

# Nabaltec AG

## Germany - Chemicals/ Specialty Chemicals



HAUCK & AUFHÄUSER  
Investment Banking

**Buy** (old: Buy)

**Price target: EUR 40.50** (old: EUR 40.50)

**Price:** EUR 28.60      **Next result:** Q4 30.04.20  
**Bloomberg:** NTG GR      **Market cap:** EUR 251.7 m  
**Reuters:** NTGG.DE      **Enterprise Value:** EUR 330.7 m

27-February-20

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### Corona headwinds to postpone growth acceleration; chg est

While boehmite is seen to remain on a strong growth path and newly available ATH volumes should overcompensate for slightly softer demand in '20, it is the rather cyclical Specialty Alumina segment that the coronavirus looks set to be taking a toll on.

**Boehmite remains the star of the show:** Despite the weak auto industry, boehmite (safety and performance enhancing component of lithium-ion EV batteries) should continue to show ample growth (eH&A: +50-60% yoy to € 15m in FY 2020E). The fact that Nabaltec is in contact with all major EV battery players and supplying some of them (see page 2) provides us with confidence into the ample earnings growth potential of this product. **Our DCF for boehmite alone yields a fair value per share of € 16-30.**

**Nashtec with a turnaround.** Following the now resolved technical "ramp-up pains" from last year, Nashtec looks set to **notably grow production volumes**. Yet, due to a large customer only now starting to dual source (old: at the beginning of the year), incremental volumes for FY20E are now c. 10.5kt (old: 14kt), **still € 9.5m additional sales.**

On top, **Chattanooga based Naprotec is fully on track to start production this year.** The expected volume of 6kt should translate into **€ 3.6m incremental sales for FY20E.**

While the **negative effects from the coronavirus should only be temporary** due to overly cautious order behavior, the current economic weakness is seen to leave a mark on Nabaltec's business in 2020. Easing **coronavirus fears should trigger a restocking** and result in strong sequential improvements. Interestingly, Nabaltec's **specialty alumina business could get an extra boost** in the second half of the year.

**A competitor's potential forced shutdown could provide tailwinds in H2.** Alteo (c. € 220m sales), is facing increasing pressure from authorities due to severe breaches of environmental standards. While it's difficult to foresee whether Alteo will be able to overcome those, the needed financial efforts seem too high amid the company's already subdued profitability, making a permanent shut down likely in our view. This **could overcompensate the current macro and corona related demand weakness.**

**Action:** We cut our 2020 estimates due to temporary coronavirus-related headwinds and slightly later than expected first fulfilments of large orders out of Nashtec.

With intact mid-term demand drivers for NTG's core products of environmental friendly non-hazardous flame retardants and visibility in the ample growth prospects of boehmite increasing, the investment case is fully intact. **We reiterate BUY with an unchanged € 40.5 PT** based on FCFY '21E, not accounting for the growth potential of boehmite.

Y/E 31.12 (EUR m)	2015	2016	2017	2018	2019E	2020E	2021E
Sales	151.3	159.2	168.6	176.7	181.0	195.3	226.6
Sales growth	6 %	5 %	6 %	5 %	2 %	8 %	16 %
EBITDA	24.6	22.9	30.0	30.6	33.8	39.3	48.5
EBIT	14.5	12.2	18.3	18.5	19.8	23.9	32.5
Net income	6.7	5.3	11.4	10.3	12.7	15.5	22.1
Net debt	41.3	36.4	25.9	40.7	43.0	29.4	13.7
Net gearing	71.7 %	63.6 %	30.6 %	42.4 %	41.5 %	25.2 %	10.5 %
Net Debt/EBITDA	1.7	1.6	0.9	1.3	1.3	0.7	0.3
EPS pro forma	0.84	1.07	1.30	1.49	1.44	1.76	2.51
CPS	1.15	1.88	1.90	0.92	2.07	2.20	2.47
DPS	0.15	0.15	0.18	0.20	0.24	0.30	0.38
Dividend yield	0.5 %	0.5 %	0.6 %	0.7 %	0.8 %	1.0 %	1.3 %
Gross profit margin	48.2 %	49.3 %	50.8 %	51.2 %	53.5 %	53.8 %	54.0 %
EBITDA margin	16.3 %	14.4 %	17.8 %	17.3 %	18.7 %	20.1 %	21.4 %
EBIT margin	9.6 %	7.7 %	10.9 %	10.5 %	11.0 %	12.2 %	14.3 %
ROCE	8.9 %	7.1 %	10.0 %	9.8 %	9.7 %	11.9 %	15.4 %
EV/sales	2.0	1.9	1.9	1.9	1.8	1.6	1.3
EV/EBITDA	12.1	13.2	10.5	10.7	9.8	8.4	6.2
EV/EBIT	20.6	24.8	17.2	17.8	16.7	13.3	9.3
PER	34.0	26.8	22.0	19.2	19.9	16.2	11.4
Adjusted FCF yield	4.2 %	3.7 %	5.7 %	5.2 %	6.4 %	8.0 %	10.7 %

