

**Buy** (old: Buy)

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

**Price:** EUR 33.78      **Next result:** Q3 14.11.23  
**Bloomberg:** EUZ GR      **Market cap:** EUR 734.7 m  
**Reuters:** EUZG.DE      **Enterprise Value:** EUR 703.1 m

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### Sharpening its focus amidst bright prospects

**EUZ announced that it will spin off or sell its drug development arm Pentixa (PTX)**, which comprises CXCR-4 directed radiopharmaceuticals with applications in oncology and hypertension as well as medication protecting from the harmful effects of radiation.

**We welcome the decision** as it **i)** sharpens the company's focus on its highly-profitable core business, which faces excellent growth prospects, **ii)** removes the binary risk of drug development and associated capital outlays, **iii)** improves reporting transparency and market perception and **iv)** should help facilitate a re-rating of the share price.

In fact, despite carrying a book value (BV) of c. € 50m and market value (MV) of € 80m+, implied by the last tranche to acquire Pentixa, **the market appears to attribute minimal to negative value to PTX**. A FV range for the core business of € 45-50/share (eHAIB DCF: € 50/share), would imply a **negative EV for PTX of € 230 to € 330m** (next page).

An even stronger focus on medical isotopes for the rapidly growing market of targeted radiation therapies makes sense. After all, **EUZ is firmly positioned among the leading suppliers of mission-critical isotopes for cancer-fighting molecules**, which constantly expand the targeted indications in oncology and enter new fields of application. **The space is forecast to grow >10x by 2030E from less than \$ 2bn today**.

Accordingly, **demand for medical isotopes should continue to grow rapidly**, which is already becoming visible in the order intake. Indeed, in the past few weeks alone, EUZ announced further Lu-177 (and Ac-225) supply agreements with POINT (acquired by Lilly), PharmaLogic and Ablaze (Asia-focused partner of NASDAQ-listed RayzeBio).

As these drugs progress through the pipeline and ultimately reach the market, a progressively larger volumes of isotopes would be required. Out of the above-mentioned companies, **POINT is the most advanced with an expected Ph3 readout in Q4'23E**.

In the meantime, the two marketed radiation therapies based on Lu-177 from Novartis continue to experience strong demand. In Q3, sales of Lutathera and Pluvicto grew to \$ 159m (+19% yoy) and \$ 256m (+217% yoy) respectively, further strengthening the proof-of-concept of this class of drugs.

Assuming that the deconsolidation of PTX will remove € 4-5m of expenses p.a., **EUZ should be able to generate c. € 45m of EBIT in '23E** (ex-IAS29), corresponding to 16x EV/EBIT. In light of robust long-term growth prospects through 2030E, this multiple is seen to compress to 12x by '25E. In addition, investors get to keep PTX as a "free option", which conservatively could be worth € 80m+, or € 4/share. Our reported EBIT forecast will be adjusted, following the final decision on the spin-off in Q1'24. **BUY, € 60 PT** (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	53.8	64.3	73.3
EBIT	33.7	47.4	44.5	38.9	40.2	49.7	57.7
Net income	22.9	34.4	29.3	23.8	25.5	32.1	37.7
Net debt	-88.6	-86.6	-60.3	-41.9	-32.2	-50.8	-70.7
EPS pro forma	1.04	1.67	1.41	1.15	1.23	1.55	1.82
CPS	1.28	1.20	1.19	0.90	1.32	1.63	1.71
DPS	0.35	0.56	0.50	0.50	0.50	0.52	0.61
Dividend yield	1.1 %	1.8 %	1.6 %	1.6 %	1.6 %	1.6 %	1.9 %
Gross profit margin	49.1 %	50.5 %	48.0 %	48.9 %	48.8 %	48.9 %	49.2 %
EBITDA margin	25.4 %	31.6 %	24.8 %	21.4 %	20.6 %	22.5 %	23.5 %
EBIT margin	19.1 %	26.3 %	20.0 %	16.1 %	15.4 %	17.3 %	18.5 %
ROCE	22.9 %	26.0 %	16.5 %	19.1 %	19.7 %	21.5 %	22.0 %
EV/sales	4.2	10.1	3.1	3.0	2.8	2.5	2.2
EV/EBITDA	16.7	32.0	12.4	13.8	13.5	11.0	9.4
EV/EBIT	22.2	38.5	15.4	18.4	18.1	14.2	11.9
PER	34.9	52.7	22.6	30.8	28.9	22.9	19.5
Adjusted FCF yield	3.3 %	2.0 %	4.7 %	5.0 %	5.5 %	6.7 %	7.9 %

