

# Eckert & Ziegler AG

## Germany - High-tech Engineering



HAUCK  
AUFHÄUSER  
INVESTMENT BANKING

**Buy** (old: Buy)

**Price target: EUR 60.00** (old: EUR 60.00)

<b>Price:</b>	EUR 39.58	<b>Next result:</b>	Q4 22.03.24
<b>Bloomberg:</b>	EUZ GR	<b>Market cap:</b>	EUR 819.1 m
<b>Reuters:</b>	EUZG.DE	<b>Enterprise Value:</b>	EUR 798.1 m

20-November-23

**Alexander Galitsa**  
Analyst

alexander.galitsa@ha-ib.de  
Tel.: +49 40 414 3885 83

### Q3: in line with prelims; balanced FCF, despite growth investments

With final Q3 results (in line with prelims), EUZ confirmed its FY'23 guidance. **The underlying investment case looks fully on track.** Specifically, the company continues to experience dynamic growth in its strategic radiopharma division, while making substantial growth investments into footprint extension and additional capacities.

- **Q3 group sales were up 13% yoy to € 66m**, strongly carried by dynamic growth in Medical (+30% yoy adj for disposal), while sales in Isotope Products remained overall on a high level (+9% yoy fx adj).

- **Q3 EBIT arrived at € 13m** (19.7% margin) exhibiting somewhat seasonally distorted EBIT margins in individual segments. For instance, Isotope Products EBIT margin stood at 25.5% (vs. H1'23: 15%; FY'22: 17%), reflecting "catch up" of high-margin oil and gas sales, but also overall strong pricing and costs control. On the other hand, upfront costs for growth investments as well as higher engineering sales (e.g. hot cells) with lower margins, weighed on the Medical EBIT margin, which arrived at 20.5% (H1'23: 23.2%).

- **FY'23E guidance confirmed, but looks undemanding.** In order to reach the guided € 25m of net income, EUZ only needs € 4.7m in Q4 (vs. an average of € 6.8m over Q1-Q3; Q4'22: € 6.7m). Admittedly, there is a remaining uncertainty with regards to potential changes in provisions and Pentixa-related costs, explaining our conservative stance.

- **Balance free cash flow, despite high growth investments.** Q3 FCF arrived at € 2.2m, despite high growth investments (9M'23: € 2.4m FCF; € 23m CAPEX), reflecting EUZ ability to finance the ongoing expansion with the existing cash and ongoing FCF generation.

- **JV for radioisotopes in China de-risks market entry.** The announced 50:50 JV with Chinese DongCheng Pharma (DC) is seen to foster the development of the highly promising Chinese market for medical isotopes. DC will invest € 20m into EUZ's subsidiary Qi Kang Medical Technology and the parties will jointly complete the ongoing construction of the production site in Jintan. Since Qi Kang has only had a negligible negative earnings contribution, we do not expect meaningful effect on EUZ's results. At the same time, following the capital increase, we expect EUZ to book a revaluation gain.

**BUY** with an unchanged **€ 60 PT** based on DCF.

Y/E 31.12 (EUR m)	2020	2021	2022	2023E	2024E	2025E	2026E
Sales	176.1	180.4	222.3	241.0	261.2	286.5	311.7
Sales growth	-1 %	2 %	23 %	8 %	8 %	10 %	9 %
EBITDA	44.8	57.0	55.0	51.6	61.8	70.4	79.4
EBIT	33.7	47.4	44.5	38.9	48.2	54.0	61.4
Net income	22.9	34.4	29.3	24.2	31.1	35.2	40.3
Net debt	-88.6	-86.6	-60.3	-42.3	-33.2	-46.3	-70.0
Net gearing	-59.9 %	-46.2 %	-28.4 %	-19.1 %	-13.9 %	-18.6 %	-25.3 %
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EPS pro forma	1.04	1.67	1.41	1.17	1.50	1.70	1.95
CPS	1.28	1.20	1.19	0.92	1.59	1.85	1.94
DPS	0.35	0.56	0.50	0.50	0.50	0.57	0.65
Dividend yield	0.9 %	1.4 %	1.3 %	1.3 %	1.3 %	1.4 %	1.6 %
Gross profit margin	49.1 %	50.5 %	48.0 %	48.9 %	48.8 %	48.6 %	48.9 %
EBITDA margin	25.4 %	31.6 %	24.8 %	21.4 %	23.7 %	24.6 %	25.5 %
EBIT margin	19.1 %	26.3 %	20.0 %	16.1 %	18.4 %	18.9 %	19.7 %
ROCE	22.9 %	26.0 %	16.5 %	19.1 %	18.8 %	20.4 %	21.0 %
EV/sales	4.2	10.1	3.5	3.3	3.1	2.8	2.5
EV/EBITDA	16.7	32.0	14.0	15.5	13.1	11.3	9.7
EV/EBIT	22.2	38.5	17.3	20.5	16.8	14.7	12.6
PER	34.9	52.7	25.5	33.9	26.4	23.3	20.3
Adjusted FCF yield	3.3 %	2.0 %	4.2 %	4.6 %	5.1 %	5.9 %	7.0 %

Source: Company data, Hauck Aufhäuser Investment Banking Close price as of: 17.11.2023



Source: Company data, Hauck Aufhäuser Investment Banking

**High/low 52 weeks:** 58.65 / 29.14

**Price/Book Ratio:** 3.7

**Relative performance (SDAX):**

3 months	23.2 %
6 months	-12.0 %
12 months	-27.4 %

#### Changes in estimates

		Sales	EBIT	EPS
2023	old:	241.0	38.9	1.17
	Δ	-	-	0.0%
2024	old:	261.2	48.2	1.50
	Δ	-	-	-
2025	old:	286.5	54.0	1.70
	Δ	-	-	-

