



**Buy** (old: Buy)

**Price target: EUR 80.00** (old: EUR 80.00)

<b>Price:</b>	EUR 69.15	<b>Next result:</b>	tbd
<b>Bloomberg:</b>	EUZ GR	<b>Market cap:</b>	EUR 1,230.1 m
<b>Reuters:</b>	EUZG.DE	<b>Enterprise Value:</b>	EUR 1,151.8 m

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### Long-term growth story in early innings

**Topic:** EUZ's preliminary results for FY'20 confirmed the early sales and EPS indication. The company also issued an outlook for FY'21E targeting "stable revenue" and an EPS of € 1.40 (+26% yoy). Due to one-time effects, the guidance is hard to interpret on a first glance and needs to be closely examined.

On a reported basis, EUZ expects sales to remain flat yoy in FY'21E. This, however, needs to be put in the context of divested non-core HDR business, which contributed roughly € 11m in sales. Adjusted for that, **FY'21E sales are expected to grow by 7% yoy**. Still, even the underlying 7% yoy sales growth looks conservative. **Two reasons:**

- First, the Isotope Product division is said to recover to the pre-COVID level of c. € 10m net income, which would correspond to c. € 100m+ sales (+7% yoy).
- Second, assuming sustained sales growth with radiopharmaceuticals (65% of Medical sales) of 20-30% p.a., this would imply up to 20% sales decline of the remainder of the Medical division. This is rather an unreasonable scenario given that this part of the Medical division recorder flat sales even during the pandemic year.

The **EPS outlook of € 1.40 can be broken down into:** € 1.30 underlying EPS and c. € 0.10 net positive one-off. Evidently, just like the sales outlook, this is rather a conservative forecast. Indeed, true to its prudent nature, **the company does not include potential demand stemming from market launches of new radiopharmaceuticals**. Yet, there's a few highly anticipated launches from Telix, Sirtex and from Novartis that should drive demand for radiopharmaceutical isotopes.

That being said, **an underlying EPS of > € 1.30 should be well in reach** in light of the Isotope Products recovery and sustained growth with high-margin radiopharmaceuticals. Hence, **we expect EUZ to upgrade its FY'21E EPS forecast** in the course of the year.

**Positive news flow should persist** on the back of upcoming drug approvals from Telix, Sirtex and Novartis as well as GMP approval for n.c.a. Lu-177 production and potential engineering contacts for radiopharmaceutical infrastructure (e.g. production lines, etc.). All of that should translate into **an even stronger growth in 2022E**.

**Action:** Sales is reduced by € 11m following the HDR sale. A slightly lower 2021E EBIT reflects additional reorganization costs following the sale of the HDR business.

**BUY** with an unchanged **PT of € 80** based on DCF.

Y/E 31.12 (EUR m)	2017	2018	2019	2020EP	2021E	2022E	2023E
Sales	138.6	168.7	178.5	171.5	179.6	216.2	260.3
Sales growth	16 %	22 %	6 %	-4 %	5 %	20 %	20 %
EBITDA	26.6	32.0	43.1	43.2	48.9	65.6	85.1
EBIT	18.0	23.4	32.1	32.1	37.8	54.5	75.1
Net income	14.7	16.1	22.0	22.1	26.2	38.2	53.0
Net debt	-56.0	-54.1	-78.9	-91.8	-104.2	-127.5	-156.9
Net gearing	-49.8 %	-44.1 %	-57.1 %	-61.3 %	-62.1 %	-64.5 %	-66.2 %
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EPS pro forma	2.19	3.12	1.03	1.04	1.24	1.80	2.50
CPS	3.54	2.53	1.41	0.95	1.14	1.39	1.87
DPS	0.80	1.20	0.34	0.35	0.41	0.60	0.83
Dividend yield	1.4 %	2.1 %	0.6 %	0.6 %	0.7 %	1.0 %	1.4 %
Gross profit margin	46.1 %	44.1 %	48.8 %	49.2 %	50.5 %	52.5 %	53.1 %
EBITDA margin	19.2 %	18.9 %	24.2 %	25.2 %	27.2 %	30.3 %	32.7 %
EBIT margin	13.0 %	13.9 %	18.0 %	18.7 %	21.1 %	25.2 %	28.9 %
ROCE	13.8 %	17.6 %	22.5 %	22.6 %	26.6 %	25.9 %	25.4 %
EV/sales	1.8	1.5	6.5	6.7	6.3	5.2	4.2
EV/EBITDA	9.5	8.0	27.0	26.7	23.3	17.0	12.8
EV/EBIT	14.1	11.0	36.3	35.9	30.1	20.5	14.5
PER	21.4	15.4	53.6	52.5	43.6	29.2	23.2
Adjusted FCF yield	4.8 %	6.7 %	2.0 %	2.0 %	2.4 %	3.6 %	5.1 %