Source: Company data, Hauck & Aufhäuser Close price as of: 26.02.2020



Source: Company data, Hauck & Aufhäuser

**High/low 52 weeks:** 37.70 / 25.60

**Price/Book Ratio:** 2.4

**Relative performance (SDAX):**

3 months -6.8 %

6 months -30.0 %

12 months -

### Changes in estimates

		Sales	EBIT	EPS
2019	old:	184.0	21.1	1.54
	Δ	-1.6%	-6.1%	-6.9%
2020	old:	204.7	28.0	2.10
	Δ	-4.6%	-14.8%	-16.2%
2021	old:	226.6	32.5	2.51
	Δ	-	-	-

### Key share data:

Number of shares: (in m pcs) 8.8

Authorised capital: (in € m) 3.2

Book value per share: (in €) 11.8

Ø trading volume: (12 months) 2,200

### Major shareholders:

Free Float 44.0 %

Family Heckmann 28.3 %

Family Witzany 27.2 %

### Company description:

Nabaltec is focused on the production of functional fillers for plastics such as non-hazardous and non-toxic flame retardants used in electrical and electronic equipment.

## Planned capacities of leading EV battery cell producers

	Northvolt	LG Chem	CATL	BMZ Group	SK Innovation	Samsung SDI	Panasonic/ Tesla	BYD	AESC (Nissan)	Total
Origin	Sweden	S. Korea	China	Germany	S. Korea	S. Korea	Japan	China	Japan	
Country of production	Sweden	Poland	Germany, China	Germany	Hungary, USA, Poland	Hungary	USA	China	China, Japan, UK, USA	
Known customers	VW	Daimler, Audi, Porsche, Volvo, Renault	Daimler, VW, BMW, PSA Group	BMW	VW	VW	Tesla	BYD	Nissan	
Planned by	2023	2022	2026	mid-term	2025	near-term	mid-term	mid-term	2021	
<b>Known planned global prod. p.a. (GWh)</b>	<b>32</b>	<b>70</b>	<b>148</b>	<b>8</b>	<b>100</b>	<b>5</b>	<b>150</b>	<b>60</b>	<b>28</b>	<b>601</b>
Current customer		✓			✓				✓	
In contact with	✓		✓	✓		✓	✓	✓		
No contact yet										

