

# Nabaltec AG

## Germany - Chemicals/ Specialty Chemicals



HAUCK & AUFHÄUSER  
Investment Banking

**Buy** (old: Buy)

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

**Price:** EUR 28.10      **Next result:** Q4 30.04.20  
**Bloomberg:** NTG GR      **Market cap:** EUR 247.3 m  
**Reuters:** NTGG.DE      **Enterprise Value:** EUR 326.9 m

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### A temporary bump in the mid-term growth path; chg est

While prelim. Q4 came in below expectations and management issued a downbeat FY20 guidance, we remain positive on the mid-term prospects and hence **reiterate BUY**.

**Q4 sales decreased 8.7% yoy to € 37.8m** (FY19 +1.3% yoy) stemming from particularly cautious order behavior towards the end of the year. While Functional Fillers' sales was down 2.5% yoy, Specialty Alumina (S.A.) suffered from a 21% yoy sales decrease.

Due to lower sales volumes but also one-offs related to by now resolved technical "ramp-up pains" from Nashtec, the group's Q4 EBIT margin came in at 4% (-4.9pp yoy); € 1.4m EBIT. FY19 EBIT arrived flat yoy at € 18.6m, a 10.2% margin. **Adj. for Nashtec-related one-offs** (eH&A € 3.5m), FY EBIT would have reached € 22.1m, a **12.3% margin**.

Positively, **boehmite remained on a strong growth path** despite all macro and auto related headwinds (+54 % yoy). The fact that NTG is in contact with all major EV battery players and supplying some of them provides us with confidence into the ample earnings growth potential of this product (eH&A: +50-60% yoy to € 15m & >25% EBIT margin in FY20E). **Our DCF for boehmite alone yields a fair value per share of € 16-30.**

**Downbeat FY20 guidance.** Management expects "modest" yoy sales growth and a high single-digit EBIT margin, assuming the corona-related cautious order behavior to persist. This seems conservative given incremental sales volumes from Nashtec and Naprotec backed by customer orders (eH&A € 12-14m) as well as strong boehmite growth (eH&A € 4-5m), which should **overcompensate the macro-/corona-related headwinds**.

**A competitor's potential forced shutdown to provide further tailwinds in H2 for S.A.** Alteo (c. € 220m sales), is facing increasing pressure from authorities due to severe breaches of environmental standards. While it's difficult to foresee if 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.

**Action:** We incorporate preliminary FY19 numbers and trim our 2020 est. to account for stronger than expected coronavirus-related headwinds. 2021 est. remain unchanged given the trend to environmental friendly chemicals (regulation + awareness) and the strong growth potential of boehmite, which should even accelerate from 2021 onwards.

As structural demand drivers for NTG's core products of environmental friendly non-hazardous flame retardants are unchanged and boehmite is gaining momentum, **mid-term earnings growth prospects remain bright and the investment case fully intact. We hence reiterate BUY with an unchanged € 40.5 PT** based on FCFY 2021E.

Y/E 31.12 (EUR m)	2015	2016	2017	2018	2019E	2020E	2021E
Sales	151.3	159.2	168.6	176.7	179.0	191.0	226.6
Sales growth	6 %	5 %	6 %	5 %	1 %	7 %	19 %
EBITDA	24.6	22.9	30.0	30.6	32.3	36.9	48.5
EBIT	14.5	12.2	18.3	18.5	18.6	21.5	32.5
Net income	6.7	5.3	11.4	10.3	11.7	13.8	22.1
Net debt	41.3	36.4	25.9	40.7	43.6	31.1	16.7
Net gearing	71.7 %	63.6 %	30.6 %	42.4 %	42.4 %	27.0 %	12.4 %
Net Debt/EBITDA	1.7	1.6	0.9	1.3	1.3	0.8	0.3
EPS pro forma	0.84	1.07	1.30	1.49	1.33	1.56	2.51
CPS	1.15	1.88	1.90	0.92	2.00	2.08	2.33
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 %	0.9 %	1.1 %	1.3 %
Gross profit margin	48.2 %	49.3 %	50.8 %	51.2 %	53.2 %	53.3 %	54.0 %
EBITDA margin	16.3 %	14.4 %	17.8 %	17.3 %	18.0 %	19.3 %	21.4 %
EBIT margin	9.6 %	7.7 %	10.9 %	10.5 %	10.4 %	11.2 %	14.3 %
ROCE	8.9 %	7.1 %	10.0 %	9.8 %	9.1 %	10.8 %	15.3 %
EV/sales	1.9	1.9	1.8	1.8	1.8	1.6	1.3
EV/EBITDA	11.9	13.1	10.3	10.6	10.1	8.8	6.2
EV/EBIT	20.3	24.5	16.9	17.5	17.6	14.6	9.2
PER	33.5	26.3	21.6	18.9	21.1	18.0	11.2
Adjusted FCF yield	4.3 %	3.7 %	5.7 %	5.3 %	6.1 %	7.5 %	10.7 %

