

**Buy** (old: Buy)

**Price target: EUR 210.00** (old: EUR 210.00)

**Price:** EUR 149.60    **Next result:** Q1 12.05.20  
**Bloomberg:** EUZ GR    **Market cap:** EUR 767.9 m  
**Reuters:** EUZG.DE    **Enterprise Value:** EUR 688.6 m

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### 2020E better than expected; growth re-acceleration in 2021E

During our conference Dr. Eckert (CEO) provided an update on the current trading and emphasized **ample growth opportunities in the vibrant radiopharma market.**

#### The key take-aways are:

- **2020E trending better than expected.** After the first – arguably most difficult – five months EUZ is trending c 8% ahead of its FY EBIT forecast of € 25m. This is driven by continuously robust growth of the high-margin Radiopharma (>25% of sales) and less severe than expected headwinds in the remainder of the business.

Importantly, as lockdowns ease and situation normalizes the rest of the business (eg. medical equipment, services, industrial isotopes) should gradually improve. In fact, this can already be seen in the order intake for certain systems and consumables (seeds, afterloaders) as clinics return to treatment of cancer patients.

- **Upside to the FY EBIT forecast.** Trending 8% above its FY EBIT forecast based on an extrapolation of the first five months, we expect EUZ to raise the forecast ahead of Q3 results as the non-radiopharma business should gradually normalize in H2 and radiopharma remains on its growth path despite COVID-19. Assuming no major disruptions, we see c. 20% upside to the FY EBIT guidance.

- **Gearing up to for accelerating growth.** Apart from slight delays in construction of the US and Chinese sites due to travel constraints, the international expansion is on track. This should enable EUZ to further solidify its positioning as the go-to-partner for pharma companies looking to develop or commercialize its radioisotope-based therapeutics for treatment of various cancerous diseases.

- **Stellar mid-term growth prospects.** Backed by the expansion of its global production footprint and availability of most relevant isotopes, EUZ looks set to capitalize on emerging blockbuster therapies. The pending prostate cancer therapy approval from Novartis (2021E) is seen to further drive demand for gallium-68, while presenting an up to € 50m revenue opportunity with Lu-177 in 3-5 years. Furthermore, Yt-90 used in treatment of liver cancer looks set to develop in a mid-double-digit € m business in the mid term, provided an approval in China, which accounts for more than half the world's incidence of liver cancer. Importantly, Lu-177 and Yt-90 should carry strong margins as marginal costs for incremental output are low.

**BUY** with unchanged **PT of € 210** based on DCF.

Y/E 31.12 (EUR m)	2016	2017	2018	2019	2020E	2021E	2022E
Sales	119.9	138.6	168.7	178.5	178.4	197.1	215.3
Sales growth	-14 %	16 %	22 %	6 %	0 %	11 %	9 %
EBITDA	24.9	26.6	32.0	42.7	43.1	48.1	53.9
EBIT	16.1	18.0	23.4	31.6	32.1	37.0	42.9
Net income	9.5	14.7	16.1	22.0	22.0	25.6	29.8
Net debt	-24.9	-56.0	-54.1	-78.9	-92.8	-101.0	-122.6
Net gearing	-23.7 %	-49.8 %	-44.1 %	-57.1 %	-61.9 %	-60.3 %	-64.9 %
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EPS pro forma	1.93	2.19	3.12	4.17	4.29	4.98	5.80
CPS	2.42	3.54	2.53	5.83	3.46	3.90	5.35
DPS	0.66	0.80	1.20	1.39	1.43	1.66	1.93
Dividend yield	0.4 %	0.5 %	0.8 %	1.1 %	1.1 %	1.3 %	1.5 %
Gross profit margin	49.7 %	46.1 %	44.1 %	48.8 %	49.2 %	50.0 %	51.0 %
EBITDA margin	20.8 %	19.2 %	18.9 %	23.9 %	24.2 %	24.4 %	25.0 %
EBIT margin	13.5 %	13.0 %	13.9 %	17.7 %	18.0 %	18.8 %	19.9 %
ROCE	12.0 %	13.8 %	17.6 %	22.2 %	22.7 %	25.8 %	20.6 %
EV/sales	6.3	5.2	4.3	3.9	3.9	3.5	3.1
EV/EBITDA	30.4	23.6	19.8	14.2	13.7	12.2	10.4
EV/EBIT	46.8	35.0	27.1	19.2	21.5	18.4	15.4
PER	77.5	54.4	38.7	28.3	26.8	22.7	18.8
Adjusted FCF yield	1.6 %	1.9 %	2.7 %	3.8 %	3.9 %	4.6 %	5.6 %