Source: manager magazine, Hauck & Aufhäuser

## Financials

Profit and loss (EUR m)	2015	2016	2017	2018	2019E	2020E	2021E
<b>Net sales</b>	<b>151.3</b>	<b>159.2</b>	<b>168.6</b>	<b>176.7</b>	<b>181.0</b>	<b>195.3</b>	<b>226.6</b>
<i>Sales growth</i>	5.6 %	5.2 %	5.9 %	4.8 %	2.4 %	7.9 %	16.0 %
Increase/decrease in finished goods and work-in-process	1.9	0.4	1.5	0.0	0.0	0.0	0.0
<b>Total sales</b>	<b>153.2</b>	<b>159.6</b>	<b>170.1</b>	<b>176.7</b>	<b>181.0</b>	<b>195.3</b>	<b>226.6</b>
Other operating income	2.8	2.2	4.5	3.1	2.2	2.7	3.2
Material expenses	80.3	80.9	83.7	86.3	84.2	90.2	104.2
Personnel expenses	26.8	31.7	31.3	33.0	33.3	35.5	40.3
Other operating expenses	24.3	26.2	29.6	30.7	31.9	33.0	36.7
Total operating expenses	128.6	136.7	140.1	146.9	147.2	156.1	178.1
<b>EBITDA</b>	<b>24.6</b>	<b>22.9</b>	<b>30.0</b>	<b>30.6</b>	<b>33.8</b>	<b>39.3</b>	<b>48.5</b>
Depreciation	10.2	10.7	11.7	12.1	14.0	15.4	16.0
<b>EBITA</b>	<b>14.5</b>	<b>12.2</b>	<b>18.3</b>	<b>18.5</b>	<b>19.8</b>	<b>23.9</b>	<b>32.5</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>14.5</b>	<b>12.2</b>	<b>18.3</b>	<b>18.5</b>	<b>19.8</b>	<b>23.9</b>	<b>32.5</b>
Interest income	0.3	0.3	0.1	0.1	0.0	0.0	0.0
Interest expenses	3.9	3.3	2.7	2.8	2.4	2.4	2.0
Other financial result	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial result	-3.7	-3.1	-2.6	-2.7	-2.3	-2.4	-1.9
<b>Recurring pretax income from continuing operations</b>	<b>10.8</b>	<b>9.2</b>	<b>15.7</b>	<b>15.8</b>	<b>17.5</b>	<b>21.5</b>	<b>30.5</b>
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Earnings before taxes</b>	<b>10.8</b>	<b>9.2</b>	<b>15.7</b>	<b>15.8</b>	<b>17.5</b>	<b>21.5</b>	<b>30.5</b>
Taxes	3.4	3.9	4.3	5.5	4.9	6.0	8.5
<b>Net income from continuing operations</b>	<b>7.4</b>	<b>5.3</b>	<b>11.4</b>	<b>10.3</b>	<b>12.7</b>	<b>15.5</b>	<b>22.1</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>7.4</b>	<b>5.3</b>	<b>11.4</b>	<b>10.3</b>	<b>12.7</b>	<b>15.5</b>	<b>22.1</b>
Minority interest	0.7	-0.1	0.0	0.0	0.0	0.0	0.0
<b>Net profit (reported)</b>	<b>6.7</b>	<b>5.3</b>	<b>11.4</b>	<b>10.3</b>	<b>12.7</b>	<b>15.5</b>	<b>22.1</b>
Average number of shares	8.0	8.0	8.3	8.8	8.8	8.8	8.8
<b>EPS reported</b>	<b>0.84</b>	<b>0.67</b>	<b>1.39</b>	<b>1.17</b>	<b>1.44</b>	<b>1.76</b>	<b>2.51</b>

