

H&A FIRST TAKE

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07-May-19

Blowout Q1 poses upside pressure to the FY targets

EUZ reported a blowout Q1 beating our expectations across the board.

EUR	Q1 2019	Q1 2019 est	Q1 2018	yoy
Sales	43.5	39.2	35.7	21.7%
EBIT	8.8	5.5	3.9	127.1%
<i>EBIT margin</i>	20.2%	14.0%	10.8%	+9.4 pp
Net Profit (excl. disc. operations)	6.0	3.8	2.3	155.9%
<i>Net margin</i>	13.8%	9.7%	6.6%	+7.2 pp
EPS (excl. disc. operations)	1.14	0.74	0.44	157.1%

Source: Hauck & Aufhäuser

Remarkably, the **high-margin Radiopharma (20% of sales; 40% of EBIT) grew sales by a whopping 52%** strongly supported by brisk demand for ga-68 generators in particular and soft comps (+3% yoy in Q1 2018). Importantly, this **sound growth dynamic is seen to persist** in the coming quarters, supported by a supply/demand imbalance for generators.

Also, with **21% yoy sales growth Isotope Products (20% of sales) continued to benefit from a pick up in the energy sector** (ie oil & gas) witnessed in 2018. This growth, however, is seen to normalise in the coming quarters. For the FY, management currently guides for a 20% sales decline, which seems a bit too aggressive, in our view, as it would imply 31% yoy decline in the remaining nine months (or 11% decline over Q2-Q4 2017).

While management confirmed the FY outlook of € 180m sales and € 3.50 EPS, the **outstanding Q1 results pose upside pressure**. In fact, Q1 2019 already accounts for 33% of FY, compared to an average of c. 20-25%.

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Buy

Price target: EUR 110.00

Price: EUR 80.90

Close price as of: 03.05.2019

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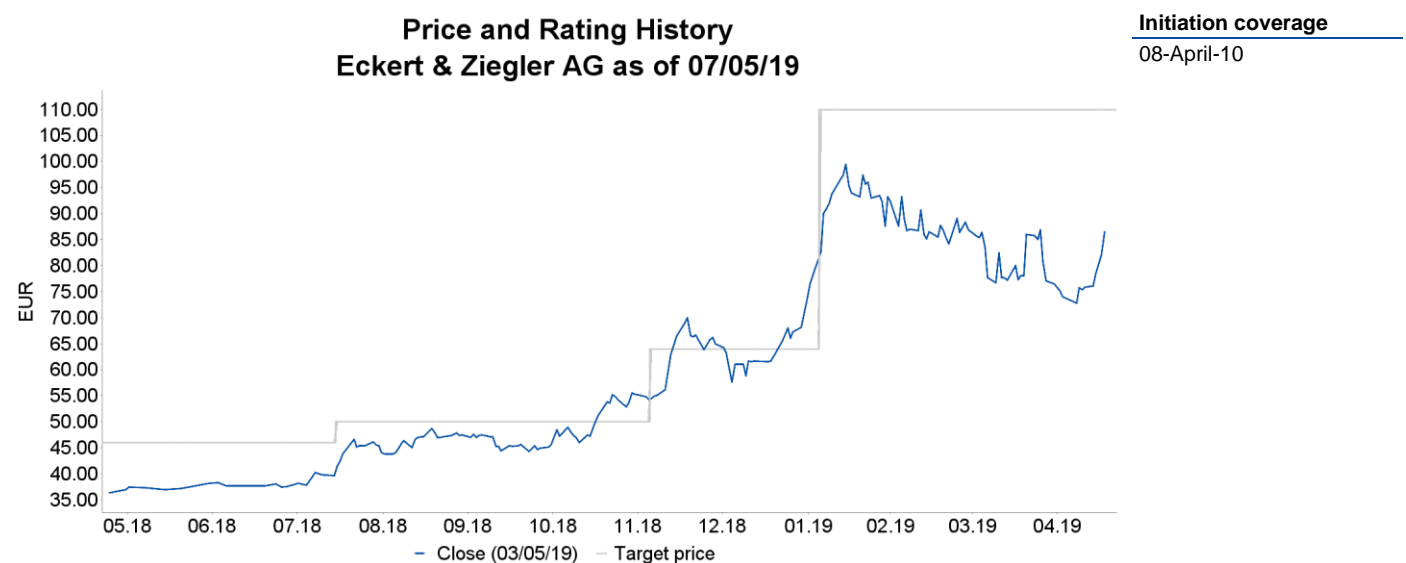
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Company	Disclosure
Eckert & Ziegler AG	2

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



Company	Date	Analyst	Rating	Target price	Close
Eckert & Ziegler AG	02.05.2019	Halitsa, Aliaksandr	Buy	EUR 110,00	EUR 82,10
	27.02.2019	Halitsa, Aliaksandr	Buy	EUR 110,00	EUR 86,00
	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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Sell	11.76 %	0.00 %
Hold	22.22 %	15.79 %

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