Source: Company data, Hauck & Aufhäuser Close price as of: 29.03.2021



Source: Company data, Hauck & Aufhäuser

**High/low 52 weeks:** 69.70 / 30.88

**Price/Book Ratio:** 9.9

**Relative performance (SDAX):**

3 months 55.6 %

6 months 37.7 %

12 months 31.2 %

### Changes in estimates

		Sales	EBIT	EPS
2020	old:	171.5	32.1	1.04
	Δ	-	-	-
2021	old:	190.9	39.2	1.28
	Δ	-5.9%	-3.6%	-3.7%
2022	old:	229.3	54.6	1.81
	Δ	-5.7%	-	-

### Key share data:

Number of shares: (in m pcs) 21.2

Authorised capital: (in € m) 0.6

Book value per share: (in €) 7.1

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)	2017	2018	2019	2020E	2021E	2022E	2023E
<b>Sales</b>	<b>138.6</b>	<b>168.7</b>	<b>178.5</b>	<b>171.5</b>	<b>190.9</b>	<b>229.3</b>	<b>273.8</b>
<i>Sales growth</i>	15.7 %	21.7 %	5.8 %	-3.9 %	11.3 %	20.1 %	19.4 %
Cost of sales	74.8	94.4	91.5	87.1	94.5	108.9	128.4
<b>Gross profit</b>	<b>63.9</b>	<b>74.3</b>	<b>87.0</b>	<b>84.4</b>	<b>96.4</b>	<b>120.4</b>	<b>145.4</b>
Sales and marketing	20.0	23.3	22.9	22.0	23.7	26.4	27.4
General and administration	23.9	26.9	27.6	26.5	29.0	33.9	37.2
Research and development	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other operating income	3.8	3.5	2.8	2.7	2.7	2.7	2.7
Other operating expenses	4.5	4.5	7.1	6.5	7.2	8.2	8.2
Unusual or infrequent items	-1.2	0.2	-0.2	0.0	0.0	0.0	0.0
<b>EBITDA</b>	<b>26.6</b>	<b>32.0</b>	<b>43.1</b>	<b>43.2</b>	<b>50.3</b>	<b>65.7</b>	<b>85.4</b>
Depreciation	8.6	8.6	11.1	11.1	11.1	11.1	10.0
<b>EBITA</b>	<b>18.0</b>	<b>23.4</b>	<b>32.1</b>	<b>32.1</b>	<b>39.2</b>	<b>54.6</b>	<b>75.4</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>18.0</b>	<b>23.4</b>	<b>32.1</b>	<b>32.1</b>	<b>39.2</b>	<b>54.6</b>	<b>75.4</b>
Interest income	0.3	0.2	0.3	0.3	0.3	0.3	0.3
Interest expenses	0.9	0.7	1.1	1.1	1.1	1.1	1.1
Other financial result	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial result	-0.6	-0.5	-0.8	-0.8	-0.8	-0.8	-0.8
<b>Recurring pretax income from continuing operations</b>	<b>17.3</b>	<b>22.9</b>	<b>31.2</b>	<b>31.3</b>	<b>38.4</b>	<b>53.8</b>	<b>74.5</b>
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Earnings before taxes</b>	<b>17.3</b>	<b>22.9</b>	<b>31.2</b>	<b>31.3</b>	<b>38.4</b>	<b>53.8</b>	<b>74.5</b>
Taxes	5.3	6.0	8.8	8.8	10.8	15.1	20.9
<b>Net income from continuing operations</b>	<b>12.0</b>	<b>16.9</b>	<b>22.5</b>	<b>22.5</b>	<b>27.6</b>	<b>38.7</b>	<b>53.6</b>
Result from discontinued operations (net of tax)	3.1	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income</b>	<b>15.1</b>	<b>16.9</b>	<b>22.5</b>	<b>22.5</b>	<b>27.6</b>	<b>38.7</b>	<b>53.6</b>
Minority interest	0.4	0.8	0.5	0.5	0.5	0.5	0.5
<b>Net profit (reported)</b>	<b>14.7</b>	<b>16.1</b>	<b>22.0</b>	<b>22.1</b>	<b>27.2</b>	<b>38.2</b>	<b>53.2</b>
Average number of shares	5.3	5.2	21.2	21.2	21.2	21.2	21.2
<b>EPS reported</b>	<b>2.78</b>	<b>3.12</b>	<b>1.04</b>	<b>1.04</b>	<b>1.28</b>	<b>1.81</b>	<b>2.51</b>

