

Buy (old: Buy)

ESG Rating: A

11-September-24

Price target: EUR 63.50 (old: EUR 63.50)

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Analyst

Price: EUR 40.80 **Next result:** Q3 14.11.24
Bloomberg: EUZ GR **Market cap:** EUR 871.1 m
Reuters: EUZG.DE **Enterprise Value:** EUR 904.7 m

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An underappreciated, versatile radiopharma play

As a **seasoned radioisotope specialist** serving numerous end markets over more than three decades, **EUZ has emerged as a highly versatile radiopharma play** with an added optionality from its drug development arm PTX headed for a spin-off. **At less than 16x EV/adj EBIT'24** – not even accounting for PTX – **the company's long-term growth runway seems underappreciated.**

•**At the origins of the new era in nuclear medicine:** As the key supplier of Ga-68, EUZ played a pivotal role in helping Novartis getting its first two targeted radiation therapies (TRTs) off the ground. In 2023, **Novartis raked in \$ 1.6bn sales** with *Lutathera* and *Pluvicto*. As Ga-68 diagnostic is essential for TRTs, **demand for Ga-68 has surged**, helping drive EUZ's radiopharma sales to an expected € 100m+ in 2024E, up from € 18.5m in 2017. With the TRT market projected to grow from \$1.6bn to over \$20bn by 2031, **EUZ is just beginning to tap into this potential.**

•**Ramping up therapeutic exposure:** While Ga-68, lab equipment and engineering services dominate radiopharma sales mix, **therapeutic isotopes sales are still largely limited to the niche Y-90.** This is set to change as EUZ is continuously signing **new Lu-177/Ac-225 supply agreements** for early-, mid- and late-stage assets. In order to prepare for the expected inflection in volumes as more TRTs enter the market, **EUZ has been scaling its production capacities globally**, as evidence by the 2-fold increase in fixed tangible assets since 2020.

•**Preparing to tap into the Chinese market:** As China starts to increasingly recognize the potential of TRTs in oncology, the lack of clinical trial facilities and **limited access to medical isotopes become evident.** Through its investment into a 7,000 m² facility in Jintan – later turned into a 50:50 JV – for the production of medical isotopes, **EUZ is uniquely positioned to capitalize on the vast potential of the Chinese nuclear medicine market** (next page).

•**PTX – a high payout optionality:** PTX was formed around a proprietary ligand technology targeting CXCR-4 receptor with promising results in investigator-initiated trials and compassionate use. **The uniqueness of the asset is the many shots of goal** – besides the early-stage therapeutic pipeline targeting haemato-oncological tumors, **PTX is boasting two Phase 3 diagnostic assets** in primary aldosteronism (PA) and marginal zone lymphoma (MZL). While MZL is an orphan indication, **PA offers a blockbuster sales potential** backed by a large TAM of > 5m patients and the potential to replace the costly and invasive standard of care.

BUY, € 63.50 PT based on DCF.

Y/E 31.12 (EUR m)	2020	2021	2022	2023	2024E	2025E	2026E
Sales	178.5	180.4	222.3	246.1	281.1	292.5	318.7
Sales growth	0 %	1 %	23 %	11 %	14 %	4 %	9 %
EBITDA	46.3	57.0	57.3	57.3	69.5	71.4	81.3
Adj. EBIT	0.0	0.0	43.8	46.9	57.8	57.1	65.3
Net income	24.4	34.4	29.3	26.3	36.5	35.9	41.7
Net debt	-88.6	-86.6	-60.3	-41.6	-42.1	-44.9	-78.7
EPS pro forma	1.19	1.67	1.41	1.27	1.75	1.73	2.00
CPS	1.32	1.20	1.09	1.64	1.60	1.94	2.44
DPS	0.35	0.56	0.50	0.05	0.50	0.50	0.50
Dividend yield	0.9 %	0.6 %	1.0 %	0.1 %	1.2 %	1.2 %	1.2 %
Gross profit margin	48.5 %	50.5 %	48.0 %	47.3 %	50.0 %	48.5 %	48.9 %
Adj. EBIT margin	0.0 %	0.0 %	19.7 %	19.0 %	20.6 %	19.5 %	20.5 %
ROCE	23.7 %	26.1 %	19.0 %	15.6 %	17.3 %	15.6 %	17.4 %
EV/EBITDA	17.4	33.1	18.3	15.7	13.0	12.6	10.7
EV/adj. EBIT	n/a	n/a	24.0	19.2	15.6	15.8	13.3
PER	33.6	55.1	35.3	32.9	23.9	24.3	20.9
Adjusted FCF yield	3.4 %	2.0 %	3.2 %	4.0 %	5.0 %	5.1 %	6.2 %