Source: Company data, Hauck & Aufhäuser Close price as of: 05.03.2020



Source: Company data, Hauck & Aufhäuser

**High/low 52 weeks:** 37.70 / 26.40

**Price/Book Ratio:** 2.5

**Relative performance (SDAX):**

3 months -3.8 %

6 months -23.0 %

12 months -

### Changes in estimates

		Sales	EBIT	EPS
2019	old:	181.0	19.8	1.44
	Δ	-1.1%	-6.5%	-7.4%
2020	old:	195.3	23.9	1.76
	Δ	-2.2%	-10.0%	-11.2%
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 €) 11.7

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.

## 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>179.0</b>	<b>191.0</b>	<b>226.6</b>
<i>Sales growth</i>	5.6 %	5.2 %	5.9 %	4.8 %	1.3 %	6.7 %	18.6 %
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>179.0</b>	<b>191.0</b>	<b>226.6</b>
Other operating income	2.8	2.2	4.5	3.1	2.1	2.7	3.2
Material expenses	80.3	80.9	83.7	86.3	83.8	89.2	104.2
Personnel expenses	26.8	31.7	31.3	33.0	33.5	34.8	40.3
Other operating expenses	24.3	26.2	29.6	30.7	31.6	32.9	36.7
Total operating expenses	128.6	136.7	140.1	146.9	146.7	154.1	178.1
<b>EBITDA</b>	<b>24.6</b>	<b>22.9</b>	<b>30.0</b>	<b>30.6</b>	<b>32.3</b>	<b>36.9</b>	<b>48.5</b>
Depreciation	10.2	10.7	11.7	12.1	13.7	15.4	16.0
<b>EBITA</b>	<b>14.5</b>	<b>12.2</b>	<b>18.3</b>	<b>18.5</b>	<b>18.6</b>	<b>21.5</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>18.6</b>	<b>21.5</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>16.2</b>	<b>19.1</b>	<b>30.6</b>
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Earnings before taxes</b>	<b>10.8</b>	<b>9.2</b>	<b>15.7</b>	<b>15.8</b>	<b>16.2</b>	<b>19.1</b>	<b>30.6</b>
Taxes	3.4	3.9	4.3	5.5	4.5	5.3	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>11.7</b>	<b>13.8</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>11.7</b>	<b>13.8</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>11.7</b>	<b>13.8</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>1.33</b>	<b>1.56</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 %	46.8 %	46.7 %	46.0 %
Personnel expenses	17.7 %	19.9 %	18.6 %	18.7 %	18.7 %	18.2 %	17.8 %
Other operating expenses	16.1 %	16.5 %	17.5 %	17.4 %	17.7 %	17.2 %	16.2 %
Total operating expenses	85.0 %	85.8 %	83.1 %	83.1 %	82.0 %	80.7 %	78.6 %
<b>EBITDA</b>	<b>16.3 %</b>	<b>14.4 %</b>	<b>17.8 %</b>	<b>17.3 %</b>	<b>18.0 %</b>	<b>19.3 %</b>	<b>21.4 %</b>
Depreciation	6.7 %	6.7 %	6.9 %	6.9 %	7.7 %	8.1 %	7.1 %
<b>EBITA</b>	<b>9.6 %</b>	<b>7.7 %</b>	<b>10.9 %</b>	<b>10.5 %</b>	<b>10.4 %</b>	<b>11.2 %</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>10.4 %</b>	<b>11.2 %</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 %	1.3 %	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>9.1 %</b>	<b>10.0 %</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>9.1 %</b>	<b>10.0 %</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>6.5 %</b>	<b>7.2 %</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>6.5 %</b>	<b>7.2 %</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>6.5 %</b>	<b>7.2 %</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	161.6	158.2	154.2
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>162.2</b>	<b>158.8</b>	<b>154.8</b>
Inventories	30.8	30.9	33.0	34.6	32.6	34.1	39.8
Accounts receivable	5.2	3.1	4.1	4.5	4.5	4.8	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	26.8	7.9	22.3
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>71.4</b>	<b>54.4</b>	<b>75.3</b>
<b>TOTAL ASSETS</b>	<b>201.9</b>	<b>202.7</b>	<b>221.4</b>	<b>225.9</b>	<b>233.6</b>	<b>213.2</b>	<b>230.1</b>
SHAREHOLDERS EQUITY	57.5	57.2	84.5	95.8	102.8	114.8	134.8
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	15.2	16.2	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>21.1</b>	<b>21.2</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>233.6</b>	<b>213.2</b>	<b>236.2</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 %	69.2 %	74.2 %	65.3 %
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>69.4 %</b>	<b>74.5 %</b>	<b>65.5 %</b>
Inventories	15.2 %	15.2 %	14.9 %	15.3 %	13.9 %	16.0 %	16.8 %
Accounts receivable	2.6 %	1.5 %	1.8 %	2.0 %	1.9 %	2.3 %	2.4 %
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 %	11.5 %	3.7 %	9.5 %
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>30.6 %</b>	<b>25.5 %</b>	<b>31.9 %</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>97.4 %</b>
SHAREHOLDERS EQUITY	28.5 %	28.2 %	38.2 %	42.4 %	44.0 %	53.9 %	57.1 %
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 %	30.1 %	18.3 %	16.5 %
Provisions for pensions and similar obligations	13.8 %	18.8 %	16.6 %	16.0 %	15.4 %	16.9 %	15.3 %
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>46.9 %</b>	<b>36.2 %</b>	<b>32.7 %</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 %	6.5 %	7.6 %	8.1 %
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>9.0 %</b>	<b>9.9 %</b>	<b>10.2 %</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	11.7	13.8	22.1
Depreciation of fixed assets (incl. leases)	10.2	10.7	11.7	12.1	13.7	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	24.7	29.2	38.1
Increase/decrease in inventory	-3.2	-0.1	-2.1	-1.6	2.1	-1.6	-5.6
Increase/decrease in accounts receivable	-0.6	2.1	-1.0	-2.4	-0.1	-0.3	-0.9
Increase/decrease in accounts payable	2.4	2.2	1.1	-3.7	-2.6	-1.0	-3.0
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	0.9	-2.9	-9.6
<b>Cash flow from operating activities</b>	<b>17.2</b>	<b>23.0</b>	<b>24.7</b>	<b>16.1</b>	<b>25.6</b>	<b>26.3</b>	<b>28.5</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	-1.4	14.3	16.5
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	-3.5	-18.9	14.4
<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>26.8</b>	<b>7.9</b>	<b>22.3</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	46.6	49.7	59.0
yoy change	2.8 %	1.2 %	6.7 %	1.7 %	1.3 %	6.7 %	18.6 %
Rest of Europe	73.2	78.3	81.7	89.1	90.2	96.2	114.2
yoy change	6.8 %	7.0 %	4.4 %	9.0 %	1.3 %	6.7 %	18.6 %
NAFTA	19.7	20.2	21.4	23.5	23.8	25.4	30.1
yoy change	9.4 %	2.6 %	5.7 %	10.0 %	1.3 %	6.7 %	18.6 %
Asia Pacific	0.0	0.0	0.0	0.0	3.6	3.8	4.5
yoy change	n/a	n/a	n/a	n/a	n/a	6.7 %	18.6 %
Rest of world	16.5	18.3	20.3	18.2	14.8	15.8	18.8
yoy change	2.9 %	10.8 %	10.8 %	-10.3 %	-18.4 %	6.7 %	18.6 %
<b>TTL</b>	<b>151.3</b>	<b>159.2</b>	<b>168.6</b>	<b>176.7</b>	<b>179.0</b>	<b>191.0</b>	<b>226.6</b>
yoy change	5.6 %	5.2 %	5.9 %	4.8 %	1.3 %	6.7 %	18.6 %