Profit and loss (common size)	2017	2018	2019	2020E	2021E	2022E	2023E
<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	53.9 %	55.9 %	51.2 %	50.8 %	49.5 %	47.5 %	46.9 %
<b>Gross profit</b>	<b>46.1 %</b>	<b>44.1 %</b>	<b>48.8 %</b>	<b>49.2 %</b>	<b>50.5 %</b>	<b>52.5 %</b>	<b>53.1 %</b>
Sales and marketing	14.4 %	13.8 %	12.8 %	12.8 %	12.4 %	11.5 %	10.0 %
General and administration	17.3 %	15.9 %	15.4 %	15.4 %	15.2 %	14.8 %	13.6 %
Research and development	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other operating income	2.7 %	2.1 %	1.6 %	1.6 %	1.4 %	1.2 %	1.0 %
Other operating expenses	3.2 %	2.6 %	4.0 %	3.8 %	3.8 %	3.6 %	3.0 %
Unusual or infrequent items	neg.	0.1 %	neg.	0.0 %	0.0 %	0.0 %	0.0 %
<b>EBITDA</b>	<b>19.2 %</b>	<b>18.9 %</b>	<b>24.2 %</b>	<b>25.2 %</b>	<b>26.3 %</b>	<b>28.6 %</b>	<b>31.2 %</b>
Depreciation	6.2 %	5.1 %	6.2 %	6.5 %	5.8 %	4.8 %	3.7 %
<b>EBITA</b>	<b>13.0 %</b>	<b>13.9 %</b>	<b>18.0 %</b>	<b>18.7 %</b>	<b>20.5 %</b>	<b>23.8 %</b>	<b>27.5 %</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>13.9 %</b>	<b>18.0 %</b>	<b>18.7 %</b>	<b>20.5 %</b>	<b>23.8 %</b>	<b>27.5 %</b>
Interest income	0.2 %	0.1 %	0.2 %	0.2 %	0.2 %	0.1 %	0.1 %
Interest expenses	0.6 %	0.4 %	0.6 %	0.6 %	0.6 %	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>12.5 %</b>	<b>13.6 %</b>	<b>17.5 %</b>	<b>18.2 %</b>	<b>20.1 %</b>	<b>23.5 %</b>	<b>27.2 %</b>
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Earnings before taxes</b>	<b>12.5 %</b>	<b>13.6 %</b>	<b>17.5 %</b>	<b>18.2 %</b>	<b>20.1 %</b>	<b>23.5 %</b>	<b>27.2 %</b>
Tax rate	30.7 %	26.2 %	28.1 %	28.1 %	28.1 %	28.1 %	28.1 %
<b>Net income from continuing operations</b>	<b>8.7 %</b>	<b>10.0 %</b>	<b>12.6 %</b>	<b>13.1 %</b>	<b>14.5 %</b>	<b>16.9 %</b>	<b>19.6 %</b>
Result from discontinued operations (net of tax)	2.2 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Net income</b>	<b>10.9 %</b>	<b>10.0 %</b>	<b>12.6 %</b>	<b>13.1 %</b>	<b>14.5 %</b>	<b>16.9 %</b>	<b>19.6 %</b>
Minority interest	0.3 %	0.4 %	0.3 %	0.3 %	0.2 %	0.2 %	0.2 %
<b>Net profit (reported)</b>	<b>10.6 %</b>	<b>9.6 %</b>	<b>12.3 %</b>	<b>12.9 %</b>	<b>14.2 %</b>	<b>16.7 %</b>	<b>19.4 %</b>