Source: Company data, Hauck & Aufhäuser Close price as of: 23.06.2020



Source: Company data, Hauck & Aufhäuser

**High/low 52 weeks:** 201.50 / 98.00

**Price/Book Ratio:** 5.1

**Relative performance (SDAX):**

3 months -  
6 months -  
12 months -

#### Changes in estimates

		Sales	EBIT	EPS
2020	old:	178.4	32.1	4.29
	Δ	-	-	-
2021	old:	197.1	37.0	4.98
	Δ	-	-	-
2022	old:	215.3	42.9	5.80
	Δ	-	-	-

#### Key share data:

Number of shares: (in m pcs) 5.1  
 Authorised capital: (in € m) 0.6  
 Book value per share: (in €) 29.2  
 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.

## Financials

Profit and loss (EUR m)	2016	2017	2018	2019	2020E	2021E	2022E
<b>Sales</b>	<b>119.9</b>	<b>138.6</b>	<b>168.7</b>	<b>178.5</b>	<b>178.4</b>	<b>197.1</b>	<b>215.3</b>
Sales growth	-14.2 %	15.7 %	21.7 %	5.8 %	-0.1 %	10.5 %	9.2 %
Cost of sales	60.3	74.8	94.4	91.5	90.6	98.6	105.5
<b>Gross profit</b>	<b>59.6</b>	<b>63.9</b>	<b>74.3</b>	<b>87.0</b>	<b>87.8</b>	<b>98.6</b>	<b>109.8</b>
Sales and marketing	18.1	20.0	23.3	22.9	22.9	25.3	27.7
General and administration	24.7	23.9	26.9	27.6	27.6	30.5	33.3
Research and development	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other operating income	3.5	3.8	3.5	2.8	2.8	3.1	3.4
Other operating expenses	5.0	4.5	4.5	7.1	8.1	8.9	9.5
Unusual or infrequent items	0.9	-1.2	0.2	-0.6	0.0	0.0	0.0
<b>EBITDA</b>	<b>24.9</b>	<b>26.6</b>	<b>32.0</b>	<b>42.7</b>	<b>43.1</b>	<b>48.1</b>	<b>53.9</b>
Depreciation	8.7	8.6	8.6	11.1	11.1	11.1	11.1
<b>EBITA</b>	<b>16.1</b>	<b>18.0</b>	<b>23.4</b>	<b>31.6</b>	<b>32.1</b>	<b>37.0</b>	<b>42.9</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>16.1</b>	<b>18.0</b>	<b>23.4</b>	<b>31.6</b>	<b>32.1</b>	<b>37.0</b>	<b>42.9</b>
Interest income	0.4	0.3	0.2	0.3	0.3	0.3	0.3
Interest expenses	1.2	0.9	0.7	1.1	1.1	1.1	1.1
Other financial result	0.0	0.0	0.0	0.4	0.0	0.0	0.0
Financial result	-0.7	-0.6	-0.5	-0.4	-0.8	-0.8	-0.8
<b>Recurring pretax income from continuing operations</b>	<b>15.4</b>	<b>17.3</b>	<b>22.9</b>	<b>31.2</b>	<b>31.3</b>	<b>36.2</b>	<b>42.0</b>
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Earnings before taxes</b>	<b>15.4</b>	<b>17.3</b>	<b>22.9</b>	<b>31.2</b>	<b>31.3</b>	<b>36.2</b>	<b>42.0</b>
Taxes	5.0	5.3	6.0	8.8	8.8	10.2	11.8
<b>Net income from continuing operations</b>	<b>10.4</b>	<b>12.0</b>	<b>16.9</b>	<b>22.5</b>	<b>22.5</b>	<b>26.0</b>	<b>30.2</b>
Result from discontinued operations (net of tax)	-0.7	3.1	0.0	0.0	0.0	0.0	0.0
<b>Net income</b>	<b>9.8</b>	<b>15.1</b>	<b>16.9</b>	<b>22.5</b>	<b>22.5</b>	<b>26.0</b>	<b>30.2</b>
Minority interest	0.2	0.4	0.8	0.5	0.5	0.5	0.5
<b>Net profit (reported)</b>	<b>9.5</b>	<b>14.7</b>	<b>16.1</b>	<b>22.0</b>	<b>22.0</b>	<b>25.6</b>	<b>29.8</b>
Average number of shares	5.3	5.3	5.2	5.1	5.1	5.1	5.1
<b>EPS reported</b>	<b>1.81</b>	<b>2.78</b>	<b>3.12</b>	<b>4.29</b>	<b>4.29</b>	<b>4.98</b>	<b>5.80</b>

