 %</b>	<b>57.8 %</b>	<b>58.5 %</b>	<b>60.7 %</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>50.7 %</b>	<b>52.7 %</b>	<b>51.8 %</b>	<b>53.5 %</b>	<b>58.5 %</b>	<b>60.5 %</b>	<b>62.7 %</b>
MINORITY INTEREST	2.5 %	2.5 %	2.4 %	0.5 %	0.5 %	0.5 %	0.5 %
Long-term debt	2.5 %	2.1 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Provisions for pensions and similar obligations	5.3 %	5.9 %	5.4 %	5.0 %	5.0 %	4.7 %	4.5 %
Other provisions	16.0 %	17.7 %	22.4 %	24.0 %	24.0 %	22.9 %	21.7 %
<b>Non-current liabilities</b>	<b>23.8 %</b>	<b>25.7 %</b>	<b>27.8 %</b>	<b>29.0 %</b>	<b>29.0 %</b>	<b>27.7 %</b>	<b>26.2 %</b>
short-term liabilities to banks	5.4 %	3.8 %	0.8 %	0.0 %	0.0 %	0.0 %	0.0 %
Accounts payable	3.8 %	3.2 %	2.1 %	2.8 %	2.7 %	2.7 %	2.6 %
Advance payments received on orders	0.2 %	0.7 %	2.7 %	1.8 %	1.8 %	1.6 %	1.5 %
Other liabilities (incl. from lease and rental contracts)	9.4 %	7.8 %	8.0 %	7.6 %	7.4 %	7.0 %	6.5 %
Deferred taxes	3.2 %	2.8 %	3.0 %	3.1 %	0.0 %	0.0 %	0.0 %
Deferred income	0.9 %	0.8 %	1.5 %	1.6 %	0.0 %	0.0 %	0.0 %
<b>Current liabilities</b>	<b>22.9 %</b>	<b>19.1 %</b>	<b>18.0 %</b>	<b>16.9 %</b>	<b>12.0 %</b>	<b>11.3 %</b>	<b>10.6 %</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)	2015	2016	2017	2018	2019E	2020E	2021E
Net profit/loss	10.3	9.8	15.1	16.9	18.9	20.6	23.9
Depreciation of fixed assets (incl. leases)	8.8	8.7	8.6	8.6	9.5	9.8	10.0
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	-5.5	-0.8	5.5	2.8	0.2	0.2	0.2
Cash flow from operations before changes in w/c	13.6	17.7	29.3	28.2	28.6	30.7	34.2
Increase/decrease in inventory	0.3	0.3	-1.7	0.7	-5.6	-2.2	-2.8
Increase/decrease in accounts receivable	2.0	2.0	-1.1	-4.0	-2.9	-2.0	-2.6
Increase/decrease in accounts payable	0.2	0.1	-1.9	2.0	-0.1	0.2	0.4
Increase/decrease in other working capital positions	0.1	0.2	2.2	-5.7	4.0	-0.7	-0.9
Increase/decrease in working capital	2.6	2.6	-2.5	-7.0	-4.6	-4.8	-5.9
<b>Cash flow from operating activities</b>	<b>16.2</b>	<b>20.3</b>	<b>26.8</b>	<b>21.2</b>	<b>24.0</b>	<b>25.9</b>	<b>28.2</b>
CAPEX	3.8	5.3	4.2	6.1	15.0	15.0	12.0
Payments for acquisitions	0.6	0.2	5.5	2.1	0.0	0.0	0.0
Financial investments	0.0	0.0	0.5	0.0	0.0	0.0	0.0
Income from asset disposals	5.4	0.0	15.2	-2.5	0.0	0.0	0.0
<b>Cash flow from investing activities</b>	<b>1.0</b>	<b>-5.5</b>	<b>5.1</b>	<b>-10.7</b>	<b>-15.0</b>	<b>-15.0</b>	<b>-12.0</b>
Cash flow before financing	17.2	14.8	31.9	10.5	9.0	10.9	16.2
Increase/decrease in debt position	-3.3	-3.9	-5.3	-1.7	0.0	0.0	0.0
Purchase of own shares	0.0	0.0	0.0	8.6	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	3.5	4.1	4.5	5.0	5.5
Others	-2.0	-2.5	-1.2	-0.2	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.9	0.3	-0.8	0.6	0.0	0.0	0.0
<b>Cash flow from financing activities</b>	<b>-8.4</b>	<b>-9.5</b>	<b>-10.0</b>	<b>-14.6</b>	<b>-4.6</b>	<b>-5.0</b>	<b>-5.5</b>
Increase/decrease in liquid assets	9.6	5.6	21.1	-3.5	4.4	5.9	10.8
<b>Liquid assets at end of period</b>	<b>31.4</b>	<b>37.0</b>	<b>57.7</b>	<b>54.2</b>	<b>58.6</b>	<b>64.5</b>	<b>75.3</b>