Source: Company data, Hauck Aufhäuser Investment Banking Close price as of: 24.10.2023



Source: Company data, Hauck Aufhäuser Investment Banking

**High/low 52 weeks:** 58.65 / 29.14  
**Price/Book Ratio:** 3.2  
**Relative performance (SDAX):**  
3 months 2.6 %  
6 months -14.6 %  
12 months -23.5 %

#### Changes in estimates

		Sales	EBIT	EPS
2023	old:	241.0	38.9	1.15
	Δ	-	-	-
2024	old:	261.2	40.2	1.23
	Δ	-	-	-
2025	old:	286.5	49.7	1.55
	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

Core business				EV/EBIT				PTX	PTX BV	PTX MV*
FV/share	Up/down	MC	EV	2023E	2024E	2025E	2026E	implied FV		
25.0	-26.5%	517	544	12.0	10.8	9.4	8.3	186	49.3	80.3
30.0	-11.8%	621	648	14.3	12.9	11.2	9.9	83	49.3	80.3
35.0	2.9%	724	751	16.6	15.0	13.0	11.4	-21	49.3	80.3
40.0	17.6%	828	855	18.9	17.0	14.8	13.0	-124	49.3	80.3
45.0	32.4%	931	958	21.2	19.1	16.6	14.6	-228	49.3	80.3
50.0	47.1%	1035	1062	23.4	21.2	18.4	16.2	-331	49.3	80.3
55.0	61.8%	1138	1165	25.7	23.2	20.2	17.7	-435	49.3	80.3

Source: Company data; HAIB. \* derived from the acquisition of the last tranche of Pentixa shares

**(1)** At € 30-35/share for the core business, which in our view fails to properly reflect the long-term growth opportunities in the rapidly developing market for targeted radiation therapies, the market implicitly values PTX at € 80m to negative € 20m.

**(2)** A more reasonable valuation for the core business of 45-50/share would value PTX at a negative EV of € 230 to € 330.

This compares to PTX's book value of c. € 50m and a conservatively estimated market value (from 18 months ago) of € 80m. Since then, however, the EU-approval for the Ph3 trial of Ga-68 diagnostic has been obtained and several investigator-initiated studies (IIS) with PTX's compounds were launched, which should have likely increased PTX's market value.