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2017	2018	2019	2020E	2021E	2022E	2023E
<b>Intangible assets</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>	<b>51.9</b>
Property, plant and equipment	33.8	36.9	40.0	36.2	40.1	36.3	32.8
Financial assets	3.2	3.5	5.2	8.4	8.4	8.4	8.4
<b>FIXED ASSETS</b>	<b>88.5</b>	<b>93.0</b>	<b>97.1</b>	<b>96.5</b>	<b>100.4</b>	<b>96.6</b>	<b>93.1</b>
Inventories	26.8	28.8	31.2	35.0	39.0	44.1	52.7
Accounts receivable	24.3	28.3	29.5	30.1	33.5	40.2	48.0
Other current assets	10.9	14.9	26.6	26.6	26.6	26.6	26.6
Liquid assets	57.7	54.2	78.9	91.8	101.3	123.9	153.2
Deferred taxes	8.8	9.9	10.9	0.0	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>128.5</b>	<b>136.1</b>	<b>177.1</b>	<b>183.5</b>	<b>200.4</b>	<b>234.8</b>	<b>280.5</b>
<b>TOTAL ASSETS</b>	<b>217.0</b>	<b>229.1</b>	<b>274.2</b>	<b>280.0</b>	<b>300.8</b>	<b>331.4</b>	<b>373.6</b>
SHAREHOLDERS EQUITY	112.3	122.6	138.2	149.7	168.8	198.4	238.0
MINORITY INTEREST	5.2	1.2	1.2	1.2	1.2	0.0	0.0
Long-term debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Provisions for pensions and similar obligations	11.7	11.4	13.5	13.5	13.5	13.5	13.5
Other provisions	48.7	55.1	66.4	61.9	63.2	64.4	65.7
<b>Non-current liabilities</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>	<b>79.2</b>
short-term liabilities to banks	1.7	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable	4.5	6.5	4.5	6.0	6.5	7.5	8.8
Advance payments received on orders	5.9	4.1	12.0	12.0	12.0	12.0	12.0
Other liabilities (incl. from lease and rental contracts)	17.3	17.4	35.6	35.6	35.6	35.6	35.6
Deferred taxes	6.4	7.1	2.8	0.0	0.0	0.0	0.0
Deferred income	3.3	3.6	0.0	0.0	0.0	0.0	0.0
<b>Current liabilities</b>	<b>39.1</b>	<b>38.8</b>	<b>54.9</b>	<b>53.5</b>	<b>54.0</b>	<b>55.0</b>	<b>56.4</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>217.0</b>	<b>229.1</b>	<b>274.2</b>	<b>280.0</b>	<b>300.8</b>	<b>331.4</b>	<b>373.6</b>