Source: Company data, Hauck Aufhäuser Investment Banking Close price as of: 10.09.2024



Source: Company data, HAIB

High/low 52 weeks: 49.66 / 29.14

Price/Book Ratio: 3.3

Relative performance (SDAX):

3 months -2.6 %

6 months 14.3 %

12 months 31.6 %

Changes in estimates

		Sales	EBIT	EPS
2024	old:	281.1	55.8	1.75
	Δ	-	-	-
2025	old:	292.5	55.1	1.73
	Δ	-	-	-
2026	old:	318.7	63.3	2.00
	Δ	-	-	-

Key share data:

Number of shares: (in m pcs) 20.8

Authorised capital: (in € m) 0.6

Book value per share: (in €) 12.4

Ø trading volume: (12 months) 20,453

Major shareholders:

Free Float 67.8 %

Founder 32.2 %

Eckert & Ziegler AG 0.1 %

Company description:

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

Company guidance 2024E:

Sales: € 265m; adj EBIT: € 55m

Selected customers *



Source: Company data; HAIB * includes parties with reservation agreements

China with a big untapped potential

> **The potential for radiopharmaceuticals in China is huge:** According to Frost & Sullivan, the Chinese nuclear medicine market, comprising therapeutics and diagnostics, is expected to grow at **10% CAGR between 2025 and 2030, reaching \$ 3.6bn.**

> **Investors and pharma companies are undeterred by the infrastructure challenges:**

- LNC raised **>\$ 40m through its B plus financing round** in April and has a pipeline of **nine therapeutics assets based on Lu-177, Ac-225 and Pb-212**

- Full-Life Technologies (signed Ac-225 supply agreement with EUZ) **raised \$ 63m in Jan and is working on three early-stage therapeutic assets mostly based on Ac-225**

- Chinese big pharma Hengrui formed an entity dedicated to radiopharmaceuticals with **four early-stage assets under development**

- Another big player Grand Pharmaceuticals is developing radiopharmaceuticals in cooperation with Telix where the **lead asset is the Ph3 prostate cancer treatment TLX591**

- The leader in the TRT space **Novartis is investing > \$ 80m into a Chinese manufacturing facility for radiopharmaceuticals**, which would (ideally) require a local supply of medical isotopes (completion planned for the end of 2026).

Source: thepharmaletter; HAIB

Company in a Nutshell

Eckert & Ziegler is a leading supplier of isotopes technology into a wide range of industrial applications and, increasingly, to pharmaceutical companies that develop and manufacture targeted radiation therapies. This market is projected to grow from c. \$ 7bn to \$ 39bn by 2032E, strongly driven by Lu-177- and Ac-225-based therapies as well as Ga-68-based diagnostics. All of these hard-to-get isotopes fall under EUZ's expertise. In order to capitalize on these outstanding growth prospects, EUZ is executing a major CAPEX program, which should start to increasingly contribute higher sales and earnings

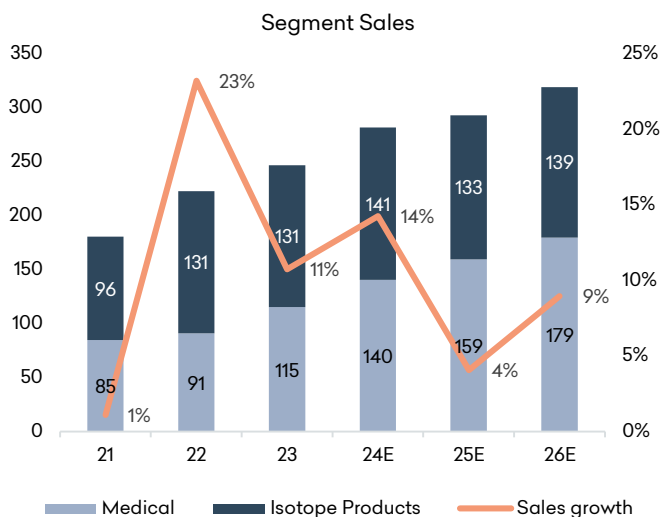
Upcoming Catalysts

- Market launch of Lilly/POINT's prostate cancer drug in 2025E where EUZ is a supplier of Lu-177
- Potential FY'24 guidance beat
- Continuous onboarding of new customers for supply of medical isotopes and CMO services

