

# Eckert & Ziegler AG

## Germany - High-tech Engineering



HAUCK  
AUFHÄUSER  
INVESTMENT BANKING

**Buy** (old: Buy)

**Price target: EUR 120.00** (old: EUR 120.00)

<b>Price:</b>	EUR 41.38	<b>Next result:</b>	Q4 30.03.23
<b>Bloomberg:</b>	EUZ GR	<b>Market cap:</b>	EUR 856.4 m
<b>Reuters:</b>	EUZG.DE	<b>Enterprise Value:</b>	EUR 797.6 m

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### Sound Q3 render the FY guidance overly conservative

EUZ delivered **sound Q3 with sales up 38% yoy to € 57m** (or ~22% adj for M&A and fx) **and an EBIT of € 13.5m**, corresponding to 23.6% margin.

While both divisions contributed to the strong growth performance, **the growth re-acceleration in the Medical division** (+18% yoy; H1 2022: 3% yoy), on the back of radiopharmaceutical isotopes, is particularly encouraging. At the same time, **Isotope Products** (+25% yoy adj. for M&A and fx) **continued to benefit from the oil and gas-related demand**, partially gaining market share from sanctioned Russian suppliers, as well as **strong demand for quality assurance products for PET cameras**, benefitting from an increasing prevalence of radio-imaging.

**Q3 earnings look “clean” with no major non-operating effects.** While currency gain contributed € 1.7m, the at-equity write down in Russian-based associated companies posed a € 0.9m headwind.

**Q3 FCF was better-than-expected at € 6.4m** due to an overall moderating pace of investments into PPE. In fact, the major phase of capacity expansion is finalized, while CAPEX for the Chinese plant will be stretched over a longer timeframe, not least due to COVID. In 2023, Pentixa Ph3 clinical trial should represent the bulk of the total CAPEX.

Despite **having achieved 82% and 86% of the FY sales and net income targets** respectively, management decided not to raise the guidance just yet citing “the current tense and risky global economic situation”. This allows for a significant “margin of safety” and **we expect to see a guidance increase in the course of Q4.**

**Our FY sales and net income estimates are 12% and 15% ahead of the guidance**, implying 10% yoy sales growth (adj for M&A and fx) in Q4, still allowing for a slowdown relative to Q3, and an EPS of € 0.38, compared to € 0.41 and € 0.40 in Q2 and Q3 2022.

**Action:** Estimate changes reflect stronger than expected sales, partly due to fx, stronger profitability amid a favorable sales mix and lower D&A amid trimmed CAPEX.

All in all, Q3 results confirm our view that **EUZ is a highly profitable, and growing business supplying mission-critical isotope technology** (incl. raw isotopes) to industrial and pharmaceutical companies. The latter especially represents an attractive long-term growth opportunity, which is not being adequately reflected in the current share price (see update dated 9<sup>th</sup> August for details). **BUY** with an unchanged **PT of € 120**

Y/E 31.12 (EUR m)	2018	2019	2020	2021	2022E	2023E	2024E
Sales	168.7	178.5	176.1	180.4	224.5	238.5	263.5
Sales growth	22 %	6 %	-1 %	2 %	24 %	6 %	10 %
EBITDA	32.0	43.1	44.8	57.0	60.9	63.8	73.7
EBIT	23.4	32.1	33.7	47.4	50.2	51.9	60.9
Net income	16.1	22.0	22.9	34.4	31.3	35.5	41.8
Net debt	-54.1	-78.9	-88.6	-86.6	-71.8	-70.2	-74.2
Net gearing	-44.1 %	-57.1 %	-59.9 %	-46.2 %	-34.6 %	-30.4 %	-28.4 %
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EPS pro forma	3.12	1.06	1.04	1.67	1.51	1.71	2.02
CPS	0.64	1.46	1.28	1.20	1.09	1.55	1.68
DPS	1.20	0.35	0.35	0.56	0.50	0.50	0.50
Dividend yield	3.1 %	0.9 %	0.9 %	1.5 %	1.3 %	1.3 %	1.3 %
Gross profit margin	44.1 %	48.8 %	49.1 %	50.5 %	50.8 %	51.2 %	52.2 %
EBITDA margin	18.9 %	24.2 %	25.4 %	31.6 %	27.1 %	26.8 %	28.0 %
EBIT margin	13.9 %	18.0 %	19.1 %	26.3 %	22.4 %	21.7 %	23.1 %
ROCE	17.6 %	22.5 %	22.9 %	26.0 %	18.9 %	15.8 %	17.1 %
EV/sales	1.1	3.1	4.2	10.1	3.6	3.4	3.0
EV/EBITDA	5.5	13.0	16.7	32.0	13.1	12.5	10.8
EV/EBIT	7.6	17.5	22.2	38.5	15.9	15.4	13.1
PER	10.5	25.5	34.9	52.7	25.0	24.1	20.5
Adjusted FCF yield	9.8 %	4.2 %	3.3 %	2.0 %	4.4 %	4.8 %	5.7 %