## 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	146.4	158.2
<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>140.1</b>	<b>153.5</b>
Sales and marketing	21.7	22.6	23.1	26.1	28.0	30.1	32.3
General and administration	28.1	31.5	36.0	40.2	42.6	45.1	47.8
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	18.8	17.3	17.7
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>53.8</b>	<b>64.3</b>	<b>73.3</b>
Depreciation	11.1	9.6	10.5	12.7	13.7	14.7	15.7
<b>EBITA</b>	<b>33.7</b>	<b>47.4</b>	<b>44.5</b>	<b>38.9</b>	<b>40.2</b>	<b>49.7</b>	<b>57.7</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>33.7</b>	<b>47.4</b>	<b>44.5</b>	<b>38.9</b>	<b>40.2</b>	<b>49.7</b>	<b>57.7</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>37.1</b>	<b>46.6</b>	<b>54.6</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>37.1</b>	<b>46.6</b>	<b>54.6</b>
Taxes	9.6	11.7	13.3	11.4	11.1	14.0	16.4
<b>Net income from continuing operations</b>	<b>23.1</b>	<b>34.7</b>	<b>29.7</b>	<b>24.3</b>	<b>26.0</b>	<b>32.6</b>	<b>38.2</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>24.3</b>	<b>26.0</b>	<b>32.6</b>	<b>38.2</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>23.8</b>	<b>25.5</b>	<b>32.1</b>	<b>37.7</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>1.15</b>	<b>1.23</b>	<b>1.55</b>	<b>1.82</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 %	51.1 %	50.8 %
<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>48.9 %</b>	<b>49.2 %</b>
Sales and marketing	12.3 %	12.5 %	10.4 %	10.8 %	10.7 %	10.5 %	10.4 %
General and administration	15.9 %	17.4 %	16.2 %	16.7 %	16.3 %	15.8 %	15.4 %
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 %	7.2 %	6.0 %	5.7 %
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>20.6 %</b>	<b>22.5 %</b>	<b>23.5 %</b>
Depreciation	6.3 %	5.3 %	4.7 %	5.3 %	5.2 %	5.1 %	5.0 %
<b>EBITA</b>	<b>19.1 %</b>	<b>26.3 %</b>	<b>20.0 %</b>	<b>16.1 %</b>	<b>15.4 %</b>	<b>17.3 %</b>	<b>18.5 %</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>19.1 %</b>	<b>26.3 %</b>	<b>20.0 %</b>	<b>16.1 %</b>	<b>15.4 %</b>	<b>17.3 %</b>	<b>18.5 %</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>14.2 %</b>	<b>16.3 %</b>	<b>17.5 %</b>
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Earnings before taxes</b>	<b>18.6 %</b>	<b>25.7 %</b>	<b>19.3 %</b>	<b>14.8 %</b>	<b>14.2 %</b>	<b>16.3 %</b>	<b>17.5 %</b>
Tax rate	29.4 %	25.3 %	30.8 %	32.0 %	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>10.1 %</b>	<b>9.9 %</b>	<b>11.4 %</b>	<b>12.3 %</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>10.1 %</b>	<b>9.9 %</b>	<b>11.4 %</b>	<b>12.3 %</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>9.9 %</b>	<b>9.7 %</b>	<b>11.2 %</b>	<b>12.1 %</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>137.0</b>	<b>137.0</b>	<b>137.0</b>
Property, plant and equipment	38.0	61.9	85.1	86.4	87.7	88.1	87.4
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>240.6</b>	<b>228.3</b>	<b>227.9</b>
Inventories	33.6	37.4	51.6	47.9	50.1	50.8	54.9
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	71.2	61.5	80.1	100.0
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>201.3</b>	<b>195.4</b>	<b>217.5</b>	<b>245.7</b>
<b>TOTAL ASSETS</b>	<b>292.0</b>	<b>347.7</b>	<b>416.8</b>	<b>420.7</b>	<b>436.0</b>	<b>445.7</b>	<b>473.6</b>
SHAREHOLDERS EQUITY	147.8	187.4	212.1	220.7	232.7	240.2	266.0
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	8.9	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>91.0</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>420.7</b>	<b>436.0</b>	<b>445.7</b>	<b>473.6</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>31.4 %</b>	<b>30.7 %</b>	<b>28.9 %</b>
Property, plant and equipment	13.0 %	17.8 %	20.4 %	20.5 %	20.1 %	19.8 %	18.5 %
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>55.2 %</b>	<b>51.2 %</b>	<b>48.1 %</b>
Inventories	11.5 %	10.7 %	12.4 %	11.4 %	11.5 %	11.4 %	11.6 %
Accounts receivable	9.7 %	9.2 %	8.9 %	10.3 %	10.3 %	10.7 %	11.0 %
Other current assets	14.5 %	9.8 %	9.3 %	9.2 %	8.9 %	8.7 %	8.2 %
Liquid assets	30.3 %	26.9 %	19.8 %	16.9 %	14.1 %	18.0 %	21.1 %
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>44.8 %</b>	<b>48.8 %</b>	<b>51.9 %</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 %	53.4 %	53.9 %	56.2 %
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 %	5.5 %	5.3 %	5.0 %
Provisions for pensions and similar obligations	4.9 %	3.8 %	2.5 %	2.4 %	2.4 %	2.3 %	2.2 %
Other provisions	24.1 %	26.6 %	18.5 %	18.7 %	18.4 %	18.0 %	17.0 %
<b>Non-current liabilities</b>	<b>29.1 %</b>	<b>30.4 %</b>	<b>26.4 %</b>	<b>26.8 %</b>	<b>26.2 %</b>	<b>25.7 %</b>	<b>24.2 %</b>
short-term liabilities to banks	0.0 %	2.0 %	0.0 %	1.3 %	1.3 %	1.2 %	1.2 %
Accounts payable	1.7 %	1.6 %	2.0 %	1.8 %	1.9 %	2.0 %	2.0 %
Advance payments received on orders	3.0 %	3.3 %	4.6 %	3.2 %	3.3 %	3.5 %	3.6 %
Other liabilities (incl. from lease and rental contracts)	14.5 %	6.7 %	14.6 %	14.5 %	14.0 %	13.7 %	12.8 %
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>20.4 %</b>	<b>20.4 %</b>	<b>19.7 %</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	24.3	26.0	32.6	38.2
Depreciation of fixed assets (incl. leases)	11.1	9.6	10.5	12.7	13.7	14.7	15.7
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	39.3	41.6	49.3	55.9
Increase/decrease in inventory	-2.4	-6.0	-14.3	3.7	-2.3	-0.7	-4.1
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	-1.3	-6.2
<b>Cash flow from operating activities</b>	<b>36.8</b>	<b>33.9</b>	<b>34.1</b>	<b>30.1</b>	<b>39.7</b>	<b>48.0</b>	<b>49.7</b>
CAPEX	8.9	28.9	35.4	34.0	35.0	15.0	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>-35.0</b>	<b>-15.0</b>	<b>-15.0</b>
Cash flow before financing	23.4	10.3	-6.9	-3.9	4.7	33.0	34.7
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	10.8
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>-14.8</b>
Increase/decrease in liquid assets	8.6	6.2	-11.1	-11.3	-9.7	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>71.2</b>	<b>61.5</b>	<b>80.1</b>	<b>100.0</b>