Profit and loss (common size)	2016	2017	2018	2019	2020E	2021E	2022E
<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	50.3 %	53.9 %	55.9 %	51.2 %	50.8 %	50.0 %	49.0 %
<b>Gross profit</b>	<b>49.7 %</b>	<b>46.1 %</b>	<b>44.1 %</b>	<b>48.8 %</b>	<b>49.2 %</b>	<b>50.0 %</b>	<b>51.0 %</b>
Sales and marketing	15.1 %	14.4 %	13.8 %	12.8 %	12.8 %	12.8 %	12.8 %
General and administration	20.6 %	17.3 %	15.9 %	15.4 %	15.4 %	15.4 %	15.4 %
Research and development	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other operating income	2.9 %	2.7 %	2.1 %	1.6 %	1.6 %	1.6 %	1.6 %
Other operating expenses	4.2 %	3.2 %	2.6 %	4.0 %	4.5 %	4.5 %	4.4 %
Unusual or infrequent items	0.7 %	neg.	0.1 %	neg.	0.0 %	0.0 %	0.0 %
<b>EBITDA</b>	<b>20.8 %</b>	<b>19.2 %</b>	<b>18.9 %</b>	<b>23.9 %</b>	<b>24.2 %</b>	<b>24.4 %</b>	<b>25.0 %</b>
Depreciation	7.3 %	6.2 %	5.1 %	6.2 %	6.2 %	5.6 %	5.1 %
<b>EBITA</b>	<b>13.5 %</b>	<b>13.0 %</b>	<b>13.9 %</b>	<b>17.7 %</b>	<b>18.0 %</b>	<b>18.8 %</b>	<b>19.9 %</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>13.5 %</b>	<b>13.0 %</b>	<b>13.9 %</b>	<b>17.7 %</b>	<b>18.0 %</b>	<b>18.8 %</b>	<b>19.9 %</b>
Interest income	0.4 %	0.2 %	0.1 %	0.2 %	0.2 %	0.1 %	0.1 %
Interest expenses	1.0 %	0.6 %	0.4 %	0.6 %	0.6 %	0.6 %	0.5 %
Other financial result	0.0 %	0.0 %	0.0 %	0.2 %	0.0 %	0.0 %	0.0 %
Financial result	neg.	neg.	neg.	neg.	neg.	neg.	neg.
<b>Recurring pretax income from continuing operations</b>	<b>12.9 %</b>	<b>12.5 %</b>	<b>13.6 %</b>	<b>17.5 %</b>	<b>17.5 %</b>	<b>18.4 %</b>	<b>19.5 %</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>12.5 %</b>	<b>13.6 %</b>	<b>17.5 %</b>	<b>17.5 %</b>	<b>18.4 %</b>	<b>19.5 %</b>
Tax rate	32.2 %	30.7 %	26.2 %	28.1 %	28.1 %	28.1 %	28.1 %
<b>Net income from continuing operations</b>	<b>8.7 %</b>	<b>8.7 %</b>	<b>10.0 %</b>	<b>12.6 %</b>	<b>12.6 %</b>	<b>13.2 %</b>	<b>14.0 %</b>
Result from discontinued operations (net of tax)	-0.6 %	2.2 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Net income</b>	<b>8.2 %</b>	<b>10.9 %</b>	<b>10.0 %</b>	<b>12.6 %</b>	<b>12.6 %</b>	<b>13.2 %</b>	<b>14.0 %</b>
Minority interest	0.2 %	0.3 %	0.4 %	0.3 %	0.3 %	0.2 %	0.2 %
<b>Net profit (reported)</b>	<b>8.0 %</b>	<b>10.6 %</b>	<b>9.6 %</b>	<b>12.3 %</b>	<b>12.3 %</b>	<b>13.0 %</b>	<b>13.8 %</b>