Balance sheet (common size)	2017	2018	2019	2020E	2021E	2022E	2023E
<b>Intangible assets</b>	<b>23.7 %</b>	<b>22.9 %</b>	<b>18.9 %</b>	<b>18.5 %</b>	<b>17.3 %</b>	<b>15.7 %</b>	<b>13.9 %</b>
Property, plant and equipment	15.6 %	16.1 %	14.6 %	12.9 %	13.3 %	11.0 %	8.8 %
Financial assets	1.5 %	1.5 %	1.9 %	3.0 %	2.8 %	2.5 %	2.2 %
<b>FIXED ASSETS</b>	<b>40.8 %</b>	<b>40.6 %</b>	<b>35.4 %</b>	<b>34.5 %</b>	<b>33.4 %</b>	<b>29.2 %</b>	<b>24.9 %</b>
Inventories	12.3 %	12.6 %	11.4 %	12.5 %	13.0 %	13.3 %	14.1 %
Accounts receivable	11.2 %	12.4 %	10.8 %	10.7 %	11.1 %	12.1 %	12.9 %
Other current assets	5.0 %	6.5 %	9.7 %	9.5 %	8.8 %	8.0 %	7.1 %
Liquid assets	26.6 %	23.7 %	28.8 %	32.8 %	33.7 %	37.4 %	41.0 %
Deferred taxes	4.1 %	4.3 %	4.0 %	0.0 %	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>59.2 %</b>	<b>59.4 %</b>	<b>64.6 %</b>	<b>65.5 %</b>	<b>66.6 %</b>	<b>70.8 %</b>	<b>75.1 %</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>
SHAREHOLDERS EQUITY	51.8 %	53.5 %	50.4 %	53.5 %	56.1 %	59.9 %	63.7 %
MINORITY INTEREST	2.4 %	0.5 %	0.5 %	0.4 %	0.4 %	0.0 %	0.0 %
Long-term debt	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Provisions for pensions and similar obligations	5.4 %	5.0 %	4.9 %	4.8 %	4.5 %	4.1 %	3.6 %
Other provisions	22.4 %	24.0 %	24.2 %	22.1 %	21.0 %	19.4 %	17.6 %
<b>Non-current liabilities</b>	<b>27.8 %</b>	<b>29.0 %</b>	<b>29.1 %</b>	<b>26.9 %</b>	<b>25.5 %</b>	<b>23.5 %</b>	<b>21.2 %</b>
short-term liabilities to banks	0.8 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Accounts payable	2.1 %	2.8 %	1.6 %	2.1 %	2.2 %	2.3 %	2.4 %
Advance payments received on orders	2.7 %	1.8 %	4.4 %	4.3 %	4.0 %	3.6 %	3.2 %
Other liabilities (incl. from lease and rental contracts)	8.0 %	7.6 %	13.0 %	12.7 %	11.8 %	10.7 %	9.5 %
Deferred taxes	3.0 %	3.1 %	1.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Deferred income	1.5 %	1.6 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Current liabilities</b>	<b>18.0 %</b>	<b>16.9 %</b>	<b>20.0 %</b>	<b>19.1 %</b>	<b>18.0 %</b>	<b>16.6 %</b>	<b>15.1 %</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)	2017	2018	2019	2020E	2021E	2022E	2023E
Net profit/loss	15.1	16.9	22.5	22.5	27.6	38.7	53.6
Depreciation of fixed assets (incl. leases)	8.6	8.6	11.1	11.1	11.1	11.1	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	2.8	10.6	0.0	0.0	0.0	0.0
Cash flow from operations before changes in w/c	29.3	28.2	44.1	33.6	38.7	49.8	63.6
Increase/decrease in inventory	-1.7	0.7	-2.2	-3.8	-4.0	-5.1	-8.6
Increase/decrease in accounts receivable	-1.1	-4.0	-1.2	-0.6	-3.4	-6.7	-7.8
Increase/decrease in accounts payable	-1.9	2.0	-0.4	1.5	0.5	1.0	1.3
Increase/decrease in other working capital positions	2.2	-5.7	0.0	0.0	0.0	0.0	0.0
Increase/decrease in working capital	-2.5	-7.0	-3.7	-2.9	-6.9	-10.9	-15.0
<b>Cash flow from operating activities</b>	<b>26.8</b>	<b>21.2</b>	<b>40.4</b>	<b>30.7</b>	<b>31.8</b>	<b>38.9</b>	<b>48.6</b>
CAPEX	4.2	6.1	7.3	7.3	15.0	7.3	6.5
Payments for acquisitions	5.5	2.1	0.9	0.0	0.0	0.0	0.0
Financial investments	0.5	0.0	0.0	3.2	0.0	0.0	0.0
Income from asset disposals	15.2	-2.5	2.5	0.0	0.0	0.0	0.0
<b>Cash flow from investing activities</b>	<b>5.1</b>	<b>-10.7</b>	<b>-5.7</b>	<b>-10.5</b>	<b>-15.0</b>	<b>-7.3</b>	<b>-6.5</b>
Cash flow before financing	31.9	10.5	34.7	20.3	16.8	31.6	42.1
Increase/decrease in debt position	-5.3	-1.7	-2.7	0.0	0.0	0.0	0.0
Purchase of own shares	0.0	8.6	0.0	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	3.5	4.1	6.2	7.3	7.4	9.1	12.7
Others	-1.2	-0.2	-1.7	0.0	0.0	0.0	0.0
Effects of exchange rate changes on cash	-0.8	0.6	0.5	0.0	0.0	0.0	0.0
<b>Cash flow from financing activities</b>	<b>-10.0</b>	<b>-14.6</b>	<b>-10.5</b>	<b>-7.3</b>	<b>-7.4</b>	<b>-9.1</b>	<b>-12.7</b>
Increase/decrease in liquid assets	21.1	-3.5	24.7	13.0	9.5	22.6	29.3
<b>Liquid assets at end of period</b>	<b>57.7</b>	<b>54.2</b>	<b>78.9</b>	<b>91.8</b>	<b>101.3</b>	<b>123.9</b>	<b>153.2</b>