Source: Company data, Hauck Aufhäuser Investment Banking Close price as of: 08.11.2022



Source: Company data, Hauck Aufhäuser Investment Banking

**High/low 52 weeks:** 113.90 / 30.66

**Price/Book Ratio:** 3.8

**Relative performance (SDAX):**

3 months -1.3 %

6 months 1.9 %

12 months -37.7 %

### Changes in estimates

		Sales	EBIT	EPS
2022	<b>old:</b>	215.0	46.6	1.47
	Δ	4.4%	7.7%	2.5%
2023	<b>old:</b>	229.0	44.9	1.48
	Δ	4.1%	15.5%	15.5%
2024	<b>old:</b>	258.0	54.7	1.81
	Δ	2.1%	11.4%	11.4%

### Key share data:

Number of shares: (in m pcs) 20.7

Authorised capital: (in € m) 0.6

Book value per share: (in €) 10.0

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

EUR	Q3 2022	Q3 2022 est	Q3 2021	yoy	9M 2022	9M 2021	yoy
<b>Sales</b>	<b>57.2</b>	<b>53.0</b>	<b>41.5</b>	37.7%	<b>164.0</b>	<b>131.0</b>	25.2%
<b>EBIT</b>	<b>13.5</b>	<b>11.8</b>	<b>10.9</b>	24.2%	<b>37.9</b>	<b>31.3</b>	21.0%
<i>EBIT margin</i>	23.6%	22.3%	26.2%	-2.6 pp	23.1%	23.9%	-0.8 pp
thereof at equity	-0.9		2.1		-10	18	
thereof other fin results (e.g. fx gains/losses)	17		0.4		3.5	0.8	
<i>EBIT margin adj for at equity and other fin result</i>	22.2%		20.3%	+19 pp	21.6%	22.0%	-0.4 pp