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2016	2017	2018	2019	2020E	2021E	2022E
<b>Intangible assets</b>	<b>53.0</b>	<b>51.4</b>	<b>52.5</b>	<b>51.9</b>	<b>51.9</b>	<b>51.9</b>	<b>51.9</b>
Property, plant and equipment	37.8	33.8	36.9	40.0	36.2	40.1	36.3
Financial assets	2.9	3.2	3.5	5.2	5.2	5.2	5.2
<b>FIXED ASSETS</b>	<b>93.7</b>	<b>88.5</b>	<b>93.0</b>	<b>97.1</b>	<b>93.3</b>	<b>97.2</b>	<b>93.4</b>
Inventories	25.1	26.8	28.8	31.2	36.4	40.2	41.4
Accounts receivable	23.2	24.3	28.3	29.5	31.3	34.6	37.7
Other current assets	11.9	10.9	14.9	26.6	26.6	26.6	26.6
Liquid assets	36.6	57.7	54.2	78.9	92.8	101.0	122.7
Deferred taxes	9.0	8.8	9.9	10.9	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>105.8</b>	<b>128.5</b>	<b>136.1</b>	<b>177.1</b>	<b>187.1</b>	<b>202.4</b>	<b>228.4</b>
<b>TOTAL ASSETS</b>	<b>199.5</b>	<b>217.0</b>	<b>229.1</b>	<b>274.2</b>	<b>280.3</b>	<b>299.6</b>	<b>321.8</b>
<b>SHAREHOLDERS EQUITY</b>	<b>105.2</b>	<b>112.3</b>	<b>122.6</b>	<b>138.2</b>	<b>149.9</b>	<b>167.3</b>	<b>189.0</b>
MINORITY INTEREST	4.9	5.2	1.2	1.2	1.2	1.2	0.0
Long-term debt	4.1	0.0	0.0	0.0	0.0	0.0	0.0
Provisions for pensions and similar obligations	11.8	11.7	11.4	13.5	13.5	13.5	13.5
Other provisions	35.3	48.7	55.1	66.4	61.9	63.2	64.4
<b>Non-current liabilities</b>	<b>51.2</b>	<b>60.4</b>	<b>66.5</b>	<b>79.9</b>	<b>75.4</b>	<b>76.7</b>	<b>77.9</b>
short-term liabilities to banks	7.5	1.7	0.0	0.0	0.0	0.0	0.0
Accounts payable	6.4	4.5	6.5	4.5	6.2	6.8	7.2
Advance payments received on orders	1.4	5.9	4.1	12.0	12.0	12.0	12.0
Other liabilities (incl. from lease and rental contracts)	15.6	17.3	17.4	35.6	35.6	35.6	35.6
Deferred taxes	5.6	6.4	7.1	2.8	0.0	0.0	0.0
Deferred income	1.7	3.3	3.6	0.0	0.0	0.0	0.0
<b>Current liabilities</b>	<b>38.2</b>	<b>39.1</b>	<b>38.8</b>	<b>54.9</b>	<b>53.8</b>	<b>54.3</b>	<b>54.8</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>199.5</b>	<b>217.0</b>	<b>229.1</b>	<b>274.2</b>	<b>280.3</b>	<b>299.6</b>	<b>321.8</b>