#### Key share data:

Number of shares: (in m pcs)	20.7
Authorised capital: (in € m)	0.6
Book value per share: (in €)	10.7
Ø trading volume: (12 months)	20,453

#### Major shareholders:

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

#### Company description:

A full-service provider for radiopharmaceuticals and isotope technology for industrial applications

## Financials

Profit and loss (EUR m)	2020	2021	2022	2023E	2024E	2025E	2026E
<b>Sales</b>	<b>176.1</b>	<b>180.4</b>	<b>222.3</b>	<b>241.0</b>	<b>261.2</b>	<b>286.5</b>	<b>311.7</b>
Sales growth	-1.3 %	2.4 %	23.2 %	8.4 %	8.4 %	9.7 %	8.8 %
Cost of sales	89.6	89.4	115.5	123.1	133.7	147.2	159.4
<b>Gross profit</b>	<b>86.5</b>	<b>91.1</b>	<b>106.8</b>	<b>117.9</b>	<b>127.5</b>	<b>139.3</b>	<b>152.3</b>
Sales and marketing	21.7	22.6	23.1	26.1	28.0	30.3	32.6
General and administration	28.1	31.5	36.0	40.2	42.6	45.7	48.7
Research and development	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other operating income	5.8	17.7	7.2	2.1	2.1	2.1	2.1
Other operating expenses	7.2	7.3	10.4	14.8	10.8	11.3	11.7
Unusual or infrequent items	-1.6	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBITDA</b>	<b>44.8</b>	<b>57.0</b>	<b>55.0</b>	<b>51.6</b>	<b>61.8</b>	<b>70.4</b>	<b>79.4</b>
Depreciation	11.1	9.6	10.5	12.7	13.7	16.3	18.0
<b>EBITA</b>	<b>33.7</b>	<b>47.4</b>	<b>44.5</b>	<b>38.9</b>	<b>48.2</b>	<b>54.0</b>	<b>61.4</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>33.7</b>	<b>47.4</b>	<b>44.5</b>	<b>38.9</b>	<b>48.2</b>	<b>54.0</b>	<b>61.4</b>
Interest income	0.2	0.1	0.2	0.0	0.0	0.0	0.0
Interest expenses	1.2	1.2	1.8	3.1	3.1	3.1	3.1
Other financial result	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial result	-0.9	-1.1	-1.5	-3.1	-3.1	-3.1	-3.1
<b>Recurring pretax income from continuing operations</b>	<b>32.7</b>	<b>46.4</b>	<b>43.0</b>	<b>35.8</b>	<b>45.1</b>	<b>50.9</b>	<b>58.3</b>
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Earnings before taxes</b>	<b>32.7</b>	<b>46.4</b>	<b>43.0</b>	<b>35.8</b>	<b>45.1</b>	<b>50.9</b>	<b>58.3</b>
Taxes	9.6	11.7	13.3	11.1	13.5	15.3	17.5
<b>Net income from continuing operations</b>	<b>23.1</b>	<b>34.7</b>	<b>29.7</b>	<b>24.7</b>	<b>31.6</b>	<b>35.7</b>	<b>40.8</b>
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income</b>	<b>23.1</b>	<b>34.7</b>	<b>29.7</b>	<b>24.7</b>	<b>31.6</b>	<b>35.7</b>	<b>40.8</b>
Minority interest	0.2	0.2	0.5	0.5	0.5	0.5	0.5
<b>Net profit (reported)</b>	<b>22.9</b>	<b>34.4</b>	<b>29.3</b>	<b>24.2</b>	<b>31.1</b>	<b>35.2</b>	<b>40.3</b>
Average number of shares	20.6	20.6	20.7	20.7	20.7	20.7	20.7
<b>EPS reported</b>	<b>1.11</b>	<b>1.67</b>	<b>1.41</b>	<b>1.17</b>	<b>1.50</b>	<b>1.70</b>	<b>1.95</b>

Profit and loss (common size)	2020	2021	2022	2023E	2024E	2025E	2026E
<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	50.9 %	49.5 %	52.0 %	51.1 %	51.2 %	51.4 %	51.1 %
<b>Gross profit</b>	<b>49.1 %</b>	<b>50.5 %</b>	<b>48.0 %</b>	<b>48.9 %</b>	<b>48.8 %</b>	<b>48.6 %</b>	<b>48.9 %</b>
Sales and marketing	12.3 %	12.5 %	10.4 %	10.8 %	10.7 %	10.6 %	10.5 %
General and administration	15.9 %	17.4 %	16.2 %	16.7 %	16.3 %	16.0 %	15.6 %
Research and development	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other operating income	3.3 %	9.8 %	3.2 %	0.9 %	0.8 %	0.7 %	0.7 %
Other operating expenses	4.1 %	4.0 %	4.7 %	6.1 %	4.1 %	3.9 %	3.8 %
Unusual or infrequent items	neg.	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>EBITDA</b>	<b>25.4 %</b>	<b>31.6 %</b>	<b>24.8 %</b>	<b>21.4 %</b>	<b>23.7 %</b>	<b>24.6 %</b>	<b>25.5 %</b>
Depreciation	6.3 %	5.3 %	4.7 %	5.3 %	5.2 %	5.7 %	5.8 %
<b>EBITA</b>	<b>19.1 %</b>	<b>26.3 %</b>	<b>20.0 %</b>	<b>16.1 %</b>	<b>18.4 %</b>	<b>18.9 %</b>	<b>19.7 %</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>19.1 %</b>	<b>26.3 %</b>	<b>20.0 %</b>	<b>16.1 %</b>	<b>18.4 %</b>	<b>18.9 %</b>	<b>19.7 %</b>
Interest income	0.1 %	0.1 %	0.1 %	0.0 %	0.0 %	0.0 %	0.0 %
Interest expenses	0.7 %	0.7 %	0.8 %	1.3 %	1.2 %	1.1 %	1.0 %
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>18.6 %</b>	<b>25.7 %</b>	<b>19.3 %</b>	<b>14.8 %</b>	<b>17.3 %</b>	<b>17.8 %</b>	<b>18.7 %</b>
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Earnings before taxes</b>	<b>18.6 %</b>	<b>25.7 %</b>	<b>19.3 %</b>	<b>14.8 %</b>	<b>17.3 %</b>	<b>17.8 %</b>	<b>18.7 %</b>
Tax rate	29.4 %	25.3 %	30.8 %	31.0 %	30.0 %	30.0 %	30.0 %
<b>Net income from continuing operations</b>	<b>13.1 %</b>	<b>19.2 %</b>	<b>13.4 %</b>	<b>10.2 %</b>	<b>12.1 %</b>	<b>12.4 %</b>	<b>13.1 %</b>
Result from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Net income</b>	<b>13.1 %</b>	<b>19.2 %</b>	<b>13.4 %</b>	<b>10.2 %</b>	<b>12.1 %</b>	<b>12.4 %</b>	<b>13.1 %</b>
Minority interest	0.1 %	0.1 %	0.2 %	0.2 %	0.2 %	0.2 %	0.2 %
<b>Net profit (reported)</b>	<b>13.0 %</b>	<b>19.1 %</b>	<b>13.2 %</b>	<b>10.0 %</b>	<b>11.9 %</b>	<b>12.3 %</b>	<b>12.9 %</b>