Investment Case

- A well-established player in multiples attractive niches for the industrial application of isotopes, which is increasingly benefiting from a rapidly growing market for targeted radiopharmaceuticals.
- As a highly experienced supplier of isotope technology, EUZ's portfolio comprises the most sought-after medical isotopes (e.g. Ga-68, Y-90, Lu-177, Ac-225).
- Based on numerous drug launches over the next 5+ years, the market for targeted radiopharmaceuticals is seen to grow from \$ 7bn to \$ 39bn by 2032. In order to capitalize on this, EUZ has been strongly investing into the development and expansion of manufacturing and CMO capacities.
- The valuation of 16x EV/adj EBIT'24E does not adequately account for the substantial long-term growth runway in the high-margin radiopharma vertical. Adjusted for € 100-150m of PTX's spin-off value, EV/adj EBIT'24E stands at just 14x and 13x EV/adj EBIT'24 respectively. Buy with a € 63.50 PT based on DCF.

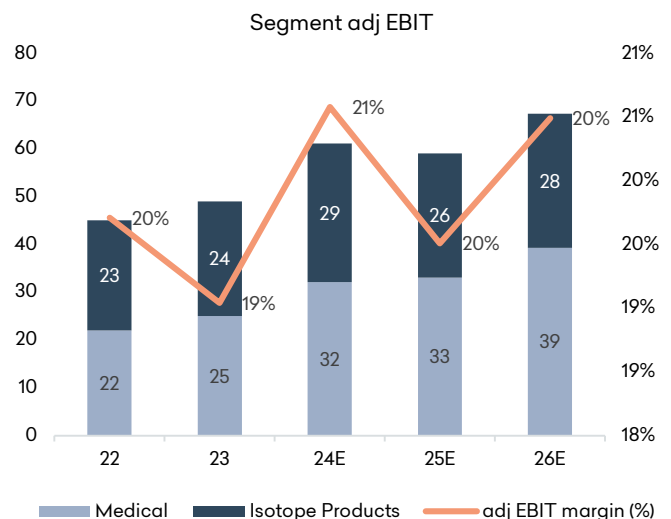
Key Performance Indicators



Source: Company data, Hauck Aufhäuser Investment Banking

Cash flow summary	2022	2023	2024E	2025E	2026E
Operating cash flow	34.3	47.4	45.5	54.2	65.2
Capex	27.1	26.3	40.0	37.0	17.0
FCF	7.2	21.1	5.5	17.2	48.2
FCF per share	0.3	1.0	0.3	0.8	2.3
FCF yield	3.2%	4.0%	5.0%	5.1%	6.2%
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0

Source: Company data, Hauck Aufhäuser Investment Banking



Source: Company data, Hauck Aufhäuser Investment Banking

Key ratios summary	2022	2023	2024E	2025E	2026E
EPS growth	-15.6%	-10.3%	38.3%	-1.5%	16.1%
Capital Turnover	0.8	0.8	0.8	0.8	0.9
Avg. working capital / sales	27.9%	29.8%	27.9%	26.3%	22.5%
Cash conversion cycle (days)	158.8	160.7	175.6	164.3	139.0
FCF / Net profit	24.7%	80.3%	15.2%	47.8%	115.6%
Interest cover	26.4	14.4	18.0	17.8	20.4