Profit and loss (common size)	2015	2016	2017	2018	2019E	2020E	2021E
<b>Net 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>
Increase/decrease in finished goods and work-in-process	1.3 %	0.2 %	0.9 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Total sales</b>	<b>101.3 %</b>	<b>100.2 %</b>	<b>100.9 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>
Other operating income	1.9 %	1.4 %	2.7 %	1.7 %	1.2 %	1.4 %	1.4 %
Material expenses	53.1 %	50.8 %	49.7 %	48.8 %	46.5 %	46.2 %	46.0 %
Personnel expenses	17.7 %	19.9 %	18.6 %	18.7 %	18.4 %	18.2 %	17.8 %
Other operating expenses	16.1 %	16.5 %	17.5 %	17.4 %	17.6 %	16.9 %	16.2 %
Total operating expenses	85.0 %	85.8 %	83.1 %	83.1 %	81.3 %	79.9 %	78.6 %
<b>EBITDA</b>	<b>16.3 %</b>	<b>14.4 %</b>	<b>17.8 %</b>	<b>17.3 %</b>	<b>18.7 %</b>	<b>20.1 %</b>	<b>21.4 %</b>
Depreciation	6.7 %	6.7 %	6.9 %	6.9 %	7.7 %	7.9 %	7.1 %
<b>EBITA</b>	<b>9.6 %</b>	<b>7.7 %</b>	<b>10.9 %</b>	<b>10.5 %</b>	<b>11.0 %</b>	<b>12.2 %</b>	<b>14.3 %</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>9.6 %</b>	<b>7.7 %</b>	<b>10.9 %</b>	<b>10.5 %</b>	<b>11.0 %</b>	<b>12.2 %</b>	<b>14.3 %</b>
Interest income	0.2 %	0.2 %	0.1 %	0.1 %	0.0 %	0.0 %	0.0 %
Interest expenses	2.6 %	2.1 %	1.6 %	1.6 %	1.3 %	1.2 %	0.9 %
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>7.1 %</b>	<b>5.8 %</b>	<b>9.3 %</b>	<b>8.9 %</b>	<b>9.7 %</b>	<b>11.0 %</b>	<b>13.5 %</b>
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Earnings before taxes</b>	<b>7.1 %</b>	<b>5.8 %</b>	<b>9.3 %</b>	<b>8.9 %</b>	<b>9.7 %</b>	<b>11.0 %</b>	<b>13.5 %</b>
Tax rate	31.5 %	42.3 %	27.2 %	34.7 %	27.8 %	27.8 %	27.8 %
<b>Net income from continuing operations</b>	<b>4.9 %</b>	<b>3.3 %</b>	<b>6.8 %</b>	<b>5.8 %</b>	<b>7.0 %</b>	<b>7.9 %</b>	<b>9.7 %</b>
Income 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>4.9 %</b>	<b>3.3 %</b>	<b>6.8 %</b>	<b>5.8 %</b>	<b>7.0 %</b>	<b>7.9 %</b>	<b>9.7 %</b>
Minority interest	0.5 %	neg.	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Net profit (reported)</b>	<b>4.4 %</b>	<b>3.4 %</b>	<b>6.8 %</b>	<b>5.8 %</b>	<b>7.0 %</b>	<b>7.9 %</b>	<b>9.7 %</b>

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2015	2016	2017	2018	2019E	2020E	2021E
<b>Intangible assets</b>	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>
Property, plant and equipment	116.6	125.3	131.7	148.4	161.4	158.0	154.0
Financial assets	0.0	0.1	0.1	0.1	0.1	0.1	0.1
<b>FIXED ASSETS</b>	<b>117.1</b>	<b>125.9</b>	<b>132.2</b>	<b>149.0</b>	<b>161.9</b>	<b>158.6</b>	<b>154.5</b>
Inventories	30.8	30.9	33.0	34.6	32.9	34.9	39.7
Accounts receivable	5.2	3.1	4.1	4.5	4.6	4.9	5.7
Other current assets	6.5	5.5	5.5	7.5	7.5	7.5	7.5
Liquid assets	42.3	36.2	45.9	30.3	27.4	9.6	25.3
Deferred taxes	0.0	1.1	0.7	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>84.8</b>	<b>76.8</b>	<b>89.2</b>	<b>76.9</b>	<b>72.5</b>	<b>57.0</b>	<b>78.3</b>
<b>TOTAL ASSETS</b>	<b>201.9</b>	<b>202.7</b>	<b>221.4</b>	<b>225.9</b>	<b>234.4</b>	<b>215.5</b>	<b>232.8</b>
SHAREHOLDERS EQUITY	57.5	57.2	84.5	95.8	103.4	116.8	131.4
MINORITY INTEREST	0.6	0.6	0.0	0.0	0.0	0.0	0.0
Long-term debt	71.3	71.3	70.4	70.4	70.4	39.0	39.0
Provisions for pensions and similar obligations	28.0	38.1	36.8	36.1	36.1	36.1	36.1
Other provisions	2.6	2.4	3.2	3.5	3.2	2.2	2.2
<b>Non-current liabilities</b>	<b>101.9</b>	<b>111.8</b>	<b>110.4</b>	<b>110.0</b>	<b>109.7</b>	<b>77.2</b>	<b>77.2</b>
short-term liabilities to banks	12.2	1.2	1.4	0.5	0.0	0.0	0.0
Accounts payable	12.3	14.5	15.6	12.6	15.4	16.6	19.2
Advance payments received on orders	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities (incl. from lease and rental contracts)	15.9	16.4	8.3	6.2	5.2	4.2	4.2
Deferred taxes	1.5	1.0	1.0	0.7	0.7	0.7	0.7
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Current liabilities</b>	<b>41.9</b>	<b>33.2</b>	<b>26.5</b>	<b>20.1</b>	<b>21.3</b>	<b>21.5</b>	<b>24.2</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>201.9</b>	<b>202.7</b>	<b>221.4</b>	<b>225.9</b>	<b>234.4</b>	<b>215.5</b>	<b>232.8</b>