Source: Company data; HAIB

## Financials

Profit and loss (EUR m)	2018	2019	2020	2021	2022E	2023E	2024E
<b>Sales</b>	<b>168.7</b>	<b>178.5</b>	<b>176.1</b>	<b>180.4</b>	<b>224.5</b>	<b>238.5</b>	<b>263.5</b>
<i>Sales growth</i>	21.7 %	5.8 %	-1.3 %	2.4 %	24.4 %	6.2 %	10.5 %
Cost of sales	94.4	91.5	89.6	89.4	110.4	116.3	126.0
<b>Gross profit</b>	<b>74.3</b>	<b>87.0</b>	<b>86.5</b>	<b>91.1</b>	<b>114.1</b>	<b>122.2</b>	<b>137.5</b>
Sales and marketing	23.3	22.9	21.7	22.6	27.1	28.7	30.1
General and administration	26.9	27.6	28.1	31.5	34.8	36.8	38.5
Research and development	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other operating income	3.5	2.8	5.8	17.7	6.6	2.6	-0.4
Other operating expenses	4.5	7.1	7.2	7.3	8.6	7.4	7.6
Unusual or infrequent items	0.2	-0.2	-1.6	0.0	0.0	0.0	0.0
<b>EBITDA</b>	<b>32.0</b>	<b>43.1</b>	<b>44.8</b>	<b>57.0</b>	<b>60.9</b>	<b>63.8</b>	<b>73.7</b>
Depreciation	8.6	11.1	11.1	9.6	10.7	12.0	12.8
<b>EBITA</b>	<b>23.4</b>	<b>32.1</b>	<b>33.7</b>	<b>47.4</b>	<b>50.2</b>	<b>51.9</b>	<b>60.9</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>23.4</b>	<b>32.1</b>	<b>33.7</b>	<b>47.4</b>	<b>50.2</b>	<b>51.9</b>	<b>60.9</b>
Interest income	0.2	0.3	0.2	0.1	0.0	0.0	0.0
Interest expenses	0.7	1.1	1.2	1.2	2.1	1.2	1.2
Other financial result	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial result	-0.5	-0.8	-0.9	-1.1	-2.1	-1.2	-1.2
<b>Recurring pretax income from continuing operations</b>	<b>22.9</b>	<b>31.2</b>	<b>32.7</b>	<b>46.4</b>	<b>48.1</b>	<b>50.7</b>	<b>59.7</b>
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Earnings before taxes</b>	<b>22.9</b>	<b>31.2</b>	<b>32.7</b>	<b>46.4</b>	<b>48.1</b>	<b>50.7</b>	<b>59.7</b>
Taxes	6.0	8.8	9.6	11.7	16.8	15.2	17.9
<b>Net income from continuing operations</b>	<b>16.9</b>	<b>22.5</b>	<b>23.1</b>	<b>34.7</b>	<b>31.3</b>	<b>35.5</b>	<b>41.8</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>16.9</b>	<b>22.5</b>	<b>23.1</b>	<b>34.7</b>	<b>31.3</b>	<b>35.5</b>	<b>41.8</b>
Minority interest	0.8	0.5	0.2	0.2	0.0	0.0	0.0
<b>Net profit (reported)</b>	<b>16.1</b>	<b>22.0</b>	<b>22.9</b>	<b>34.4</b>	<b>31.3</b>	<b>35.5</b>	<b>41.8</b>
Average number of shares	20.5	20.5	20.6	20.6	20.7	20.7	20.7
<b>EPS reported</b>	<b>0.79</b>	<b>1.07</b>	<b>1.11</b>	<b>1.67</b>	<b>1.51</b>	<b>1.71</b>	<b>2.02</b>