Source: Company data, Hauck Aufhäuser Investment Banking

Financials

Profit and loss (EUR m)	2020	2021	2022	2023	2024E	2025E	2026E
Sales	178.5	180.4	222.3	246.1	281.1	292.5	318.7
Sales growth	0.0 %	1.1 %	23.2 %	10.7 %	14.2 %	4.0 %	9.0 %
Cost of sales	89.6	89.4	115.5	129.7	140.7	150.5	162.9
Gross profit	86.5	91.1	106.8	116.3	140.4	142.0	155.8
Sales and marketing	21.7	22.6	22.9	24.5	28.3	29.4	31.4
General and administration	28.1	31.5	35.4	39.3	47.5	48.2	51.4
Research and development	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other operating income	5.8	17.7	9.2	1.4	2.1	2.1	2.1
Other operating expenses	7.2	7.3	10.8	8.5	8.9	9.4	9.8
Unusual or infrequent items	0.0	0.0	0.0	-1.5	-2.0	-2.0	-2.0
EBITDA	46.3	57.0	57.3	57.3	69.5	71.4	81.3
Depreciation	11.1	9.6	9.3	12.2	12.5	15.1	16.8
EBITA	35.2	47.4	48.0	45.2	57.0	56.3	64.5
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	1.2	1.2	1.2	1.2	1.2
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT (inc revaluation net)	35.2	47.4	46.8	45.5	55.8	55.1	63.3
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
Recurring pretax income from continuing operations	34.3	46.4	45.3	42.3	52.7	52.0	60.2
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	34.3	46.4	45.3	42.3	52.7	52.0	60.2
Taxes	9.6	11.7	13.9	11.8	15.8	15.6	18.1
Net income from continuing operations	24.7	34.7	31.4	30.5	36.9	36.4	42.1
Result from discontinued operations (net of tax)	0.0	0.0	-1.6	-3.7	0.0	0.0	0.0
Net income	24.7	34.7	29.8	26.8	36.9	36.4	42.1
Minority interest	0.2	0.2	0.5	0.5	0.5	0.5	0.5
Net profit (reported)	24.4	34.4	29.3	26.3	36.5	35.9	41.7
Average number of shares	20.6	20.6	20.8	20.8	20.8	20.8	20.8
EPS reported	1.19	1.67	1.41	1.27	1.75	1.73	2.00

Profit and loss (common size)	2020	2021	2022	2023	2024E	2025E	2026E
Sales	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Cost of sales	50.2 %	49.5 %	52.0 %	52.7 %	50.0 %	51.5 %	51.1 %
Gross profit	48.5 %	50.5 %	48.0 %	47.3 %	50.0 %	48.5 %	48.9 %
Sales and marketing	12.2 %	12.5 %	10.3 %	10.0 %	10.1 %	10.1 %	9.8 %
General and administration	15.7 %	17.4 %	15.9 %	16.0 %	16.9 %	16.5 %	16.1 %
Research and development	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other operating income	3.2 %	9.8 %	4.1 %	0.6 %	0.7 %	0.7 %	0.7 %
Other operating expenses	4.1 %	4.0 %	4.9 %	3.5 %	3.2 %	3.2 %	3.1 %
Unusual or infrequent items	0.0 %	0.0 %	0.0 %	neg.	neg.	neg.	neg.
EBITDA	26.0 %	31.6 %	25.8 %	23.3 %	24.7 %	24.4 %	25.5 %
Depreciation	6.2 %	5.3 %	4.2 %	4.9 %	4.4 %	5.2 %	5.3 %
EBITA	19.7 %	26.3 %	21.6 %	18.4 %	20.3 %	19.2 %	20.2 %
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 %	0.5 %	0.5 %	0.4 %	0.4 %	0.4 %
Impairment charges	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBIT (inc revaluation net)	19.7 %	26.3 %	21.1 %	18.5 %	19.9 %	18.8 %	19.9 %
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 %	1.1 %	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.
Recurring pretax income from continuing operations	19.2 %	25.7 %	20.4 %	17.2 %	18.8 %	17.8 %	18.9 %
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Earnings before taxes	19.2 %	25.7 %	20.4 %	17.2 %	18.8 %	17.8 %	18.9 %
Tax rate	28.1 %	25.3 %	30.7 %	27.9 %	30.0 %	30.0 %	30.0 %
Net income from continuing operations	13.8 %	19.2 %	14.1 %	12.4 %	13.1 %	12.4 %	13.2 %
Result from discontinued operations (net of tax)	0.0 %	0.0 %	-0.7 %	-1.5 %	0.0 %	0.0 %	0.0 %
Net income	13.8 %	19.2 %	13.4 %	10.9 %	13.1 %	12.4 %	13.2 %
Minority interest	0.1 %	0.1 %	0.2 %	0.2 %	0.2 %	0.2 %	0.1 %
Net profit (reported)	13.7 %	19.1 %	13.2 %	10.7 %	13.0 %	12.3 %	13.1 %