Balance sheet (common size)	2015	2016	2017	2018	2019E	2020E	2021E
<b>Intangible assets</b>	<b>0.3 %</b>	<b>0.2 %</b>	<b>0.2 %</b>	<b>0.2 %</b>	<b>0.2 %</b>	<b>0.2 %</b>	<b>0.2 %</b>
Property, plant and equipment	57.7 %	61.8 %	59.5 %	65.7 %	68.9 %	73.3 %	66.1 %
Financial assets	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>FIXED ASSETS</b>	<b>58.0 %</b>	<b>62.1 %</b>	<b>59.7 %</b>	<b>65.9 %</b>	<b>69.1 %</b>	<b>73.6 %</b>	<b>66.4 %</b>
Inventories	15.2 %	15.2 %	14.9 %	15.3 %	14.0 %	16.2 %	17.1 %
Accounts receivable	2.6 %	1.5 %	1.8 %	2.0 %	1.9 %	2.3 %	2.5 %
Other current assets	3.2 %	2.7 %	2.5 %	3.3 %	3.2 %	3.5 %	3.2 %
Liquid assets	20.9 %	17.9 %	20.7 %	13.4 %	11.7 %	4.5 %	10.9 %
Deferred taxes	0.0 %	0.6 %	0.3 %	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>42.0 %</b>	<b>37.9 %</b>	<b>40.3 %</b>	<b>34.1 %</b>	<b>30.9 %</b>	<b>26.4 %</b>	<b>33.6 %</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	28.5 %	28.2 %	38.2 %	42.4 %	44.1 %	54.2 %	56.4 %
MINORITY INTEREST	0.3 %	0.3 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Long-term debt	35.3 %	35.2 %	31.8 %	31.2 %	30.0 %	18.1 %	16.8 %
Provisions for pensions and similar obligations	13.8 %	18.8 %	16.6 %	16.0 %	15.4 %	16.7 %	15.5 %
Other provisions	1.3 %	1.2 %	1.5 %	1.6 %	1.4 %	1.0 %	0.9 %
<b>Non-current liabilities</b>	<b>50.5 %</b>	<b>55.1 %</b>	<b>49.9 %</b>	<b>48.7 %</b>	<b>46.8 %</b>	<b>35.8 %</b>	<b>33.2 %</b>
short-term liabilities to banks	6.1 %	0.6 %	0.6 %	0.2 %	0.0 %	0.0 %	0.0 %
Accounts payable	6.1 %	7.2 %	7.1 %	5.6 %	6.6 %	7.7 %	8.3 %
Advance payments received on orders	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other liabilities (incl. from lease and rental contracts)	7.9 %	8.1 %	3.8 %	2.8 %	2.2 %	2.0 %	1.8 %
Deferred taxes	0.7 %	0.5 %	0.5 %	0.3 %	0.3 %	0.3 %	0.3 %
Deferred income	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Current liabilities</b>	<b>20.8 %</b>	<b>16.4 %</b>	<b>12.0 %</b>	<b>8.9 %</b>	<b>9.1 %</b>	<b>10.0 %</b>	<b>10.4 %</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>