Profit and loss (common size)	2018	2019	2020	2021	2022E	2023E	2024E
<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	55.9 %	51.2 %	50.9 %	49.5 %	49.2 %	48.8 %	47.8 %
<b>Gross profit</b>	<b>44.1 %</b>	<b>48.8 %</b>	<b>49.1 %</b>	<b>50.5 %</b>	<b>50.8 %</b>	<b>51.2 %</b>	<b>52.2 %</b>
Sales and marketing	13.8 %	12.8 %	12.3 %	12.5 %	12.1 %	12.0 %	11.4 %
General and administration	15.9 %	15.4 %	15.9 %	17.4 %	15.5 %	15.4 %	14.6 %
Research and development	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other operating income	2.1 %	1.6 %	3.3 %	9.8 %	2.9 %	1.1 %	neg.
Other operating expenses	2.6 %	4.0 %	4.1 %	4.0 %	3.8 %	3.1 %	2.9 %
Unusual or infrequent items	0.1 %	neg.	neg.	0.0 %	0.0 %	0.0 %	0.0 %
<b>EBITDA</b>	<b>18.9 %</b>	<b>24.2 %</b>	<b>25.4 %</b>	<b>31.6 %</b>	<b>27.1 %</b>	<b>26.8 %</b>	<b>28.0 %</b>
Depreciation	5.1 %	6.2 %	6.3 %	5.3 %	4.7 %	5.0 %	4.9 %
<b>EBITA</b>	<b>13.9 %</b>	<b>18.0 %</b>	<b>19.1 %</b>	<b>26.3 %</b>	<b>22.4 %</b>	<b>21.7 %</b>	<b>23.1 %</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>13.9 %</b>	<b>18.0 %</b>	<b>19.1 %</b>	<b>26.3 %</b>	<b>22.4 %</b>	<b>21.7 %</b>	<b>23.1 %</b>
Interest income	0.1 %	0.2 %	0.1 %	0.1 %	0.0 %	0.0 %	0.0 %
Interest expenses	0.4 %	0.6 %	0.7 %	0.7 %	0.9 %	0.5 %	0.5 %
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>13.6 %</b>	<b>17.5 %</b>	<b>18.6 %</b>	<b>25.7 %</b>	<b>21.4 %</b>	<b>21.2 %</b>	<b>22.7 %</b>
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Earnings before taxes</b>	<b>13.6 %</b>	<b>17.5 %</b>	<b>18.6 %</b>	<b>25.7 %</b>	<b>21.4 %</b>	<b>21.2 %</b>	<b>22.7 %</b>
Tax rate	26.2 %	28.1 %	29.4 %	25.3 %	35.0 %	30.0 %	30.0 %
<b>Net income from continuing operations</b>	<b>10.0 %</b>	<b>12.6 %</b>	<b>13.1 %</b>	<b>19.2 %</b>	<b>13.9 %</b>	<b>14.9 %</b>	<b>15.9 %</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>10.0 %</b>	<b>12.6 %</b>	<b>13.1 %</b>	<b>19.2 %</b>	<b>13.9 %</b>	<b>14.9 %</b>	<b>15.9 %</b>
Minority interest	0.4 %	0.3 %	0.1 %	0.1 %	0.0 %	0.0 %	0.0 %