Balance sheet (common size)	2016	2017	2018	2019	2020E	2021E	2022E
<b>Intangible assets</b>	<b>26.6 %</b>	<b>23.7 %</b>	<b>22.9 %</b>	<b>18.9 %</b>	<b>18.5 %</b>	<b>17.3 %</b>	<b>16.1 %</b>
Property, plant and equipment	19.0 %	15.6 %	16.1 %	14.6 %	12.9 %	13.4 %	11.3 %
Financial assets	1.4 %	1.5 %	1.5 %	1.9 %	1.9 %	1.7 %	1.6 %
<b>FIXED ASSETS</b>	<b>47.0 %</b>	<b>40.8 %</b>	<b>40.6 %</b>	<b>35.4 %</b>	<b>33.3 %</b>	<b>32.4 %</b>	<b>29.0 %</b>
Inventories	12.6 %	12.3 %	12.6 %	11.4 %	13.0 %	13.4 %	12.9 %
Accounts receivable	11.6 %	11.2 %	12.4 %	10.8 %	11.2 %	11.5 %	11.7 %
Other current assets	6.0 %	5.0 %	6.5 %	9.7 %	9.5 %	8.9 %	8.3 %
Liquid assets	18.3 %	26.6 %	23.7 %	28.8 %	33.1 %	33.7 %	38.1 %
Deferred taxes	4.5 %	4.1 %	4.3 %	4.0 %	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>53.0 %</b>	<b>59.2 %</b>	<b>59.4 %</b>	<b>64.6 %</b>	<b>66.7 %</b>	<b>67.6 %</b>	<b>71.0 %</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>52.7 %</b>	<b>51.8 %</b>	<b>53.5 %</b>	<b>50.4 %</b>	<b>53.5 %</b>	<b>55.9 %</b>	<b>58.7 %</b>
MINORITY INTEREST	2.5 %	2.4 %	0.5 %	0.5 %	0.4 %	0.4 %	0.0 %
Long-term debt	2.1 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Provisions for pensions and similar obligations	5.9 %	5.4 %	5.0 %	4.9 %	4.8 %	4.5 %	4.2 %
Other provisions	17.7 %	22.4 %	24.0 %	24.2 %	22.1 %	21.1 %	20.0 %
<b>Non-current liabilities</b>	<b>25.7 %</b>	<b>27.8 %</b>	<b>29.0 %</b>	<b>29.1 %</b>	<b>26.9 %</b>	<b>25.6 %</b>	<b>24.2 %</b>
short-term liabilities to banks	3.8 %	0.8 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Accounts payable	3.2 %	2.1 %	2.8 %	1.6 %	2.2 %	2.3 %	2.2 %
Advance payments received on orders	0.7 %	2.7 %	1.8 %	4.4 %	4.3 %	4.0 %	3.7 %
Other liabilities (incl. from lease and rental contracts)	7.8 %	8.0 %	7.6 %	13.0 %	12.7 %	11.9 %	11.1 %
Deferred taxes	2.8 %	3.0 %	3.1 %	1.0 %	0.0 %	0.0 %	0.0 %
Deferred income	0.8 %	1.5 %	1.6 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Current liabilities</b>	<b>19.1 %</b>	<b>18.0 %</b>	<b>16.9 %</b>	<b>20.0 %</b>	<b>19.2 %</b>	<b>18.1 %</b>	<b>17.0 %</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)	2016	2017	2018	2019	2020E	2021E	2022E
Net profit/loss	9.8	15.1	16.9	22.5	22.5	26.0	30.2
Depreciation of fixed assets (incl. leases)	8.7	8.6	8.6	11.1	11.1	11.1	11.1
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	-0.8	5.5	2.8	10.6	0.0	0.0	0.0
Cash flow from operations before changes in w/c	17.7	29.3	28.2	44.1	33.6	37.1	41.3
Increase/decrease in inventory	0.3	-1.7	0.7	-2.2	-5.2	-3.8	-1.2
Increase/decrease in accounts receivable	2.0	-1.1	-4.0	-1.2	-1.8	-3.3	-3.2
Increase/decrease in accounts payable	0.1	-1.9	2.0	-0.4	1.7	0.5	0.5
Increase/decrease in other working capital positions	0.2	2.2	-5.7	0.0	0.0	0.0	0.0
Increase/decrease in working capital	2.6	-2.5	-7.0	-3.7	-5.3	-6.6	-3.9
<b>Cash flow from operating activities</b>	<b>20.3</b>	<b>26.8</b>	<b>21.2</b>	<b>40.4</b>	<b>28.3</b>	<b>30.6</b>	<b>37.4</b>
CAPEX	5.3	4.2	6.1	7.3	7.3	15.0	7.3
Payments for acquisitions	0.2	5.5	2.1	0.9	0.0	0.0	0.0
Financial investments	0.0	0.5	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	0.0	15.2	-2.5	2.5	0.0	0.0	0.0
<b>Cash flow from investing activities</b>	<b>-5.5</b>	<b>5.1</b>	<b>-10.7</b>	<b>-5.7</b>	<b>-7.3</b>	<b>-15.0</b>	<b>-7.3</b>
Cash flow before financing	14.8	31.9	10.5	34.7	21.1	15.6	30.2
Increase/decrease in debt position	-3.9	-5.3	-1.7	-2.7	0.0	0.0	0.0
Purchase of own shares	0.0	0.0	8.6	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	3.5	4.1	6.2	7.1	7.3	8.5
Others	-2.5	-1.2	-0.2	-1.7	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.3	-0.8	0.6	0.5	0.0	0.0	0.0
<b>Cash flow from financing activities</b>	<b>-9.5</b>	<b>-10.0</b>	<b>-14.6</b>	<b>-10.5</b>	<b>-7.1</b>	<b>-7.3</b>	<b>-8.5</b>
Increase/decrease in liquid assets	5.6	21.1	-3.5	24.7	13.9	8.2	21.7
<b>Liquid assets at end of period</b>	<b>37.0</b>	<b>57.7</b>	<b>54.2</b>	<b>78.9</b>	<b>92.8</b>	<b>101.0</b>	<b>122.7</b>