Source: Company data, Hauck Aufhäuser Investment Banking

Balance sheet (EUR m)	2020	2021	2022	2023	2024E	2025E	2026E
Intangible assets	41.4	61.4	97.0	48.8	49.6	50.4	51.2
Property, plant and equipment	38.0	61.9	111.6	111.8	141.4	165.2	167.4
Financial assets	8.0	16.4	15.9	33.5	33.5	33.5	33.5
FIXED ASSETS	87.4	139.7	224.5	194.1	224.4	249.1	252.1
Inventories	33.6	37.4	39.3	39.9	51.1	50.4	53.1
Accounts receivable	28.2	31.9	37.2	43.7	50.1	51.3	55.0
Other current assets	42.3	34.0	15.2	82.0	82.0	82.0	82.0
Liquid assets	88.6	93.7	82.7	68.0	68.5	71.3	105.0
Deferred taxes	11.9	11.2	8.6	11.7	11.7	11.7	11.7
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CURRENT ASSETS	204.6	208.1	182.9	245.3	263.4	266.6	306.8
TOTAL ASSETS	292.0	347.7	407.5	439.4	487.8	515.7	558.9
SHAREHOLDERS EQUITY	147.8	187.4	212.1	222.2	258.1	284.0	315.8
MINORITY INTEREST	1.1	5.1	1.6	1.9	1.9	1.9	1.9
Long-term debt	0.0	0.0	22.4	20.0	20.0	20.0	20.0
Provisions for pensions and similar obligations	14.4	13.0	10.3	11.0	11.0	11.0	11.0
Other provisions	70.5	92.5	108.6	106.1	106.1	106.1	106.1
Non-current liabilities	84.9	105.5	141.3	137.1	137.1	137.1	137.1
short-term liabilities to banks	0.0	7.1	0.0	6.4	6.4	6.4	6.4
Accounts payable	5.0	5.6	8.3	5.9	8.5	9.1	19.2
Advance payments received on orders	8.6	11.6	6.2	4.5	14.4	15.8	17.1
Other liabilities (incl. from lease and rental contracts)	42.3	23.1	33.0	60.1	60.1	60.1	60.1
Deferred taxes	2.2	2.2	5.1	1.3	1.3	1.3	1.3
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current liabilities	58.2	49.7	52.5	78.1	90.6	92.6	104.0
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	292.0	347.7	407.5	439.4	487.7	515.7	558.9

Balance sheet (common size)	2020	2021	2022	2023	2024E	2025E	2026E
Intangible assets	14.2 %	17.7 %	23.8 %	11.1 %	10.2 %	9.8 %	9.2 %
Property, plant and equipment	13.0 %	17.8 %	27.4 %	25.5 %	29.0 %	32.0 %	30.0 %
Financial assets	2.7 %	4.7 %	3.9 %	7.6 %	6.9 %	6.5 %	6.0 %
FIXED ASSETS	29.9 %	40.2 %	55.1 %	44.2 %	46.0 %	48.3 %	45.1 %
Inventories	11.5 %	10.7 %	9.6 %	9.1 %	10.5 %	9.8 %	9.5 %
Accounts receivable	9.7 %	9.2 %	9.1 %	10.0 %	10.3 %	9.9 %	9.8 %
Other current assets	14.5 %	9.8 %	3.7 %	18.7 %	16.8 %	15.9 %	14.7 %
Liquid assets	30.3 %	26.9 %	20.3 %	15.5 %	14.1 %	13.8 %	18.8 %
Deferred taxes	4.1 %	3.2 %	2.1 %	2.7 %	2.4 %	2.3 %	2.1 %
Deferred charges and prepaid expenses	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
CURRENT ASSETS	70.1 %	59.8 %	44.9 %	55.8 %	54.0 %	51.7 %	54.9 %
TOTAL ASSETS	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
SHAREHOLDERS EQUITY	50.6 %	53.9 %	52.0 %	50.6 %	52.9 %	55.1 %	56.5 %
MINORITY INTEREST	0.4 %	1.5 %	0.4 %	0.4 %	0.4 %	0.4 %	0.3 %
Long-term debt	0.0 %	0.0 %	5.5 %	4.6 %	4.1 %	3.9 %	3.6 %
Provisions for pensions and similar obligations	4.9 %	3.8 %	2.5 %	2.5 %	2.2 %	2.1 %	2.0 %
Other provisions	24.1 %	26.6 %	26.7 %	24.2 %	21.8 %	20.6 %	19.0 %
Non-current liabilities	29.1 %	30.4 %	34.7 %	31.2 %	28.1 %	26.6 %	24.5 %
short-term liabilities to banks	0.0 %	2.0 %	0.0 %	1.4 %	1.3 %	1.2 %	1.1 %
Accounts payable	1.7 %	1.6 %	2.0 %	1.3 %	1.7 %	1.8 %	3.4 %
Advance payments received on orders	3.0 %	3.3 %	1.5 %	1.0 %	3.0 %	3.1 %	3.1 %
Other liabilities (incl. from lease and rental contracts)	14.5 %	6.7 %	8.1 %	13.7 %	12.3 %	11.6 %	10.7 %
Deferred taxes	0.8 %	0.6 %	1.2 %	0.3 %	0.3 %	0.3 %	0.2 %
Deferred income	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Current liabilities	19.9 %	14.3 %	12.9 %	17.8 %	18.6 %	18.0 %	18.6 %
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