<b>Net profit (reported)</b>	<b>9.6 %</b>	<b>12.3 %</b>	<b>13.0 %</b>	<b>19.1 %</b>	<b>13.9 %</b>	<b>14.9 %</b>	<b>15.9 %</b>

Source: Company data, Hauck Aufhäuser Investment Banking

Balance sheet (EUR m)	2018	2019	2020	2021	2022E	2023E	2024E
<b>Intangible assets</b>	<b>52.5</b>	<b>51.9</b>	<b>41.4</b>	<b>61.4</b>	<b>76.1</b>	<b>96.1</b>	<b>116.1</b>
Property, plant and equipment	36.9	40.0	38.0	61.9	71.9	74.0	73.1
Financial assets	3.5	5.2	8.0	16.4	16.4	16.4	16.4
<b>FIXED ASSETS</b>	<b>93.0</b>	<b>97.1</b>	<b>87.4</b>	<b>139.7</b>	<b>164.4</b>	<b>186.5</b>	<b>205.6</b>
Inventories	28.8	31.2	33.6	37.4	43.2	45.9	50.7
Accounts receivable	28.3	29.5	28.2	31.9	36.9	39.2	43.3
Other current assets	14.9	26.6	42.3	34.0	34.0	34.0	34.0
Liquid assets	54.2	78.9	88.6	93.7	78.9	77.3	81.3
Deferred taxes	9.9	10.9	11.9	11.2	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>136.1</b>	<b>177.1</b>	<b>204.6</b>	<b>208.1</b>	<b>193.0</b>	<b>196.4</b>	<b>209.3</b>
<b>TOTAL ASSETS</b>	<b>229.1</b>	<b>274.2</b>	<b>292.0</b>	<b>347.7</b>	<b>357.4</b>	<b>382.9</b>	<b>414.9</b>
SHAREHOLDERS EQUITY	122.6	138.2	147.8	187.4	207.7	231.1	260.7
MINORITY INTEREST	1.2	1.2	1.1	5.1	0.0	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	11.4	13.5	14.4	13.0	13.0	13.0	13.0
Other provisions	55.1	66.4	70.5	92.5	88.1	89.8	91.6
<b>Non-current liabilities</b>	<b>66.5</b>	<b>79.9</b>	<b>84.9</b>	<b>105.5</b>	<b>101.1</b>	<b>102.9</b>	<b>104.7</b>
short-term liabilities to banks	0.0	0.0	0.0	7.1	7.1	7.1	7.1
Accounts payable	6.5	4.5	5.0	5.6	6.7	7.0	7.6
Advance payments received on orders	4.1	12.0	8.6	11.6	11.6	11.6	11.6
Other liabilities (incl. from lease and rental contracts)	17.4	35.6	42.3	23.1	23.1	23.1	23.1
Deferred taxes	7.1	2.8	2.2	2.2	0.0	0.0	0.0
Deferred income	3.6	0.0	0.0	0.0	0.0	0.0	0.0
<b>Current liabilities</b>	<b>38.8</b>	<b>54.9</b>	<b>58.2</b>	<b>49.7</b>	<b>48.5</b>	<b>48.9</b>	<b>49.4</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>229.1</b>	<b>274.2</b>	<b>292.0</b>	<b>347.7</b>	<b>357.4</b>	<b>382.9</b>	<b>414.9</b>