Source: Company data, Hauck Aufhäuser Investment Banking

Balance sheet (EUR m)	2020	2021	2022	2023E	2024E	2025E	2026E
<b>Intangible assets</b>	<b>41.4</b>	<b>61.4</b>	<b>97.0</b>	<b>117.0</b>	<b>117.0</b>	<b>117.0</b>	<b>117.0</b>
Property, plant and equipment	38.0	61.9	85.1	86.4	112.7	121.4	118.4
Financial assets	8.0	16.4	15.9	15.9	15.9	3.2	3.5
<b>FIXED ASSETS</b>	<b>87.4</b>	<b>139.7</b>	<b>198.0</b>	<b>219.3</b>	<b>245.6</b>	<b>241.6</b>	<b>238.9</b>
Inventories	33.6	37.4	51.6	47.9	50.1	51.1	55.4
Accounts receivable	28.2	31.9	37.2	43.5	45.0	47.8	52.0
Other current assets	42.3	34.0	38.7	38.7	38.7	38.7	38.7
Liquid assets	88.6	93.7	82.7	71.6	62.5	75.6	99.3
Deferred taxes	11.9	11.2	8.6	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>204.6</b>	<b>208.1</b>	<b>218.8</b>	<b>201.7</b>	<b>196.3</b>	<b>213.2</b>	<b>245.3</b>
<b>TOTAL ASSETS</b>	<b>292.0</b>	<b>347.7</b>	<b>416.8</b>	<b>421.0</b>	<b>442.0</b>	<b>454.8</b>	<b>484.3</b>
SHAREHOLDERS EQUITY	147.8	187.4	212.1	221.0	238.7	249.3	276.6
MINORITY INTEREST	1.1	5.1	1.6	0.0	0.0	0.0	0.0
Long-term debt	0.0	0.0	22.4	23.8	23.8	23.8	23.8
Provisions for pensions and similar obligations	14.4	13.0	10.3	10.3	10.3	10.3	10.3
Other provisions	70.5	92.5	77.2	78.8	80.4	80.4	80.4
<b>Non-current liabilities</b>	<b>84.9</b>	<b>105.5</b>	<b>109.9</b>	<b>112.9</b>	<b>114.4</b>	<b>114.4</b>	<b>114.4</b>
short-term liabilities to banks	0.0	7.1	0.0	5.5	5.5	5.5	5.5
Accounts payable	5.0	5.6	8.3	7.5	8.2	9.0	9.7
Advance payments received on orders	8.6	11.6	19.0	13.3	14.4	15.8	17.1
Other liabilities (incl. from lease and rental contracts)	42.3	23.1	60.8	60.8	60.8	60.8	60.8
Deferred taxes	2.2	2.2	5.1	0.0	0.0	0.0	0.0
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Current liabilities</b>	<b>58.2</b>	<b>49.7</b>	<b>93.3</b>	<b>87.1</b>	<b>88.9</b>	<b>91.1</b>	<b>93.2</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>292.0</b>	<b>347.7</b>	<b>416.8</b>	<b>421.0</b>	<b>442.0</b>	<b>454.8</b>	<b>484.3</b>