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2016	2017	2018	2019	2020E	2021E	2022E
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	74.5	84.9	96.8	110.4	125.9	143.5	163.6
yoy change	3.5 %	14.0 %	14.0 %	14.0 %	14.0 %	14.0 %	14.0 %
NAFTA	46.1	53.0	60.9	70.1	80.6	92.7	106.6
yoy change	3.5 %	15.0 %	15.0 %	15.0 %	15.0 %	15.0 %	15.0 %
Asia Pacific	14.0	15.8	17.9	20.2	22.9	25.8	29.2
yoy change	8.0 %	13.0 %	13.0 %	13.0 %	13.0 %	13.0 %	13.0 %
Rest of world	-14.7	-15.1	-7.0	-22.2	-50.9	-64.8	-84.0
yoy change	neg.	neg.	neg.	neg.	neg.	neg.	neg.
<b>TTL</b>	<b>119.9</b>	<b>138.6</b>	<b>168.7</b>	<b>178.5</b>	<b>178.4</b>	<b>197.1</b>	<b>215.3</b>
yoy change	-14.2 %	15.7 %	21.7 %	5.8 %	-0.1 %	10.5 %	9.2 %

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2016	2017	2018	2019	2020E	2021E	2022E
<b>P&amp;L growth analysis</b>							
Sales growth	-14.2 %	15.7 %	21.7 %	5.8 %	-0.1 %	10.5 %	9.2 %
EBITDA growth	-7.6 %	7.0 %	20.1 %	33.6 %	1.0 %	11.5 %	12.1 %
EBIT growth	-11.2 %	11.4 %	30.1 %	35.2 %	1.4 %	15.4 %	15.8 %
EPS growth	-10.5 %	53.9 %	12.3 %	37.4 %	0.0 %	16.1 %	16.4 %
<b>Efficiency</b>							
Total operating costs / sales	37.0 %	32.2 %	30.3 %	30.7 %	31.2 %	31.2 %	31.1 %
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	32.9 %	29.3 %	25.8 %	25.4 %	26.3 %	26.8 %	27.0 %
Inventory turnover (sales/inventory)	4.8	5.2	5.2	5.2	4.9	4.9	5.2
Trade debtors in days of sales	70.7	64.0	64.0	64.0	64.0	64.0	64.0
A/P turnover [(A/P*365)/sales]	38.7	22.0	25.0	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	15.0	22.7	15.1	33.2	21.1	15.6	30.2
Free cash flow/sales	12.5 %	16.4 %	8.9 %	18.6 %	11.8 %	7.9 %	14.0 %
FCF / net profit	156.6 %	154.2 %	93.5 %	150.7 %	95.6 %	60.8 %	101.3 %
Capex / deprn	61.0 %	53.9 %	71.4 %	65.5 %	65.5 %	135.4 %	65.5 %
Capex / maintenance capex	67.8 %	48.1 %	75.2 %	68.9 %	68.9 %	142.5 %	72.8 %
Capex / sales	4.4 %	3.4 %	3.6 %	4.1 %	4.1 %	7.6 %	3.4 %
<b>Security</b>							
Net debt	-24.9	-56.0	-54.1	-78.9	-92.8	-101.0	-122.6
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	13.9	20.4	34.8	28.9	29.3	33.8	39.1
Dividend payout ratio	37.4 %	27.9 %	38.4 %	32.4 %	33.3 %	33.3 %	33.3 %
<b>Asset utilisation</b>							
Capital employed turnover	0.9	1.1	1.2	1.2	1.3	1.3	0.8
Operating assets turnover	1.5	1.9	2.0	2.1	2.1	2.0	2.2
Plant turnover	3.2	4.1	4.6	4.5	4.9	4.9	5.9
Inventory turnover (sales/inventory)	4.8	5.2	5.2	5.2	4.9	4.9	5.2
<b>Returns</b>							
ROCE	12.0 %	13.8 %	17.6 %	22.2 %	22.7 %	25.8 %	20.6 %
ROE	9.1 %	13.1 %	13.2 %	15.9 %	14.7 %	15.3 %	15.8 %
<b>Other</b>							
Interest paid / avg. debt	8.6 %	13.2 %	73.9 %	1809.9 %	3128.6 %	3128.6 %	3128.6 %
No. employees (average)	0	0	0	0	0	0	0
Number of shares	5.3	5.3	5.2	5.1	5.1	5.1	5.1
DPS	0.7	0.8	1.2	1.4	1.4	1.7	1.9
EPS reported	1.81	2.78	3.12	4.29	4.29	4.98	5.80
<b>Valuation ratios</b>							
P/BV	6.8	6.4	5.7	5.0	4.6	4.2	3.7
EV/sales	5.7	4.7	3.9	3.5	3.5	3.1	2.7
EV/EBITDA	27.4	24.5	20.6	14.8	14.3	12.6	10.9
EV/EBITA	42.3	36.3	28.1	19.9	19.2	16.4	13.7
EV/EBIT	42.3	36.3	28.1	19.9	19.2	16.4	13.7
EV/FCF	45.6	28.7	43.5	19.0	29.3	39.1	19.4
Adjusted FCF yield	1.7 %	1.9 %	2.6 %	3.6 %	3.8 %	4.4 %	5.4 %
Dividend yield	0.5 %	0.6 %	0.9 %	1.0 %	1.1 %	1.2 %	1.4 %