Balance sheet (common size)	2018	2019	2020	2021	2022E	2023E	2024E
<b>Intangible assets</b>	<b>22.9 %</b>	<b>18.9 %</b>	<b>14.2 %</b>	<b>17.7 %</b>	<b>21.3 %</b>	<b>25.1 %</b>	<b>28.0 %</b>
Property, plant and equipment	16.1 %	14.6 %	13.0 %	17.8 %	20.1 %	19.3 %	17.6 %
Financial assets	1.5 %	1.9 %	2.7 %	4.7 %	4.6 %	4.3 %	3.9 %
<b>FIXED ASSETS</b>	<b>40.6 %</b>	<b>35.4 %</b>	<b>29.9 %</b>	<b>40.2 %</b>	<b>46.0 %</b>	<b>48.7 %</b>	<b>49.6 %</b>
Inventories	12.6 %	11.4 %	11.5 %	10.7 %	12.1 %	12.0 %	12.2 %
Accounts receivable	12.4 %	10.8 %	9.7 %	9.2 %	10.3 %	10.2 %	10.4 %
Other current assets	6.5 %	9.7 %	14.5 %	9.8 %	9.5 %	8.9 %	8.2 %
Liquid assets	23.7 %	28.8 %	30.3 %	26.9 %	22.1 %	20.2 %	19.6 %
Deferred taxes	4.3 %	4.0 %	4.1 %	3.2 %	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>59.4 %</b>	<b>64.6 %</b>	<b>70.1 %</b>	<b>59.8 %</b>	<b>54.0 %</b>	<b>51.3 %</b>	<b>50.4 %</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	53.5 %	50.4 %	50.6 %	53.9 %	58.1 %	60.4 %	62.8 %
MINORITY INTEREST	0.5 %	0.5 %	0.4 %	1.5 %	0.0 %	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	5.0 %	4.9 %	4.9 %	3.8 %	3.6 %	3.4 %	3.1 %
Other provisions	24.0 %	24.2 %	24.1 %	26.6 %	24.6 %	23.5 %	22.1 %
<b>Non-current liabilities</b>	<b>29.0 %</b>	<b>29.1 %</b>	<b>29.1 %</b>	<b>30.4 %</b>	<b>28.3 %</b>	<b>26.9 %</b>	<b>25.2 %</b>
short-term liabilities to banks	0.0 %	0.0 %	0.0 %	2.0 %	2.0 %	1.8 %	1.7 %
Accounts payable	2.8 %	1.6 %	1.7 %	1.6 %	1.9 %	1.8 %	1.8 %
Advance payments received on orders	1.8 %	4.4 %	3.0 %	3.3 %	3.3 %	3.0 %	2.8 %
Other liabilities (incl. from lease and rental contracts)	7.6 %	13.0 %	14.5 %	6.7 %	6.5 %	6.0 %	5.6 %
Deferred taxes	3.1 %	1.0 %	0.8 %	0.6 %	0.0 %	0.0 %	0.0 %
Deferred income	1.6 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Current liabilities</b>	<b>16.9 %</b>	<b>20.0 %</b>	<b>19.9 %</b>	<b>14.3 %</b>	<b>13.6 %</b>	<b>12.8 %</b>	<b>11.9 %</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)	2018	2019	2020	2021	2022E	2023E	2024E
Net profit/loss	16.9	22.5	23.1	34.7	31.3	35.5	41.8
Depreciation of fixed assets (incl. leases)	8.6	11.1	11.1	9.6	10.7	12.0	12.8
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	0.0	0.0	0.0	0.0	0.0
Others	2.8	10.6	4.3	-1.1	0.0	0.0	0.0
Cash flow from operations before changes in w/c	28.2	44.1	38.5	43.1	41.9	47.4	54.6
Increase/decrease in inventory	0.7	-2.2	-2.4	-6.0	-5.8	-2.7	-4.8
Increase/decrease in accounts receivable	-4.0	-1.2	0.1	-3.9	-5.0	-2.3	-4.1
Increase/decrease in accounts payable	2.0	-0.4	0.5	0.6	1.1	0.4	0.6
Increase/decrease in other working capital positions	-5.7	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in working capital	-7.0	-3.7	-1.7	-9.3	-9.8	-4.6	-8.3
<b>Cash flow from operating activities</b>	<b>21.2</b>	<b>40.4</b>	<b>36.8</b>	<b>33.9</b>	<b>32.2</b>	<b>42.8</b>	<b>46.3</b>
CAPEX	6.1	7.3	8.9	28.9	35.4	34.0	32.0
Payments for acquisitions	2.1	0.9	0.0	8.3	0.0	0.0	0.0
Financial investments	0.0	0.0	5.4	0.0	0.0	0.0	0.0
Income from asset disposals	-2.5	2.5	0.9	13.5	0.0	0.0	0.0
<b>Cash flow from investing activities</b>	<b>-10.7</b>	<b>-5.7</b>	<b>-13.3</b>	<b>-23.6</b>	<b>-35.4</b>	<b>-34.0</b>	<b>-32.0</b>
Cash flow before financing	10.5	34.7	23.4	10.3	-3.3	8.8	14.3
Increase/decrease in debt position	-1.7	-2.7	-3.0	7.1	0.0	0.0	0.0
Purchase of own shares	8.6	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	4.1	6.2	8.8	9.3	11.5	10.3	10.3
Others	-0.2	-1.7	-1.2	-3.8	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.6	0.5	-1.9	2.0	0.0	0.0	0.0
<b>Cash flow from financing activities</b>	<b>-14.6</b>	<b>-10.5</b>	<b>-13.0</b>	<b>-6.1</b>	<b>-11.5</b>	<b>-10.3</b>	<b>-10.3</b>
Increase/decrease in liquid assets	-3.5	24.7	8.6	6.2	-14.7	-1.6	3.9
<b>Liquid assets at end of period</b>	<b>54.2</b>	<b>78.9</b>	<b>87.4</b>	<b>93.6</b>	<b>78.9</b>	<b>77.3</b>	<b>81.3</b>