Source: Company data, Hauck & Aufhäuser

Cash flow statement (EUR m)	2015	2016	2017	2018	2019E	2020E	2021E
Net profit/loss	7.4	5.3	11.4	10.3	12.7	15.5	22.1
Depreciation of fixed assets (incl. leases)	10.2	10.7	11.7	12.1	14.0	15.4	16.0
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	2.7	2.8	3.5	1.4	-0.8	0.0	0.0
Cash flow from operations before changes in w/c	20.2	18.8	26.7	23.9	25.9	30.9	38.1
Increase/decrease in inventory	-3.2	-0.1	-2.1	-1.6	1.7	-2.0	-4.9
Increase/decrease in accounts receivable	-0.6	2.1	-1.0	-2.4	-0.1	-0.4	-0.8
Increase/decrease in accounts payable	2.4	2.2	1.1	-3.7	-2.7	-1.2	-2.7
Increase/decrease in other working capital positions	-1.5	0.0	0.0	0.0	1.4	0.0	0.0
Increase/decrease in working capital	-3.0	4.3	-2.0	-7.8	0.3	-3.5	-8.3
<b>Cash flow from operating activities</b>	<b>17.2</b>	<b>23.0</b>	<b>24.7</b>	<b>16.1</b>	<b>26.2</b>	<b>27.4</b>	<b>29.7</b>
CAPEX	13.1	17.0	23.4	27.1	27.0	12.0	12.0
Payments for acquisitions	0.0	0.0	0.6	0.0	0.0	0.0	0.0
Financial investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Cash flow from investing activities</b>	<b>-13.1</b>	<b>-17.0</b>	<b>-23.9</b>	<b>-27.1</b>	<b>-27.0</b>	<b>-12.0</b>	<b>-12.0</b>
Cash flow before financing	4.2	6.0	0.7	-11.1	-0.8	15.4	17.7
Increase/decrease in debt position	12.2	-11.8	-0.8	-1.0	-0.5	-31.4	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	17.9	0.0	0.0	0.0	0.0
Dividends paid	1.0	1.2	1.2	1.6	1.5	1.8	2.1
Others	-0.6	0.6	-6.0	-2.0	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.4	0.2	-1.0	0.1	0.0	0.0	0.0
<b>Cash flow from financing activities</b>	<b>10.6</b>	<b>-12.4</b>	<b>10.0</b>	<b>-4.6</b>	<b>-2.0</b>	<b>-33.2</b>	<b>-2.1</b>
Increase/decrease in liquid assets	15.1	-6.1	9.8	-15.6	-2.8	-17.8	15.6
<b>Liquid assets at end of period</b>	<b>42.3</b>	<b>36.2</b>	<b>45.9</b>	<b>30.3</b>	<b>27.4</b>	<b>9.6</b>	<b>25.3</b>

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2015	2016	2017	2018	2019E	2020E	2021E
Domestic	41.9	42.4	45.3	46.0	47.1	50.8	59.0
yoy change	2.8 %	1.2 %	6.7 %	1.7 %	2.4 %	7.9 %	16.0 %
Rest of Europe	73.2	78.3	81.7	89.1	91.2	98.4	114.2
yoy change	6.8 %	7.0 %	4.4 %	9.0 %	2.4 %	7.9 %	16.0 %
NAFTA	19.7	20.2	21.4	23.5	24.1	26.0	30.1
yoy change	9.4 %	2.6 %	5.7 %	10.0 %	2.4 %	7.9 %	16.0 %
Asia Pacific	0.0	0.0	0.0	0.0	3.6	3.9	4.5
yoy change	n/a	n/a	n/a	n/a	n/a	7.9 %	16.0 %
Rest of world	16.5	18.3	20.3	18.2	15.0	16.2	18.8
yoy change	2.9 %	10.8 %	10.8 %	-10.3 %	-17.5 %	7.9 %	16.0 %
<b>TTL</b>	<b>151.3</b>	<b>159.2</b>	<b>168.6</b>	<b>176.7</b>	<b>181.0</b>	<b>195.3</b>	<b>226.6</b>
yoy change	5.6 %	5.2 %	5.9 %	4.8 %	2.4 %	7.9 %	16.0 %