Source: Company data, Hauck Aufhäuser Investment Banking

Cash flow statement (EUR m)	2020	2021	2022	2023	2024E	2025E	2026E
Net profit/loss	24.7	34.7	29.8	26.3	36.9	36.4	42.1
Depreciation of fixed assets (incl. leases)	11.1	9.6	10.5	12.2	12.5	15.1	16.8
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	1.2	1.2	1.2	1.2	1.2
Others	4.3	-0.7	-30.7	17.4	9.9	1.4	1.3
Cash flow from operations before changes in w/c	40.0	43.6	10.8	57.1	60.5	54.1	61.4
Increase/decrease in inventory	-2.4	-6.0	-14.3	-0.7	-11.2	0.7	-2.7
Increase/decrease in accounts receivable	0.1	-3.9	-5.3	-6.5	-6.3	-1.2	-3.7
Increase/decrease in accounts payable	0.5	0.6	2.8	-2.5	2.6	0.6	10.1
Increase/decrease in other working capital positions	0.0	0.0	40.4	0.0	0.0	0.0	0.0
Increase/decrease in working capital	-1.7	-9.3	23.6	-9.7	-14.9	0.1	3.7
Cash flow from operating activities	38.3	34.3	34.3	47.4	45.5	54.2	65.2
CAPEX	8.9	28.9	27.1	26.3	40.0	37.0	17.0
Payments for acquisitions	0.0	8.3	10.8	4.7	0.0	0.0	0.0
Financial investments	5.4	0.0	2.2	0.0	0.0	0.0	0.0
Income from asset disposals	0.9	13.5	-1.0	-11.8	0.0	0.0	0.0
Cash flow from investing activities	-13.3	-23.6	-41.0	-42.7	-40.0	-37.0	-17.0
Cash flow before financing	25.0	10.7	-6.7	4.7	5.5	17.2	48.2
Increase/decrease in debt position	-3.0	7.1	24.2	17.2	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	10.4	1.0	10.4	10.4
Others	-1.2	-3.8	-19.5	-25.8	-4.0	-4.0	-4.0
Effects of exchange rate changes on cash	-1.9	2.0	1.5	-0.4	0.0	0.0	0.0
Cash flow from financing activities	-13.0	-6.1	-5.7	-19.0	-5.0	-14.4	-14.4
Increase/decrease in liquid assets	10.1	6.6	-10.9	-14.7	0.5	2.7	33.8
Liquid assets at end of period	89.0	95.6	82.7	68.0	68.5	71.3	105.0

Quarterly results (EUR m)	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024E	FY 2024E
Sales	58.4	57.1	57.9	60.0	65.9	57.1	67.6	77.8	67.0	281.1
Sales growth	41 %	15 %	16 %	5 %	13 %	0 %	17 %	30 %	2 %	14 %
Gross profit	29.3	22.3	27.4	29.9	32.5	28.0	34.9	38.1	33.2	140.4
Gross profit margin	50.3 %	39.2 %	47.3 %	49.9 %	49.3 %	49.0 %	51.6 %	49.0 %	49.5 %	50.0 %
Adj. EBIT	0.0	0.0	0.0	0.0	0.0	0.0	15.0	17.5	12.2	57.8
Adj. EBIT margin	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	22.2 %	22.5 %	18.2 %	20.6 %