Source: Company data, Hauck Aufhäuser Investment Banking

Regional split (EUR m)	2018	2019	2020	2021	2022E	2023E	2024E
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	96.8	110.4	125.9	143.5	163.6	186.5	212.6
yoy change	14.0 %	14.0 %	14.0 %	14.0 %	14.0 %	14.0 %	14.0 %
NAFTA	60.9	70.1	80.6	92.7	106.6	122.5	140.9
yoy change	15.0 %	15.0 %	15.0 %	15.0 %	15.0 %	15.0 %	15.0 %
Asia Pacific	17.9	20.2	22.9	25.8	29.2	33.0	37.3
yoy change	13.0 %	13.0 %	13.0 %	13.0 %	13.0 %	13.0 %	13.0 %
Rest of world	-7.0	-22.2	-53.1	-81.5	-74.8	-103.5	-127.3
yoy change	neg.	neg.	neg.	neg.	neg.	neg.	neg.
<b>TTL</b>	<b>168.7</b>	<b>178.5</b>	<b>176.1</b>	<b>180.4</b>	<b>224.5</b>	<b>238.5</b>	<b>263.5</b>
yoy change	21.7 %	5.8 %	-1.3 %	2.4 %	24.4 %	6.2 %	10.5 %

Source: Company data, Hauck Aufhäuser Investment Banking

Key ratios (EUR m)	2018	2019	2020	2021	2022E	2023E	2024E
<b>P&amp;L growth analysis</b>							
Sales growth	21.7 %	5.8 %	-1.3 %	2.4 %	24.4 %	6.2 %	10.5 %
EBITDA growth	20.1 %	35.0 %	3.8 %	27.4 %	6.7 %	4.9 %	15.5 %
EBIT growth	30.1 %	37.1 %	5.1 %	40.8 %	5.8 %	3.3 %	17.4 %
EPS growth	9.7 %	36.5 %	3.6 %	50.5 %	-9.7 %	13.5 %	17.8 %
<b>Efficiency</b>							
Total operating costs / sales	30.3 %	30.7 %	29.1 %	24.2 %	28.5 %	29.5 %	29.1 %
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	25.8 %	25.4 %	26.2 %	27.8 %	25.3 %	26.9 %	26.8 %
Inventory turnover (sales/inventory)	5.9	5.7	5.2	4.8	5.2	5.2	5.2
Trade debtors in days of sales	61.2	60.3	58.4	64.5	60.0	60.0	60.0
A/P turnover [(A/P*365)/sales]	25.1	17.9	20.4	22.8	22.0	22.0	22.0
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	15.1	33.2	27.9	5.0	-3.3	8.8	14.3
Free cash flow/sales	8.9 %	18.6 %	15.8 %	2.8 %	-1.5 %	3.7 %	5.4 %
FCF / net profit	93.5 %	150.7 %	121.8 %	14.5 %	neg.	24.8 %	34.2 %
Capex / depre	71.4 %	65.5 %	128.8 %	300.7 %	332.3 %	284.4 %	249.4 %
Capex / maintenance capex	75.2 %	68.9 %	84.6 %	316.6 %	216.0 %	130.1 %	103.9 %
Capex / sales	3.6 %	4.1 %	8.1 %	16.0 %	15.8 %	14.3 %	12.1 %
<b>Security</b>							
Net debt	-54.1	-78.9	-88.6	-86.6	-71.8	-70.2	-74.2
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	34.8	29.3	28.2	39.7	23.9	43.2	50.8
Dividend payout ratio	152.7 %	33.0 %	31.1 %	33.3 %	33.1 %	29.2 %	24.8 %
<b>Asset utilisation</b>							
Capital employed turnover	1.2	1.2	1.2	0.8	0.7	0.7	0.7
Operating assets turnover	2.0	2.1	2.0	1.6	1.7	1.7	1.8
Plant turnover	4.6	4.5	4.6	2.9	3.1	3.2	3.6
Inventory turnover (sales/inventory)	5.9	5.7	5.2	4.8	5.2	5.2	5.2
<b>Returns</b>							
ROCE	17.6 %	22.5 %	22.9 %	26.0 %	18.9 %	15.8 %	17.1 %
ROE	13.2 %	15.9 %	15.5 %	18.4 %	15.0 %	15.3 %	16.0 %
<b>Other</b>							
Interest paid / avg. debt	73.9 %	1809.9 %	5819.5 %	33.7 %	29.7 %	17.0 %	17.0 %
No. employees (average)	0	0	0	0	0	0	0
Number of shares	20.5	20.5	20.6	20.6	20.7	20.7	20.7
DPS	1.2	0.4	0.3	0.6	0.5	0.5	0.5
EPS reported	0.79	1.07	1.11	1.67	1.51	1.71	2.02
<b>Valuation ratios</b>							
P/BV	6.4	5.7	5.3	4.2	3.8	3.4	3.0
EV/sales	1.1	3.1	4.2	10.1	3.3	3.1	2.8
EV/EBITDA	5.5	13.0	16.7	32.0	12.1	11.5	9.9
EV/EBITA	7.6	17.5	22.2	38.5	14.6	14.2	12.0
EV/EBIT	7.6	17.5	22.2	38.5	14.6	14.2	12.0
EV/FCF	11.7	16.9	26.8	364.9	-224.7	83.7	51.2
Adjusted FCF yield	9.8 %	4.2 %	3.3 %	2.0 %	4.8 %	5.3 %	6.2 %
Dividend yield	3.1 %	0.9 %	0.9 %	1.5 %	1.3 %	1.3 %	1.3 %