Balance sheet (common size)	2020	2021	2022	2023E	2024E	2025E	2026E
<b>Intangible assets</b>	<b>14.2 %</b>	<b>17.7 %</b>	<b>23.3 %</b>	<b>27.8 %</b>	<b>26.5 %</b>	<b>25.7 %</b>	<b>24.2 %</b>
Property, plant and equipment	13.0 %	17.8 %	20.4 %	20.5 %	25.5 %	26.7 %	24.4 %
Financial assets	2.7 %	4.7 %	3.8 %	3.8 %	3.6 %	0.7 %	0.7 %
<b>FIXED ASSETS</b>	<b>29.9 %</b>	<b>40.2 %</b>	<b>47.5 %</b>	<b>52.1 %</b>	<b>55.6 %</b>	<b>53.1 %</b>	<b>49.3 %</b>
Inventories	11.5 %	10.7 %	12.4 %	11.4 %	11.3 %	11.2 %	11.4 %
Accounts receivable	9.7 %	9.2 %	8.9 %	10.3 %	10.2 %	10.5 %	10.7 %
Other current assets	14.5 %	9.8 %	9.3 %	9.2 %	8.8 %	8.5 %	8.0 %
Liquid assets	30.3 %	26.9 %	19.8 %	17.0 %	14.1 %	16.6 %	20.5 %
Deferred taxes	4.1 %	3.2 %	2.1 %	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>70.1 %</b>	<b>59.8 %</b>	<b>52.5 %</b>	<b>47.9 %</b>	<b>44.4 %</b>	<b>46.9 %</b>	<b>50.7 %</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>
SHAREHOLDERS EQUITY	50.6 %	53.9 %	50.9 %	52.5 %	54.0 %	54.8 %	57.1 %
MINORITY INTEREST	0.4 %	1.5 %	0.4 %	0.0 %	0.0 %	0.0 %	0.0 %
Long-term debt	0.0 %	0.0 %	5.4 %	5.7 %	5.4 %	5.2 %	4.9 %
Provisions for pensions and similar obligations	4.9 %	3.8 %	2.5 %	2.4 %	2.3 %	2.3 %	2.1 %
Other provisions	24.1 %	26.6 %	18.5 %	18.7 %	18.2 %	17.7 %	16.6 %
<b>Non-current liabilities</b>	<b>29.1 %</b>	<b>30.4 %</b>	<b>26.4 %</b>	<b>26.8 %</b>	<b>25.9 %</b>	<b>25.2 %</b>	<b>23.6 %</b>
short-term liabilities to banks	0.0 %	2.0 %	0.0 %	1.3 %	1.2 %	1.2 %	1.1 %
Accounts payable	1.7 %	1.6 %	2.0 %	1.8 %	1.8 %	2.0 %	2.0 %
Advance payments received on orders	3.0 %	3.3 %	4.6 %	3.1 %	3.3 %	3.5 %	3.5 %
Other liabilities (incl. from lease and rental contracts)	14.5 %	6.7 %	14.6 %	14.5 %	13.8 %	13.4 %	12.6 %
Deferred taxes	0.8 %	0.6 %	1.2 %	0.0 %	0.0 %	0.0 %	0.0 %
Deferred income	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Current liabilities</b>	<b>19.9 %</b>	<b>14.3 %</b>	<b>22.4 %</b>	<b>20.7 %</b>	<b>20.1 %</b>	<b>20.0 %</b>	<b>19.3 %</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 Investment Banking

Cash flow statement (EUR m)	2020	2021	2022	2023E	2024E	2025E	2026E
Net profit/loss	23.1	34.7	29.7	24.7	31.6	35.7	40.8
Depreciation of fixed assets (incl. leases)	11.1	9.6	10.5	12.7	13.7	16.3	18.0
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	4.3	-1.1	-29.7	2.3	2.0	2.0	2.0
Cash flow from operations before changes in w/c	38.5	43.1	10.6	39.7	47.2	54.0	60.8
Increase/decrease in inventory	-2.4	-6.0	-14.3	3.7	-2.3	-1.0	-4.2
Increase/decrease in accounts receivable	0.1	-3.9	-5.3	-6.3	-1.5	-2.8	-4.2
Increase/decrease in accounts payable	0.5	0.6	2.8	-0.8	0.6	0.8	0.7
Increase/decrease in other working capital positions	0.0	0.0	40.4	-5.8	1.1	1.4	1.4
Increase/decrease in working capital	-1.7	-9.3	23.6	-9.2	-2.0	-1.5	-6.3
<b>Cash flow from operating activities</b>	<b>36.8</b>	<b>33.9</b>	<b>34.1</b>	<b>30.5</b>	<b>45.3</b>	<b>52.5</b>	<b>54.5</b>
CAPEX	8.9	28.9	35.4	34.0	40.0	25.0	15.0
Payments for acquisitions	0.0	8.3	0.0	0.0	0.0	0.0	0.0
Financial investments	5.4	0.0	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	0.9	13.5	-5.6	0.0	0.0	0.0	0.0
<b>Cash flow from investing activities</b>	<b>-13.3</b>	<b>-23.6</b>	<b>-41.0</b>	<b>-34.0</b>	<b>-40.0</b>	<b>-25.0</b>	<b>-15.0</b>
Cash flow before financing	23.4	10.3	-6.9	-3.5	5.3	27.5	39.5
Increase/decrease in debt position	-3.0	7.1	24.2	6.9	0.0	0.0	0.0
Purchase of own shares	0.0	0.0	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	8.8	9.3	10.4	10.3	10.3	10.3	11.8
Others	-1.2	-3.8	-19.5	-4.0	-4.0	-4.0	-4.0
Effects of exchange rate changes on cash	-1.9	2.0	1.5	0.0	0.0	0.0	0.0
<b>Cash flow from financing activities</b>	<b>-13.0</b>	<b>-6.1</b>	<b>-5.7</b>	<b>-7.4</b>	<b>-14.3</b>	<b>-14.3</b>	<b>-15.8</b>
Increase/decrease in liquid assets	8.6	6.2	-11.1	-11.0	-9.1	n/a	n/a
<b>Liquid assets at end of period</b>	<b>87.4</b>	<b>93.6</b>	<b>82.5</b>	<b>71.5</b>	<b>62.4</b>	<b>75.5</b>	<b>99.3</b>