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 %	1.3 %	6.7 %	18.6 %
EBITDA growth	10.2 %	-7.0 %	31.0 %	33.5 %	7.6 %	20.5 %	50.1 %
EBIT growth	14.2 %	-15.5 %	49.7 %	51.0 %	1.3 %	16.1 %	75.1 %
EPS growth	22.3 %	-20.4 %	107.5 %	75.0 %	-4.0 %	33.7 %	88.2 %
<b>Efficiency</b>							
Total operating costs / sales	85.0 %	85.8 %	83.1 %	83.1 %	82.0 %	80.7 %	78.6 %
Sales per employee	348.6	353.8	360.3	356.3	354.5	370.9	431.6
EBITDA per employee	56.8	50.9	64.2	61.7	64.0	71.6	92.4
<b>Balance sheet analysis</b>							
Avg. working capital / sales	15.2 %	13.6 %	12.1 %	13.0 %	12.1 %	12.9 %	10.6 %
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	84.8	82.4	81.0
<b>Cash flow analysis</b>							
Free cash flow	4.2	6.0	1.3	-11.1	-1.4	14.3	16.5
Free cash flow/sales	2.7 %	3.8 %	0.8 %	-6.3 %	-0.8 %	7.5 %	7.3 %
FCF / net profit	62.3 %	112.5 %	11.3 %	neg.	neg.	103.8 %	74.8 %
Capex / depre	128.4 %	159.2 %	199.8 %	223.8 %	196.5 %	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 %	15.1 %	6.3 %	5.3 %
<b>Security</b>							
Net debt	41.3	36.4	25.9	40.7	43.6	31.1	16.7
Net Debt/EBITDA	1.7	1.6	0.9	1.3	1.3	0.8	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	7.9	8.9	16.6
Dividend payout ratio	18.0 %	22.4 %	13.0 %	17.1 %	18.0 %	19.2 %	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 %	9.1 %	10.8 %	15.3 %
ROE	11.6 %	9.4 %	13.5 %	10.8 %	11.4 %	12.0 %	16.4 %
<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	1.33	1.56	2.51
<b>Valuation ratios</b>							
P/BV	3.9	3.9	2.9	2.6	2.4	2.2	1.8
EV/sales	1.9	1.9	1.8	1.8	1.8	1.6	1.3
EV/EBITDA	11.9	13.1	10.3	10.6	10.1	8.8	6.2
EV/EBITA	20.3	24.5	16.9	17.5	17.6	14.6	9.2
EV/EBIT	20.3	24.5	16.9	17.5	17.6	14.6	9.2
EV/FCF	70.8	49.7	238.6	-29.3	-226.9	22.0	18.2
Adjusted FCF yield	4.3 %	3.7 %	5.7 %	5.3 %	6.1 %	7.5 %	10.7 %
Dividend yield	0.5 %	0.5 %	0.6 %	0.7 %	0.9 %	1.1 %	1.3 %