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2015	2016	2017	2018	2019E	2020E	2021E
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	72.0	74.5	84.9	96.8	110.4	125.9	143.5
yoy change	6.5 %	3.5 %	14.0 %	14.0 %	14.0 %	14.0 %	14.0 %
NAFTA	44.5	46.1	53.0	60.9	70.1	80.6	92.7
yoy change	7.0 %	3.5 %	15.0 %	15.0 %	15.0 %	15.0 %	15.0 %
Asia Pacific	13.0	14.0	15.8	17.9	20.2	22.9	25.8
yoy change	10.0 %	8.0 %	13.0 %	13.0 %	13.0 %	13.0 %	13.0 %
Rest of world	10.2	-14.7	-15.1	-7.0	-22.7	-39.7	-57.8
yoy change	62.1 %	neg.	neg.	neg.	neg.	neg.	neg.
<b>TTL</b>	<b>139.7</b>	<b>119.9</b>	<b>138.6</b>	<b>168.7</b>	<b>178.0</b>	<b>189.6</b>	<b>204.2</b>
yoy change	9.7 %	-14.2 %	15.7 %	21.7 %	5.5 %	6.5 %	7.7 %

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2015	2016	2017	2018	2019E	2020E	2021E
<b>P&amp;L growth analysis</b>							
Sales growth	9.7 %	-14.2 %	15.7 %	21.7 %	5.5 %	6.5 %	7.7 %
EBITDA growth	33.7 %	-7.6 %	7.0 %	20.1 %	13.3 %	7.5 %	12.3 %
EBIT growth	40.2 %	-11.2 %	11.4 %	30.1 %	14.2 %	9.1 %	15.7 %
EPS growth	57.5 %	-10.5 %	53.9 %	12.3 %	17.0 %	9.2 %	16.0 %
<b>Efficiency</b>							
Total operating costs / sales	32.0 %	37.0 %	32.2 %	30.3 %	32.5 %	33.6 %	33.5 %
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	26.9 %	32.9 %	29.3 %	25.8 %	28.5 %	30.1 %	30.2 %
Inventory turnover (sales/inventory)	5.6	4.8	5.2	5.2	5.2	5.2	5.2
Trade debtors in days of sales	55.9	70.7	64.0	64.0	64.0	64.0	64.0
A/P turnover [(A/P*365)/sales]	35.8	38.7	22.0	25.0	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	12.3	15.0	22.7	15.1	9.0	10.9	16.2
Free cash flow/sales	8.8 %	12.5 %	16.4 %	8.9 %	5.0 %	5.7 %	8.0 %
FCF / net profit	115.6 %	156.6 %	154.2 %	93.5 %	47.6 %	52.7 %	67.9 %
Capex / deprn	43.8 %	61.0 %	53.9 %	71.4 %	157.9 %	153.1 %	120.0 %
Capex / maintenance capex	48.7 %	67.8 %	48.1 %	75.2 %	166.2 %	161.1 %	126.3 %
Capex / sales	2.8 %	4.4 %	3.4 %	3.6 %	8.4 %	7.9 %	5.9 %
<b>Security</b>							
Net debt	-15.9	-24.9	-56.0	-54.1	-58.5	-64.4	-75.2
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	12.6	13.9	20.4	34.8	39.8	43.4	50.2
Dividend payout ratio	28.8 %	37.4 %	27.9 %	28.2 %	26.5 %	26.5 %	26.5 %
<b>Asset utilisation</b>							
Capital employed turnover	1.0	0.9	1.1	1.2	1.2	1.2	1.2
Operating assets turnover	1.9	1.5	1.9	2.0	1.8	1.8	1.8
Plant turnover	3.9	3.2	4.1	4.6	4.2	4.0	4.1
Inventory turnover (sales/inventory)	5.6	4.8	5.2	5.2	5.2	5.2	5.2
<b>Returns</b>							
ROCE	13.6 %	12.0 %	13.8 %	17.6 %	18.3 %	18.6 %	20.3 %
ROE	10.7 %	9.1 %	13.1 %	13.2 %	13.8 %	13.6 %	14.2 %
<b>Other</b>							
Interest paid / avg. debt	8.4 %	8.6 %	13.2 %	73.9 %	812.6 %	877.3 %	941.1 %
No. employees (average)	0	0	0	0	0	0	0
Number of shares	5.3	5.3	5.3	5.2	5.2	5.2	5.2
DPS	0.6	0.7	0.8	0.0	0.0	0.0	1.2
EPS reported	2.02	1.81	2.78	3.12	3.65	3.99	4.63
<b>Valuation ratios</b>							
P/BV	4.1	3.9	3.7	3.3	2.9	2.7	2.4
EV/sales	2.8	3.2	2.6	2.1	2.0	1.8	1.7
EV/EBITDA	14.7	15.6	13.4	11.3	9.8	9.0	7.8
EV/EBITA	21.7	24.0	19.8	15.4	13.3	12.0	10.1
EV/EBIT	21.7	24.0	19.8	15.4	13.3	12.0	10.1
EV/FCF	32.0	25.9	15.7	23.9	39.6	32.2	20.9
Adjusted FCF yield	3.5 %	3.1 %	3.4 %	4.8 %	5.6 %	6.3 %	7.4 %
Dividend yield	0.8 %	0.8 %	1.0 %	1.1 %	1.2 %	1.4 %	1.6 %