Source: Company data, Hauck Aufhäuser Investment Banking

Key ratios (EUR m)	2020	2021	2022	2023	2024E	2025E	2026E
P&L growth analysis							
Sales growth	0.0 %	1.1 %	23.2 %	10.7 %	14.2 %	4.0 %	9.0 %
EBITDA growth	7.4 %	23.2 %	0.5 %	0.0 %	21.2 %	2.7 %	13.9 %
EBIT growth	9.9 %	34.6 %	-1.3 %	-3.0 %	22.9 %	-1.4 %	15.0 %
EPS growth	13.0 %	40.9 %	-15.6 %	-10.3 %	38.3 %	-1.5 %	16.1 %
Efficiency							
Total operating costs / sales	28.7 %	24.2 %	27.0 %	28.8 %	29.4 %	29.0 %	28.4 %
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
Balance sheet analysis							
Avg. working capital / sales	n/a	27.8 %	25.6 %	27.5 %	27.0 %	26.5 %	23.3 %
Inventory turnover (sales/inventory)	5.3	4.8	5.7	6.2	5.5	5.8	6.0
Trade debtors in days of sales	57.7	64.5	61.0	64.8	65.0	64.0	63.0
A/P turnover [(A/P*365)/sales]	20.4	22.8	26.4	16.5	22.0	22.0	22.0
Cash conversion cycle (days)	174.0	194.3	158.8	160.7	175.6	164.3	139.0
Cash flow analysis							
Free cash flow	29.4	5.4	7.2	21.1	5.5	17.2	48.2
Free cash flow/sales	16.5 %	3.0 %	3.3 %	8.6 %	2.0 %	5.9 %	15.1 %
FCF / net profit	120.5 %	15.8 %	24.7 %	80.3 %	15.2 %	47.8 %	115.6 %
Capex / deprn	128.8 %	300.7 %	250.3 %	196.5 %	292.7 %	226.5 %	94.4 %
Capex / maintenance capex	80.4 %	300.7 %	231.6 %	196.5 %	309.0 %	252.1 %	104.2 %
Capex / sales	8.0 %	16.0 %	13.2 %	10.7 %	14.2 %	12.6 %	5.3 %
Security							
Net debt	-88.6	-86.6	-60.3	-41.6	-42.1	-44.9	-78.7
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	29.5	39.7	26.4	14.4	18.0	17.8	20.4
Dividend payout ratio	29.1 %	33.3 %	35.4 %	3.9 %	28.5 %	29.0 %	25.0 %
Asset utilisation							
Capital employed turnover	1.2	0.8	0.8	0.8	0.8	0.8	0.9
Operating assets turnover	2.1	1.6	1.3	1.3	1.3	1.2	1.3
Plant turnover	4.7	2.9	2.0	2.2	2.0	1.8	1.9
Inventory turnover (sales/inventory)	5.3	4.8	5.7	6.2	5.5	5.8	6.0
Returns							
ROCE	23.7 %	26.1 %	19.0 %	15.6 %	17.3 %	15.6 %	17.4 %
ROE	16.5 %	18.4 %	13.8 %	11.8 %	14.1 %	12.6 %	13.2 %
Other							
Interest paid / avg. debt	19883.3	33.7 %	12.0 %	12.9 %	11.7 %	11.7 %	11.7 %
No. employees (average)	0	0	0	0	0	0	0
Number of shares	20.6	20.6	20.8	20.8	20.8	20.8	20.8
DPS	0.3	0.6	0.5	0.1	0.5	0.5	0.5
EPS reported	1.19	1.67	1.41	1.27	1.75	1.73	2.00
Valuation ratios							
P/BV	5.6	10.1	4.9	3.9	3.4	3.1	2.8
EV/sales	4.5	10.5	4.7	3.7	3.2	3.1	2.7
EV/EBITDA	17.4	33.1	18.3	15.7	13.0	12.6	10.7
EV/EBITA	22.9	39.8	21.9	19.9	15.9	16.0	13.5
EV/EBIT	22.9	39.8	22.4	19.8	16.2	16.4	13.7
EV/FCF	27.4	346.8	144.9	42.6	163.4	52.6	18.0
Adjusted FCF yield	3.4 %	2.0 %	3.2 %	4.0 %	5.0 %	5.1 %	6.2 %
Dividend yield	0.9 %	0.6 %	1.0 %	0.1 %	1.2 %	1.2 %	1.2 %