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2015	2016	2017	2018	2019E	2020E	2021E
<b>P&amp;L growth analysis</b>							
Sales growth	5.6 %	5.2 %	5.9 %	4.8 %	2.4 %	7.9 %	16.0 %
EBITDA growth	10.2 %	-7.0 %	31.0 %	33.5 %	12.7 %	28.3 %	43.2 %
EBIT growth	14.2 %	-15.5 %	49.7 %	51.0 %	8.4 %	29.1 %	63.7 %
EPS growth	22.3 %	-20.4 %	107.5 %	75.0 %	3.6 %	50.5 %	74.3 %
<b>Efficiency</b>							
Total operating costs / sales	85.0 %	85.8 %	83.1 %	83.1 %	81.3 %	79.9 %	78.6 %
Sales per employee	348.6	353.8	360.3	356.3	358.4	379.3	431.5
EBITDA per employee	56.8	50.9	64.2	61.7	67.0	76.2	92.3
<b>Balance sheet analysis</b>							
Avg. working capital / sales	15.2 %	13.6 %	12.1 %	13.0 %	12.0 %	12.7 %	10.7 %
Inventory turnover (sales/inventory)	4.9	5.2	5.1	5.1	5.5	5.6	5.7
Trade debtors in days of sales	12.5	7.1	8.9	9.2	9.2	9.2	9.2
A/P turnover [(A/P*365)/sales]	29.6	33.3	33.9	26.1	31.0	31.0	31.0
Cash conversion cycle (days)	96.7	80.8	84.5	102.2	85.3	83.2	81.0
<b>Cash flow analysis</b>							
Free cash flow	4.2	6.0	1.3	-11.1	-0.8	15.4	17.7
Free cash flow/sales	2.7 %	3.8 %	0.8 %	-6.3 %	-0.5 %	7.9 %	7.8 %
FCF / net profit	62.3 %	112.5 %	11.3 %	neg.	neg.	99.0 %	80.5 %
Capex / depre	128.4 %	159.2 %	199.8 %	223.8 %	192.9 %	77.9 %	75.0 %
Capex / maintenance capex	163.3 %	212.6 %	292.4 %	336.3 %	337.5 %	150.0 %	150.0 %
Capex / sales	8.6 %	10.7 %	13.9 %	15.3 %	14.9 %	6.1 %	5.3 %
<b>Security</b>							
Net debt	41.3	36.4	25.9	40.7	43.0	29.4	13.7
Net Debt/EBITDA	1.7	1.6	0.9	1.3	1.3	0.7	0.3
Net debt / equity	0.7	0.6	0.3	0.4	0.4	0.3	0.1
Interest cover	3.7	3.7	6.8	6.6	8.4	9.9	16.6
Dividend payout ratio	18.0 %	22.4 %	13.0 %	17.1 %	16.7 %	17.0 %	15.0 %
<b>Asset utilisation</b>							
Capital employed turnover	0.9	0.9	0.9	0.9	0.8	1.0	1.1
Operating assets turnover	1.1	1.1	1.1	1.0	1.0	1.1	1.3
Plant turnover	1.3	1.3	1.3	1.2	1.1	1.2	1.5
Inventory turnover (sales/inventory)	4.9	5.2	5.1	5.1	5.5	5.6	5.7
<b>Returns</b>							
ROCE	8.9 %	7.1 %	10.0 %	9.8 %	9.7 %	11.9 %	15.4 %
ROE	11.6 %	9.4 %	13.5 %	10.8 %	12.2 %	13.3 %	16.8 %
<b>Other</b>							
Interest paid / avg. debt	5.1 %	4.3 %	3.7 %	3.9 %	3.3 %	4.4 %	3.6 %
No. employees (average)	434	450	468	496	505	515	525
Number of shares	8.0	8.0	8.3	8.8	8.8	8.8	8.8
DPS	0.2	0.2	0.2	0.2	0.2	0.3	0.4
EPS reported	0.84	0.67	1.39	1.17	1.44	1.76	2.51
<b>Valuation ratios</b>							
P/BV	4.0	4.0	3.0	2.6	2.4	2.2	1.9
EV/sales	2.0	1.9	1.9	1.9	1.8	1.6	1.3
EV/EBITDA	12.1	13.2	10.5	10.7	9.8	8.4	6.2
EV/EBITA	20.6	24.8	17.2	17.8	16.7	13.3	9.3
EV/EBIT	20.6	24.8	17.2	17.8	16.7	13.3	9.3
EV/FCF	71.8	50.4	242.0	-29.7	-402.6	20.7	17.0
Adjusted FCF yield	4.2 %	3.7 %	5.7 %	5.2 %	6.4 %	8.0 %	10.7 %
Dividend yield	0.5 %	0.5 %	0.6 %	0.7 %	0.8 %	1.0 %	1.3 %