Source: Company data, Hauck Aufhäuser Investment Banking

Regional split (EUR m)	2020	2021	2022	2023E	2024E	2025E	2026E
Domestic	0.0	0.0	0.0	0.0	0.0	0.0	1.0
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Rest of Europe	125.9	143.5	163.6	186.5	212.6	0.0	1.0
yoy change	14.0 %	14.0 %	14.0 %	14.0 %	14.0 %	n/a	n/a
NAFTA	80.6	92.7	106.6	122.5	140.9	0.0	1.0
yoy change	15.0 %	15.0 %	15.0 %	15.0 %	15.0 %	n/a	n/a
Asia Pacific	22.9	25.8	29.2	33.0	37.3	0.0	1.0
yoy change	13.0 %	13.0 %	13.0 %	13.0 %	13.0 %	n/a	n/a
Rest of world	-53.1	-81.5	-77.0	-101.0	-129.6	0.0	1.0
yoy change	neg.	neg.	neg.	neg.	neg.	n/a	n/a
<b>TTL</b>	<b>176.1</b>	<b>180.4</b>	<b>222.3</b>	<b>241.0</b>	<b>261.2</b>	<b>0.0</b>	<b>5.0</b>
yoy change	-1.3 %	2.4 %	23.2 %	8.4 %	8.4 %	n/a	n/a

Source: Company data, Hauck Aufhäuser Investment Banking

Key ratios (EUR m)	2020	2021	2022	2023E	2024E	2025E	2026E
<b>P&amp;L growth analysis</b>							
Sales growth	-1.3 %	2.4 %	23.2 %	8.4 %	8.4 %	9.7 %	8.8 %
EBITDA growth	3.8 %	27.4 %	-3.5 %	-6.2 %	19.8 %	13.8 %	12.8 %
EBIT growth	5.1 %	40.8 %	-6.1 %	-12.7 %	23.9 %	12.2 %	13.6 %
EPS growth	3.6 %	50.5 %	-15.4 %	-17.4 %	28.4 %	13.2 %	14.6 %
<b>Efficiency</b>							
Total operating costs / sales	29.1 %	24.2 %	28.0 %	32.8 %	30.4 %	29.7 %	29.2 %
Sales per employee	n/a	n/a	n/a	n/a	n/a	n/a	623,400.
EBITDA per employee	n/a	n/a	n/a	n/a	n/a	n/a	158,776.
<b>Balance sheet analysis</b>							
Avg. working capital / sales	26.2 %	27.8 %	25.5 %	27.4 %	27.4 %	20.0 %	20.4 %
Inventory turnover (sales/inventory)	5.2	4.8	4.3	5.0	5.2	5.6	5.6
Trade debtors in days of sales	58.4	64.5	61.0	65.9	62.9	60.8	60.8
A/P turnover [(A/P*365)/sales]	20.4	22.8	26.4	22.3	22.3	22.3	22.3
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	27.9	5.0	-1.3	-3.5	5.3	27.5	39.5
Free cash flow/sales	15.8 %	2.8 %	-0.6 %	-1.5 %	2.0 %	9.6 %	12.7 %
FCF / net profit	121.8 %	14.5 %	neg.	neg.	16.9 %	78.1 %	98.0 %
Capex / depre	128.8 %	300.7 %	337.2 %	267.0 %	292.7 %	153.1 %	83.3 %
Capex / maintenance capex	84.6 %	316.6 %	219.2 %	122.2 %	325.2 %	175.3 %	105.2 %
Capex / sales	8.1 %	16.0 %	15.9 %	14.1 %	15.3 %	8.7 %	4.8 %
<b>Security</b>							
Net debt	-88.6	-86.6	-60.3	-42.3	-33.2	-46.3	-70.0
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	28.2	39.7	25.1	12.5	15.5	17.4	19.8
Dividend payout ratio	31.1 %	33.3 %	35.3 %	42.8 %	33.3 %	33.5 %	33.4 %
<b>Asset utilisation</b>							
Capital employed turnover	1.2	0.8	0.7	0.7	0.7	0.8	0.8
Operating assets turnover	2.0	1.6	1.5	1.5	1.4	1.5	1.6
Plant turnover	4.6	2.9	2.6	2.8	2.3	2.4	2.6
Inventory turnover (sales/inventory)	5.2	4.8	4.3	5.0	5.2	5.6	5.6
<b>Returns</b>							
ROCE	22.9 %	26.0 %	16.5 %	19.1 %	18.8 %	20.4 %	21.0 %
ROE	15.5 %	18.4 %	13.8 %	10.9 %	13.0 %	14.1 %	14.6 %
<b>Other</b>							
Interest paid / avg. debt	5819.5 %	33.7 %	12.0 %	12.0 %	10.6 %	20.0 %	21.1 %
No. employees (average)	0	0	0	0	0	0	1
Number of shares	20.6	20.6	20.7	20.7	20.7	20.7	20.7
DPS	0.3	0.6	0.5	0.5	0.5	0.6	0.7
EPS reported	1.11	1.67	1.41	1.17	1.50	1.70	1.95
<b>Valuation ratios</b>							
P/BV	5.5	4.3	3.9	3.7	3.4	3.3	3.0
EV/sales	4.2	10.1	3.5	3.3	3.1	2.8	2.5
EV/EBITDA	16.7	32.0	14.0	15.5	13.1	11.3	9.7
EV/EBITA	22.2	38.5	17.3	20.5	16.8	14.7	12.6
EV/EBIT	22.2	38.5	17.3	20.5	16.8	14.7	12.6
EV/FCF	26.8	364.9	-602.7	-226.0	154.1	29.0	19.5
Adjusted FCF yield	3.3 %	2.0 %	4.2 %	4.6 %	5.1 %	5.9 %	7.0 %
Dividend yield	0.9 %	1.4 %	1.3 %	1.3 %	1.3 %	1.4 %	1.6 %

Source: Company data, Hauck Aufhäuser Investment Banking

**Disclosures regarding research publications of Hauck Aufhäuser Lampe Privatbank AG pursuant to section 85 of the German Securities Trading Act (WpHG) and distributed in the UK under the Temporary Permission Regime for EEA firms, subject to the FCA requirements on research recommendation disclosures**