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 %	4.3 %	19.5 %	14.0 %
EBIT growth	5.1 %	40.8 %	-6.1 %	-12.7 %	3.4 %	23.6 %	16.1 %
EPS growth	3.6 %	50.5 %	-15.4 %	-18.6 %	6.8 %	26.1 %	17.5 %
<b>Efficiency</b>							
Total operating costs / sales	29.1 %	24.2 %	28.0 %	32.8 %	33.4 %	31.6 %	30.7 %
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	146,669.
<b>Balance sheet analysis</b>							
Avg. working capital / sales	26.2 %	27.8 %	25.5 %	27.4 %	27.4 %	20.0 %	20.3 %
Inventory turnover (sales/inventory)	5.2	4.8	4.3	5.0	5.2	5.6	5.7
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	-3.9	4.7	33.0	34.7
Free cash flow/sales	15.8 %	2.8 %	-0.6 %	-1.6 %	1.8 %	11.5 %	11.1 %
FCF / net profit	121.8 %	14.5 %	neg.	neg.	18.3 %	102.8 %	91.9 %
Capex / depre	128.8 %	300.7 %	337.2 %	267.0 %	256.1 %	102.3 %	95.8 %
Capex / maintenance capex	84.6 %	316.6 %	219.2 %	122.2 %	122.0 %	105.2 %	105.2 %
Capex / sales	8.1 %	16.0 %	15.9 %	14.1 %	13.4 %	5.2 %	4.8 %
<b>Security</b>							
Net debt	-88.6	-86.6	-60.3	-41.9	-32.2	-50.8	-70.7
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	28.2	39.7	25.1	12.5	13.0	16.0	18.6
Dividend payout ratio	31.1 %	33.3 %	35.3 %	43.4 %	40.6 %	33.5 %	33.5 %
<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	1.6	1.8	1.9
Plant turnover	4.6	2.9	2.6	2.8	3.0	3.3	3.6
Inventory turnover (sales/inventory)	5.2	4.8	4.3	5.0	5.2	5.6	5.7
<b>Returns</b>							
ROCE	22.9 %	26.0 %	16.5 %	19.1 %	19.7 %	21.5 %	22.0 %
ROE	15.5 %	18.4 %	13.8 %	10.8 %	10.9 %	13.4 %	14.2 %
<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	0.5	0.6
EPS reported	1.11	1.67	1.41	1.15	1.23	1.55	1.82
<b>Valuation ratios</b>							
P/BV	4.4	3.5	3.1	3.0	2.8	2.7	2.5
EV/sales	4.2	10.1	2.7	2.6	2.4	2.1	1.9
EV/EBITDA	16.7	32.0	11.0	12.1	11.8	9.5	8.1
EV/EBITA	22.2	38.5	13.6	16.0	15.8	12.4	10.3
EV/EBIT	22.2	38.5	13.6	16.0	15.8	12.4	10.3
EV/FCF	26.8	364.9	-473.9	-161.4	136.0	18.6	17.1
Adjusted FCF yield	3.3 %	2.0 %	5.3 %	5.6 %	6.2 %	7.6 %	9.0 %
Dividend yield	1.1 %	1.8 %	1.6 %	1.6 %	1.6 %	1.6 %	1.9 %