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2017	2018	2019	2020E	2021E	2022E	2023E
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	84.9	96.8	110.4	125.9	143.5	163.6	186.5
yoy change	14.0 %	14.0 %	14.0 %	14.0 %	14.0 %	14.0 %	14.0 %
NAFTA	53.0	60.9	70.1	80.6	92.7	106.6	122.5
yoy change	15.0 %	15.0 %	15.0 %	15.0 %	15.0 %	15.0 %	15.0 %
Asia Pacific	15.8	17.9	20.2	22.9	25.8	29.2	33.0
yoy change	13.0 %	13.0 %	13.0 %	13.0 %	13.0 %	13.0 %	13.0 %
Rest of world	-15.1	-7.0	-22.2	-57.8	-71.0	-70.0	-68.1
yoy change	neg.	neg.	neg.	neg.	neg.	neg.	neg.
<b>TTL</b>	<b>138.6</b>	<b>168.7</b>	<b>178.5</b>	<b>171.5</b>	<b>190.9</b>	<b>229.3</b>	<b>273.8</b>
yoy change	15.7 %	21.7 %	5.8 %	-3.9 %	11.3 %	20.1 %	19.4 %

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2017	2018	2019	2020E	2021E	2022E	2023E
<b>P&amp;L growth analysis</b>							
Sales growth	15.7 %	21.7 %	5.8 %	-3.9 %	11.3 %	20.1 %	19.4 %
EBITDA growth	7.0 %	20.1 %	35.0 %	0.1 %	16.5 %	30.6 %	30.0 %
EBIT growth	11.4 %	30.1 %	37.1 %	0.1 %	22.2 %	39.2 %	38.0 %
EPS growth	53.9 %	12.3 %	-66.7 %	0.1 %	23.2 %	40.7 %	39.1 %
<b>Efficiency</b>							
Total operating costs / sales	32.2 %	30.3 %	30.7 %	30.5 %	30.0 %	28.7 %	25.6 %
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	29.3 %	25.8 %	25.4 %	26.7 %	26.5 %	25.9 %	26.4 %
Inventory turnover (sales/inventory)	5.2	5.2	5.2	4.9	4.9	5.2	5.2
Trade debtors in days of sales	64.0	64.0	64.0	64.0	64.0	64.0	64.0
A/P turnover [(A/P*365)/sales]	22.0	25.0	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	22.7	15.1	33.2	23.5	16.8	31.6	42.1
Free cash flow/sales	16.4 %	8.9 %	18.6 %	13.7 %	8.8 %	13.8 %	15.4 %
FCF / net profit	154.2 %	93.5 %	150.7 %	106.3 %	62.0 %	82.7 %	79.1 %
Capex / depre	53.9 %	71.4 %	65.5 %	94.4 %	135.4 %	65.9 %	65.0 %
Capex / maintenance capex	48.1 %	75.2 %	68.9 %	68.9 %	142.5 %	73.2 %	72.2 %
Capex / sales	3.4 %	3.6 %	4.1 %	6.1 %	7.9 %	3.2 %	2.4 %
<b>Security</b>							
Net debt	-56.0	-54.1	-78.9	-91.8	-101.3	-123.8	-153.2
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	20.4	34.8	29.3	29.3	35.8	49.8	68.8
Dividend payout ratio	27.9 %	38.4 %	33.0 %	33.3 %	33.3 %	33.3 %	33.3 %
<b>Asset utilisation</b>							
Capital employed turnover	1.1	1.2	1.2	1.2	1.3	0.8	0.9
Operating assets turnover	1.9	2.0	2.1	2.1	2.0	2.3	2.4
Plant turnover	4.1	4.6	4.5	4.7	4.8	6.3	8.3
Inventory turnover (sales/inventory)	5.2	5.2	5.2	4.9	4.9	5.2	5.2
<b>Returns</b>							
ROCE	13.8 %	17.6 %	22.5 %	22.6 %	27.1 %	25.6 %	25.4 %
ROE	13.1 %	13.2 %	15.9 %	14.7 %	16.1 %	19.3 %	22.3 %
<b>Other</b>							
Interest paid / avg. debt	13.2 %	73.9 %	1809.9 %	3128.6 %	3128.6 %	3128.6 %	3128.6 %
No. employees (average)	0	0	0	0	0	0	0
Number of shares	5.3	5.2	21.2	21.2	21.2	21.2	21.2
DPS	0.8	1.2	0.3	0.3	0.4	0.6	0.8
EPS reported	2.78	3.12	1.04	1.04	1.28	1.81	2.51
<b>Valuation ratios</b>							
P/BV	2.7	2.4	8.9	8.2	7.3	6.2	5.2
EV/sales	1.8	1.5	6.5	6.7	6.0	4.9	4.0
EV/EBITDA	9.5	8.0	27.0	26.7	22.7	17.1	12.8
EV/EBITA	14.1	11.0	36.3	35.9	29.1	20.5	14.5
EV/EBIT	14.1	11.0	36.3	35.9	29.1	20.5	14.5
EV/FCF	11.2	17.1	35.1	49.1	67.8	35.4	25.9
Adjusted FCF yield	4.8 %	6.7 %	2.0 %	2.0 %	2.5 %	3.6 %	5.1 %
Dividend yield	1.4 %	2.1 %	0.6 %	0.6 %	0.7 %	1.0 %	1.4 %