It is essential that any research recommendation is fairly presented and discloses interests of indicates relevant conflicts of interest. Pursuant to section 85 of the German Securities Trading Act (WpHG) a research report has to point out possible conflicts of interest in connection with the analysed company. Further to this, under the FCA’s rules on research recommendations, any conflicts of interest in connection with the recommendation must be disclosed. A conflict of interest is presumed to exist in particular if Hauck Aufhäuser Lampe Privatbank AG

- (1) or any other person belonging to the same group with that person (as part of a consortium) within the past twelve months, acquired the financial instruments of the analysed company,
- (2) or any other person belonging to the same group with that person has entered into an agreement on the production of the research report with the analysed company,
- (3) has, within the past twelve months, been party to an agreement on the provision of investment banking services with the analysed company or have received services or a promise of services under the term of such an agreement,
- (4) holds a) 5% or more of the share capital of the analysed company, or b) the analysed company holds 5% or more of the share capital of Hauck Aufhäuser Lampe Privatbank AG or its affiliate(s),
- (5) holds a net short (a) or a net long (b) position of 0.5% of the outstanding share capital of the analysed company or derivatives thereof,
- (6) or any other person belonging to the same group with that person is a market maker or liquidity provider in the financial instruments of the issuer,
- (7) or the analyst has any other significant financial interests relating to the analysed company such as, for example, exercising mandates in the interest of the analysed company or a significant conflict of interest with respect to the issuer,
- (8) The research report has been made available to the company prior to its publication. Thereafter, only factual changes have been made to the report.

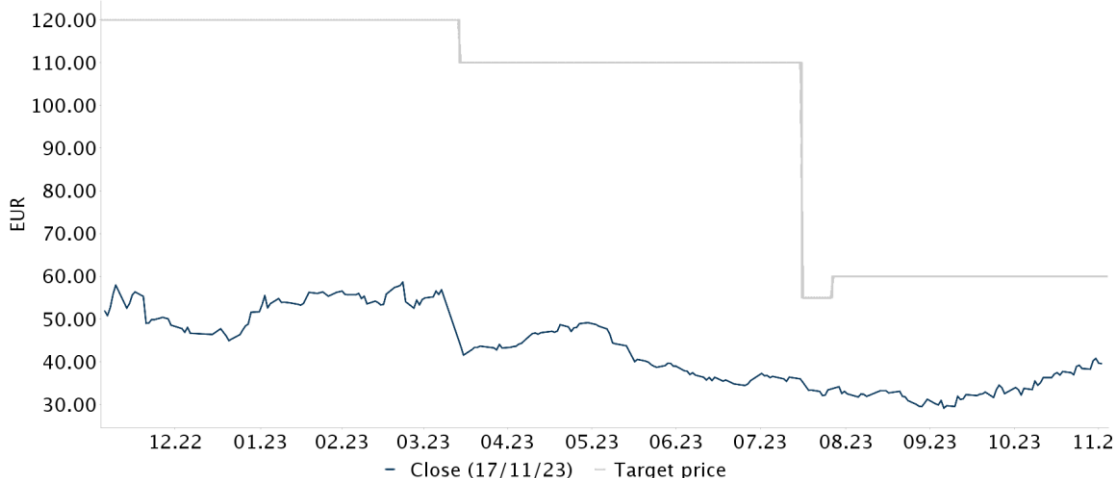
**Conflicts of interest that existed at the time when this research report was published:**

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 19/11/23**

**Initiation coverage**  
08-April-10



Company	Date	Analyst	Rating	Target price	Close
Eckert & Ziegler AG	08.11.2023	Galitsa, Alexander	Buy	EUR 60.00	EUR 38.92
	25.10.2023	Galitsa, Alexander	Buy	EUR 60.00	EUR 34.50
	18.10.2023	Galitsa, Alexander	Buy	EUR 60.00	EUR 33.46
	10.10.2023	Galitsa, Alexander	Buy	EUR 60.00	EUR 33.46
	29.08.2023	Galitsa, Alexander	Buy	EUR 60.00	EUR 33.24

15.08.2023	Galiitsa, Alexander	Buy	EUR 60.00	EUR 32.58
31.03.2023	Galiitsa, Alexander	Buy	EUR 110.00	EUR 41.56
13.03.2023	Galiitsa, Alexander	Buy	EUR 120.00	EUR 52.55
03.02.2023	Galiitsa, Alexander	Buy	EUR 120.00	EUR 56.25
12.01.2023	Galiitsa, Alexander	Buy	EUR 120.00	EUR 48.84
12.01.2023	Galiitsa, Alexander	Buy	EUR 120.00	EUR 48.84
12.01.2023	Galiitsa, Alexander	Buy	EUR 120.00	EUR 48.84
12.01.2023	Galiitsa, Alexander	Buy	EUR 120.00	EUR 48.84
12.01.2023	Galiitsa, Alexander	Buy	EUR 120.00	EUR 48.84
12.01.2023	Galiitsa, Alexander	Buy	EUR 120.00	EUR 48.84
12.01.2023	Galiitsa, Alexander	Buy	EUR 120.00	EUR 48.84
12.01.2023	Galiitsa, Alexander	Buy	EUR 120.00	EUR 48.84
09.12.2022	Galiitsa, Alexander	Buy	EUR 120.00	EUR 49.86
24.11.2022	Galiitsa, Alexander	Buy	EUR 120.00	EUR 55.75

## Hauck Aufhäuser Investment Banking distribution of ratings and in proportion to investment banking services

<b>Buy</b>	73.30 %	87.88 %
<b>Sell</b>	4.55 %	0.00 %
<b>Hold</b>	22.16 %	12.12 %

Date of publication creation: 20/11/2023 08:11 AM

Date of publication dissemination: 20/11/2023 08:13 AM

## 1. General Information/Liabilities

This research report has been produced for the information purposes of institutional investors only, and is not in any way a personal recommendation, offer or solicitation to buy or sell the financial instruments mentioned herein. The document is confidential and is made available by Hauck Aufhäuser Lampe Privatbank AG, exclusively to selected recipients [in DE, GB, FR, CH, US, UK, Scandinavia, and Benelux or, in individual cases, also in other countries]. A distribution to private investors in the sense of the German Securities Trading Act (WpHG) is excluded. It is not allowed to pass the research report on to persons other than the intended recipient without the permission of Hauck Aufhäuser Lampe Privatbank AG. Reproduction of this document, in whole or in part, is not permitted without prior permission Hauck Aufhäuser Lampe Privatbank AG. All rights reserved.