Source: Company data, Hauck Aufhäuser Investment Banking

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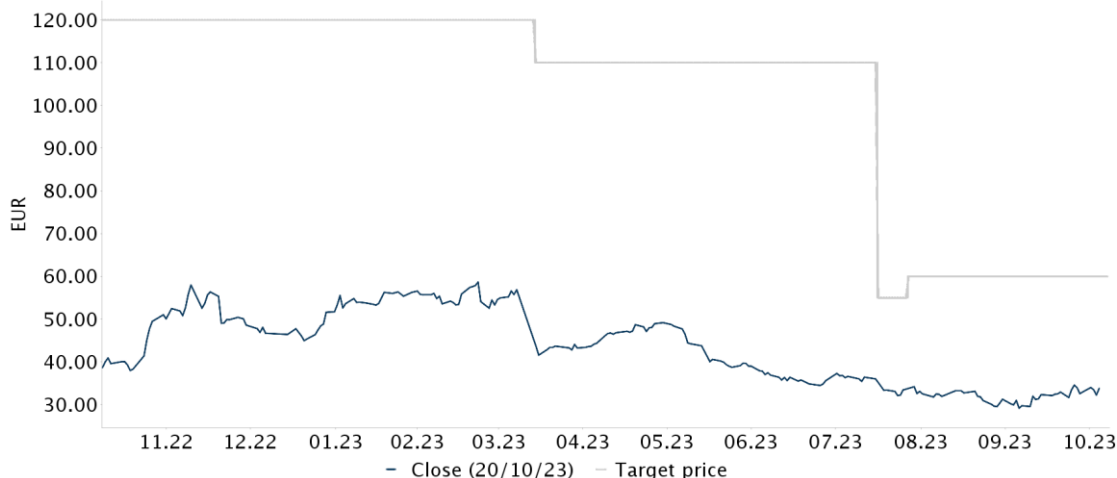
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Company	Disclosure
Eckert & Ziegler AG	2

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

**Price and Rating History  
Eckert & Ziegler AG as of 23/10/23**

**Initiation coverage**  
08-April-10



Company	Date	Analyst	Rating	Target price	Close
Eckert & Ziegler AG	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	Galitsa, Alexander	Buy	EUR 60.00	EUR 32.58
	31.03.2023	Galitsa, 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
09.11.2022	Galiitsa, Alexander	Buy	EUR 120.00	EUR 45.06

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<b>Sell</b>	3.98 %	0.00 %
<b>Hold</b>	22.16 %	9.09 %

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