Source: Company data, Hauck & Aufhäuser

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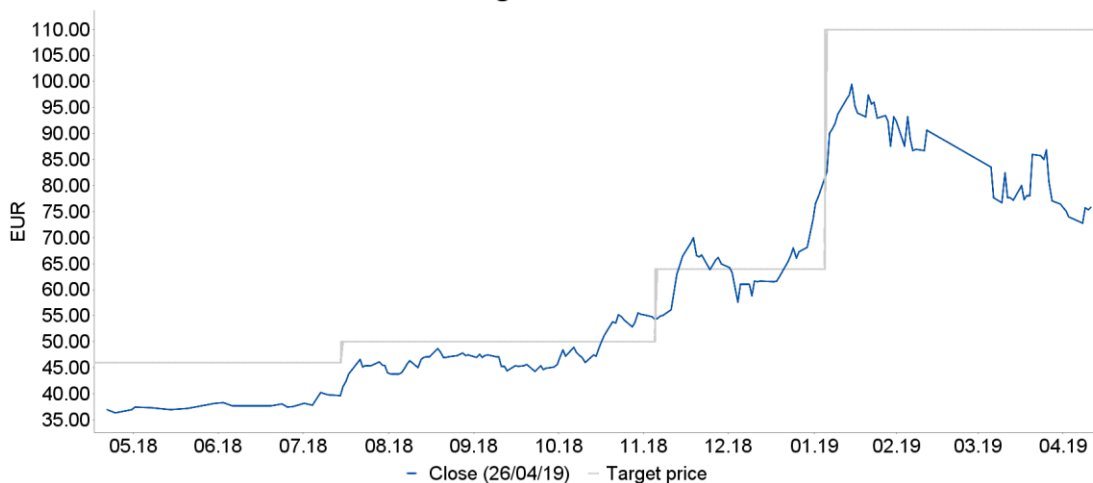
Company	Disclosure
Eckert & Ziegler AG	2

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

#### Price and Rating History Eckert & Ziegler AG as of 02/05/19

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

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