Under no circumstances shall Hauck Aufhäuser Lampe Privatbank AG, any of its employees involved in the preparation, have any liability for possible errors or incompleteness of the information included in this research report – neither in relation to indirect or direct nor consequential damages. Liability for damages arising either directly or as a consequence of the use of information, opinions and estimates is also excluded. Past performance of a financial instrument is not necessarily indicative of future performance.

## 2. Responsibilities

This research report was prepared by the research analyst named on the front page (the "Producer"). The Producer is solely responsible for the views and estimates expressed in this report. The report has been prepared independently. The content of the research report was not influenced by the issuer of the analysed financial instrument at any time. It may be possible that parts of the research report were handed out to the issuer for information purposes prior to the publication without any major amendments being made thereafter.

## 3. Organisational Requirements

Hauck Aufhäuser Lampe Privatbank AG took internal organisational and regulative precautions to avoid or accordingly disclose possible conflicts of interest in connection with the preparation and distribution of the research report. All members of Hauck Aufhäuser Lampe Privatbank AG involved in the preparation of the research report are subject to internal compliance regulations. No part of the Producer's compensation is directly or indirectly related to the preparation of this financial analysis. In case a research analyst or a closely related person is confronted with a conflict of interest, the research analyst is restricted from covering this company.

## 4. Information Concerning the Methods of Valuation/Update

The determination of the fair value per share, i.e. the price target, and the resultant rating is done on the basis of the adjusted free cash flow (adj. FCF) method and on the basis of the discounted cash flow – DCF model. Furthermore, a peer group comparison is made.

The adj. FCF method is based on the assumption that investors purchase assets only at a price (enterprise value) at which the operating cash flow return after taxes on this investment exceeds their opportunity costs in the form of a hurdle rate of 7.5%. The operating cash flow is calculated as EBITDA less maintenance capex and taxes.

Within the framework of the DCF approach, the future free cash flows are calculated initially on the basis of a fictitious capital structure of 100% equity, i.e. interest and repayments on debt capital are not factored in initially. The adjustment towards the actual capital structure is done by discounting the calculated free cash flows with the weighted average cost of capital (WACC), which takes into account both the cost of equity capital and the cost of debt. After discounting, the calculated total enterprise value is reduced by the interest-bearing debt capital in order to arrive at the equity value.

Hauck Aufhäuser Lampe Privatbank AG uses the following three-step rating system for the analysed companies:

Buy: Sustainable upside potential of more than 10% within 12 months  
Sell: Sustainable downside potential of more than 10% within 12 months.  
Hold: Upside/downside potential is limited. No immediate catalyst visible.

NB: The ratings of Hauck Aufhäuser Lampe Privatbank AG are not based on a performance that is expected to be "relative" to the market.

The decision on the choice of the financial instruments analysed in this document was solely made by Hauck Aufhäuser Lampe Privatbank AG. The opinions and estimates in this research report are subject to change without notice. It is within the discretion of Hauck Aufhäuser Lampe Privatbank AG whether and when it publishes an update to this research report, but in general updates are created on a regular basis, after 6 months at the latest. A sensitivity analysis is included and published in company's initial studies.

## 5. Major Sources of Information

Part of the information required for this research report was made available by the issuer of the financial instrument. Furthermore, this report is based on publicly available sources (such as, for example, Bloomberg, Reuters, VWD-Trader and the relevant daily press) believed to be reliable. Hauck Aufhäuser Lampe Privatbank AG has checked the information for plausibility but not for accuracy or completeness.

## 6. Competent Supervisory Authority

Hauck Aufhäuser Lampe Privatbank AG are under supervision of the BaFin – German Federal Financial Supervisory Authority Bundesanstalt für Finanzdienstleistungsaufsicht), Graurheindorfer Straße 108, 53117 Bonn and Marie-Curie-Straße 24 – 28, 60439 Frankfurt a.M.

This document is distributed in the UK under the Temporary Permission Regime for EEA firms and in compliance with the applicable FCA requirements.

## 7. Specific Comments for Recipients Outside of Germany

This research report is subject to the law of the Federal Republic of Germany. The distribution of this information to other states in particular to the USA, Canada, Australia and Japan may be restricted or prohibited by the laws applicable within this state.

## 8. Miscellaneous

According to Article 4(1) No. i of the delegated regulation 2016/958 supplementing regulation 596/2014 of the European Parliament, further information regarding investment recommendations of the last 12 months are published under:

<https://www.hal-privatbank.com/en/investmentbank/investment-banking>



## Disclosures for U.S. persons only

This research report is a product of HAUCK AUFHÄUSER LAMPE PRIVATBANK AG, which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution by HAUCK AUFHÄUSER LAMPE PRIVATBANK AG, only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor.