Source: Company data, Hauck & Aufhäuser

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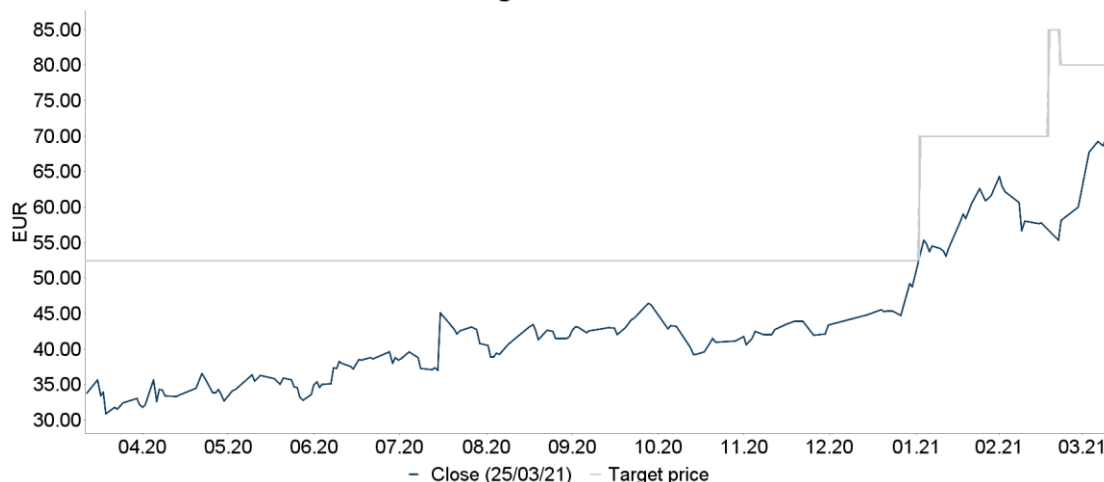
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Company	Disclosure
Eckert & Ziegler AG	2

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

**Price and Rating History  
Eckert & Ziegler AG as of 26/03/21**

**Initiation coverage**  
08-April-10



Company	Date	Analyst	Rating	Target price	Close
Eckert & Ziegler AG	24.03.2021	Halitsa, Aliaksandr	Buy	EUR 80,00	EUR 68,60
	10.03.2021	Halitsa, Aliaksandr	Buy	EUR 80,00	EUR 58,50
	16.02.2021	Halitsa, Aliaksandr	Buy	EUR 70,00	EUR 62,95
	08.02.2021	Halitsa, Aliaksandr	Buy	EUR 70,00	EUR 62,60
	29.01.2021	Halitsa, Aliaksandr	Buy	EUR 70,00	EUR 54,20

19.01.2021	Halitsa, Aliaksandr	Buy	EUR 70,00	EUR 55,30
26.10.2020	Halitsa, Aliaksandr	Buy	EUR 52,50	EUR 43,18
12.10.2020	Halitsa, Aliaksandr	Buy	EUR 52,50	EUR 45,98
24.08.2020	Halitsa, Aliaksandr	Buy	EUR 52,50	EUR 40,60
28.07.2020	Halitsa, Aliaksandr	Buy	EUR 52,50	EUR 37,13
02.07.2020	Halitsa, Aliaksandr	Buy	EUR 52,50	EUR 38,50
24.06.2020	Halitsa, Aliaksandr	Buy	EUR 52,50	EUR 37,28
15.06.2020	Halitsa, Aliaksandr	Buy	EUR 52,50	EUR 33,58
13.05.2020	Halitsa, Aliaksandr	Buy	EUR 52,50	EUR 34,33
06.04.2020	Halitsa, Aliaksandr	Buy	EUR 52,50	EUR 31,80

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