Source: Company data, Hauck Aufhäuser Investment Banking

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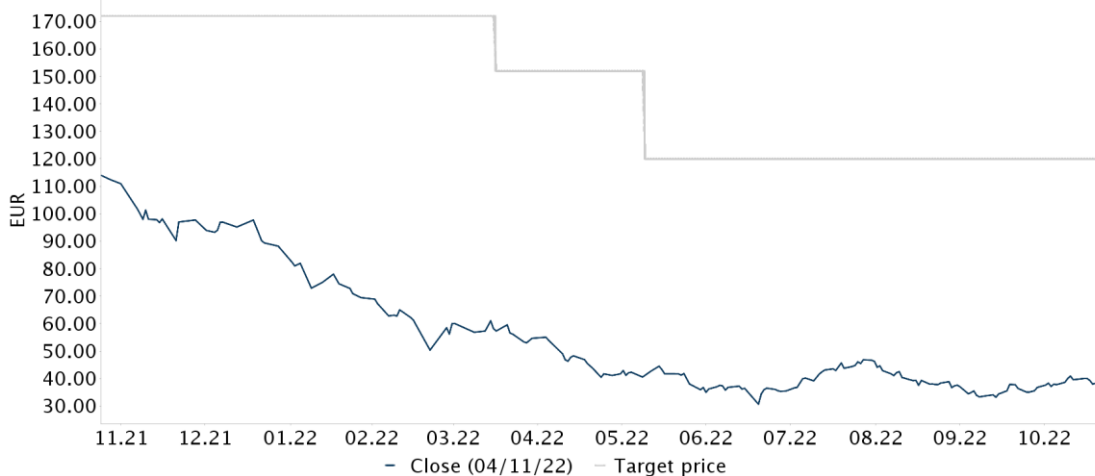
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Company	Disclosure
Eckert & Ziegler AG	2

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

**Price and Rating History  
Eckert & Ziegler AG as of 08/11/22**

**Initiation coverage**  
08-April-10



Company	Date	Analyst	Rating	Target price	Close
Eckert & Ziegler AG	02.09.2022	Galitsa, Alexander	Buy	EUR 120.00	EUR 39.32
	12.08.2022	Galitsa, Alexander	Buy	EUR 120.00	EUR 46.84
	09.08.2022	Galitsa, Alexander	Buy	EUR 120.00	EUR 44.78
	06.07.2022	Galitsa, Alexander	Buy	EUR 120.00	EUR 34.38
	31.05.2022	Galitsa, Alexander	Buy	EUR 120.00	EUR 43.28

27.05.2022	Galitsa, Alexander	Buy	EUR 120.00	EUR 42.66
17.05.2022	Galitsa, Alexander	Buy	EUR 152.00	EUR 42.90
11.04.2022	Galitsa, Alexander	Buy	EUR 152.00	EUR 53.35
04.04.2022	Galitsa, Alexander	Buy	EUR 152.00	EUR 57.30

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