Source: Company data, Hauck & Aufhäuser

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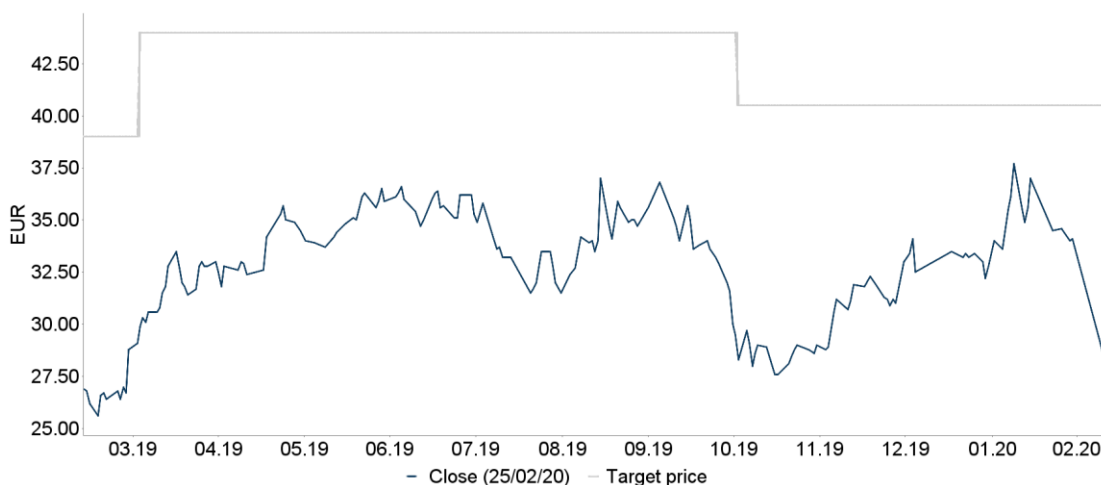
Company	Disclosure
Nabaltec AG	2, 3

**Historical target price and rating changes for Nabaltec AG in the last 12 months**

**Initiation coverage**

14-April-11

**Price and Rating History  
Nabaltec AG as of 26/02/20**



Company	Date	Analyst	Rating	Target price	Close
Nabaltec AG	14.01.2020	Sandherr, Christian	Buy	EUR 40.50	EUR 32.20
	25.11.2019	Sandherr, Christian	Buy	EUR 40.50	EUR 31.20
	21.10.2019	Sandherr, Christian	Buy	EUR 40.50	EUR 29.70
	30.08.2019	Sandherr, Christian	Buy	EUR 44.00	EUR 37.00
	07.08.2019	Sandherr, Christian	Buy	EUR 44.00	EUR 32.00
	07.06.2019	Sandherr, Christian	Buy	EUR 44.00	EUR 36.30

06.05.2019	Sandherr, Christian	Buy	EUR 44.00	EUR 34.20
21.03.2019	Sandherr, Christian	Buy	EUR 44.00	EUR 30.10
28.02.2019	Sandherr, Christian	Buy	EUR 39.00	EUR 26.80

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Date of publication creation: 27/02/2020 08:10 AM

Date of publication dissemination: 27/02/2020 08:14 AM



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