Source: Company data, Hauck & Aufhäuser

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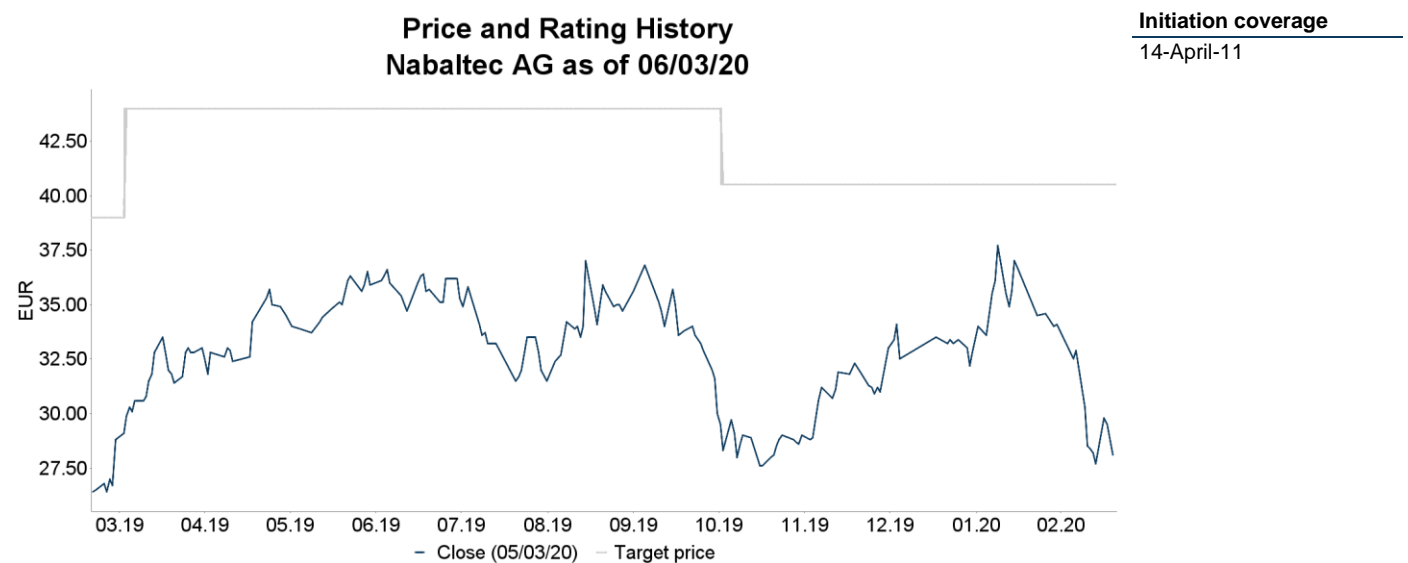
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Company	Disclosure
Nabaltec AG	2, 3

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



Company	Date	Analyst	Rating	Target price	Close
Nabaltec AG	27.02.2020	Sandherr, Christian	Buy	EUR 40.50	EUR 28.20
	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

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