Source: Company data, Hauck & Aufhäuser

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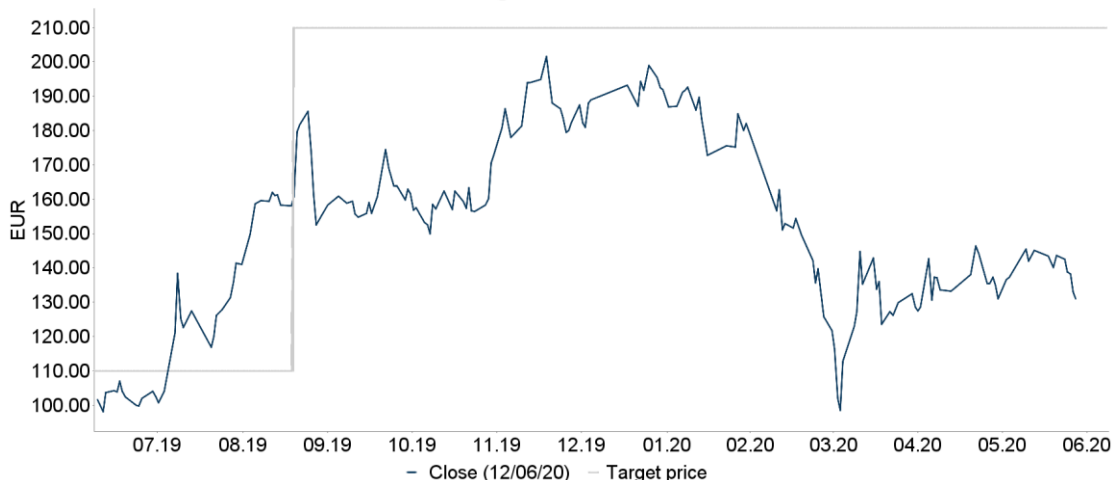
Company	Disclosure
Eckert & Ziegler AG	2

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

**Price and Rating History  
Eckert & Ziegler AG as of 23/06/20**

**Initiation coverage**

08-April-10



Company	Date	Analyst	Rating	Target price	Close
Eckert & Ziegler AG	15.06.2020	Halitsa, Aliaksandr	Buy	EUR 210,00	EUR 131,00
	13.05.2020	Halitsa, Aliaksandr	Buy	EUR 210,00	EUR 137,30
	06.04.2020	Halitsa, Aliaksandr	Buy	EUR 210,00	EUR 127,20
	17.02.2020	Halitsa, Aliaksandr	Buy	EUR 210,00	EUR 182,00
	19.12.2019	Halitsa, Aliaksandr	Buy	EUR 210,00	EUR 188,00

08.10.2019	Halitsa, Aliaksandr	Buy	EUR 210,00	EUR 169,00
05.09.2019	Halitsa, Aliaksandr	Buy	EUR 210,00	EUR 179,60

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