Source: Company data, Hauck Aufhäuser Investment Banking

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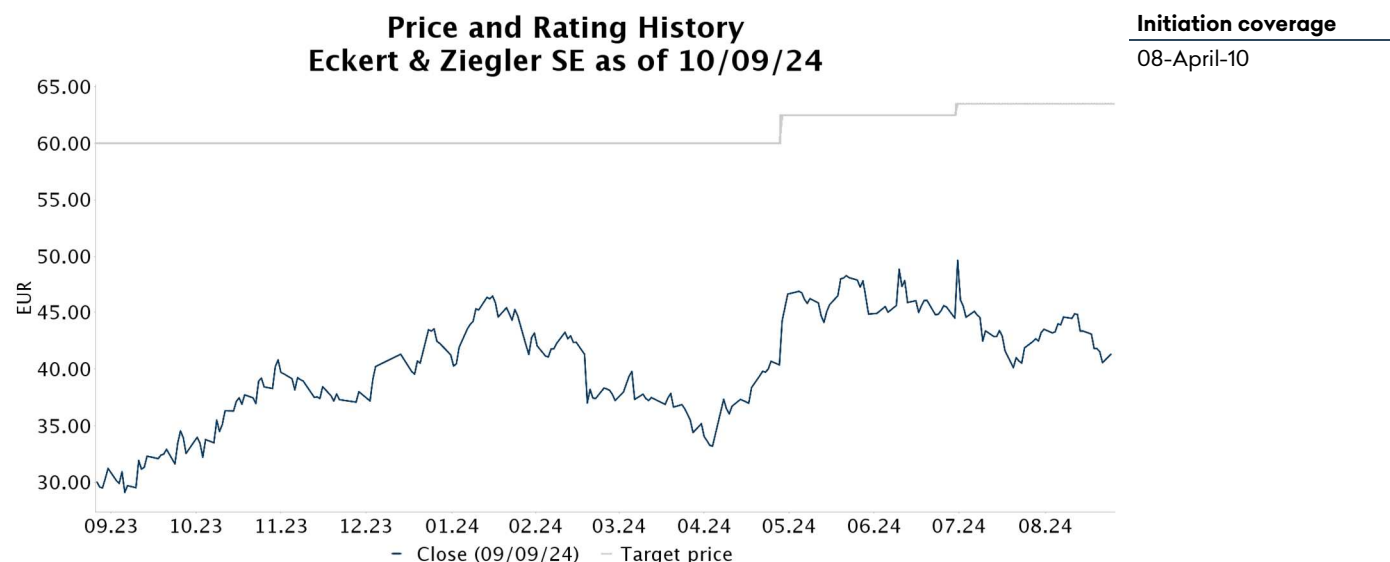
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Company	Disclosure
Eckert & Ziegler SE	2

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



Company	Date	Analyst	Rating	Target price	Close
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Eckert & Ziegler SE

Eckert & Ziegler SE	12.08.2024	Galitsa, Alexander	Buy	EUR 63.50	EUR 42.42
	17.07.2024	Galitsa, Alexander	Buy	EUR 63.50	EUR 46.08
	04.07.2024	Galitsa, Alexander	Buy	EUR 62.50	EUR 46.04
	15.05.2024	Galitsa, Alexander	Buy	EUR 62.50	EUR 44.26
	24.04.2024	Galitsa, Alexander	Buy	EUR 60.00	EUR 36.50
	25.03.2024	Galitsa, Alexander	Buy	EUR 60.00	EUR 37.78
	06.03.2024	Galitsa, Alexander	Buy	EUR 60.00	EUR 38.20
	11.01.2024	Galitsa, Alexander	Buy	EUR 60.00	EUR 42.44
	03.01.2024	Galitsa, Alexander	Buy	EUR 60.00	EUR 39.54
	07.12.2023	Galitsa, Alexander	Buy	EUR 60.00	EUR 37.30
	20.11.2023	Galitsa, Alexander	Buy	EUR 60.00	EUR 39.14
	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
	20.10.2023	Galitsa, Alexander	Buy	EUR 60.00	EUR 33.46

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Sell	5.13 %	3.57 %
Hold	25.13 %	17.86 %

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