In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, HAUCK AUFHÄUSER LAMPE PRIVATBANK AG, has entered into an agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo"). Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

## Contacts: Hauck Aufhäuser Investment Banking

### HAIB Research

Hauck Aufhäuser Investment Banking  
Mittelweg 16/17  
20148 Hamburg  
Germany

Hauck Aufhäuser Investment Banking  
Goetheplatz 9-11  
60313 Frankfurt am Main  
Germany

Tel.: +49 (0) 40 414 3885 97  
Fax: +49 (0) 40 414 3885 71  
E-Mail: [research@ha-ib.de](mailto:research@ha-ib.de)  
[www.ha-research.de](http://www.ha-research.de)

**Tim Wunderlich, CFA**  
Head of Transactional Research  
Tel.: +49 40 414 3885 81  
E-Mail: [tim.wunderlich@ha-ib.de](mailto:tim.wunderlich@ha-ib.de)

**Marie-Thérèse Grübner**  
Head of Research  
Tel.: +49 40 450 6342 3097  
E-Mail: [marie-therese.gruebner@ha-ib.de](mailto:marie-therese.gruebner@ha-ib.de)

**Alexander Galitsa**  
Analyst  
Tel.: +49 40 414 3885 83  
E-Mail: [alexander.galitsa@ha-ib.de](mailto:alexander.galitsa@ha-ib.de)

**Christian Glowa**  
Analyst  
Tel.: +49 40 414 3885 95  
E-Mail: [christian.glowa@ha-ib.de](mailto:christian.glowa@ha-ib.de)

**Christian Salis**  
Analyst  
Tel.: +49 40 414 3885 96  
E-Mail: [christian.salis@ha-ib.de](mailto:christian.salis@ha-ib.de)

**Finn Kemper**  
Analyst  
Tel.: +49 40 450 6342 3098  
E-Mail: [finn.kemper@ha-ib.de](mailto:finn.kemper@ha-ib.de)

**Jonah Emerson**  
Analyst  
Tel.: +49 69 2161 1825  
E-Mail: [jonah.emerson@ha-ib.de](mailto:jonah.emerson@ha-ib.de)

**Jorge González Sadornil**  
Analyst  
Tel.: +49 40 414 3885 84  
E-Mail: [jorge.gonzalez@ha-ib.de](mailto:jorge.gonzalez@ha-ib.de)

**Nicole Winkler**  
Analyst  
Tel.: +49 69 2161 1856  
E-Mail: [nicole.winkler@ha-ib.de](mailto:nicole.winkler@ha-ib.de)

**Simon Jock**  
Analyst  
Tel.: +49 40 450 6342 3093  
E-Mail: [simon.jock@ha-ib.de](mailto:simon.jock@ha-ib.de)

**Simon Keller, CFA**  
Analyst  
Tel.: +49 40 414 388 573  
E-Mail: [simon.keller@ha-ib.de](mailto:simon.keller@ha-ib.de)

### HAIB Sales

**Alexander Lachmann**  
Equity Sales  
Tel.: +41 43 497 30 23  
E-Mail: [alexander.lachmann@ha-ib.de](mailto:alexander.lachmann@ha-ib.de)

**Carlos Becke**  
Equity Sales  
Tel.: +44 203 84 107 97  
E-Mail: [carlos.becke@ha-ib.de](mailto:carlos.becke@ha-ib.de)

**Carsten Kinder**  
Head of Equities  
Tel.: +41 43 497 3024  
E-Mail: [carsten.kinder@ha-ib.de](mailto:carsten.kinder@ha-ib.de)

**Christian Bybjerg**  
Equity Sales  
Tel.: +49 414 3885 74  
E-Mail: [christian.bybjerg@ha-ib.de](mailto:christian.bybjerg@ha-ib.de)

**Florian Kurz**  
Equity Sales  
Tel.: +49 69 84 2161 1793  
E-Mail: [florian.kurz@ha-ib.de](mailto:florian.kurz@ha-ib.de)

**Hugues Madelin**  
Equity Sales  
Tel.: +33 1 426 850 12  
E-Mail: [hugues.madelin@ha-ib.de](mailto:hugues.madelin@ha-ib.de)

**Imogen Voorspuy**  
Equity Sales  
Tel.: +44 203 84 107 98  
E-Mail: [imogen.voorspuy@ha-ib.de](mailto:imogen.voorspuy@ha-ib.de)

**James Bonsor**  
Equity Sales  
Tel.: +44 203 84 107 96  
E-Mail: [james.bonsor@ha-ib.de](mailto:james.bonsor@ha-ib.de)

**Markus Scharhag**  
Equity Sales  
Tel.: +49 89 23 93 2813  
E-Mail: [markus.scharhag@ha-ib.de](mailto:markus.scharhag@ha-ib.de)

**Vincent Bischoff**  
Equity Sales  
Tel.: +49 40 414 38 85 88  
E-Mail: [vincent.bischoff@ha-ib.de](mailto:vincent.bischoff@ha-ib.de)

### HAIB Trading

Hauck Aufhäuser Investment Banking  
Privatbank AG  
Mittelweg 16/17  
20148 Hamburg  
Germany

Tel.: +49 40 414 3885 78  
Fax: +49 40 414 3885 71  
E-Mail: [info@hal-privatbank.com](mailto:info@hal-privatbank.com)  
[www.hal-privatbank.com](http://www.hal-privatbank.com)

**Fin Schaffer**  
Trading  
Tel.: +49 40 414 38 85 98  
E-Mail: [fin.schaffer@ha-ib.de](mailto:fin.schaffer@ha-ib.de)

**Nils Carstens**  
Trading  
Tel.: +49 40 414 38 85 85  
E-Mail: [nils.carstens@ha-ib.de](mailto:nils.carstens@ha-ib.de)

**Tom Warlich**  
Middle-Office  
Tel.: +49 40 414 3885 78  
E-Mail: [tom.warlich@hal-privatbank.com](mailto:tom.warlich@hal-privatbank.com)