

# Nabaltec AG

## Germany - Chemicals/ Specialty Chemicals



HAUCK & AUFHÄUSER  
Investment Banking

**Buy** (old: Buy)

**Price target: EUR 34.50** (old: EUR 40.50)

**Price:** EUR 21.00      **Next result:** Final Q1 28.05.20  
**Bloomberg:** NTG GR      **Market cap:** EUR 184.8 m  
**Reuters:** NTGG.DE      **Enterprise Value:** EUR 263.3 m

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### Economic shutdown to cloud the near-term; chg est & PT

Nabaltec's preliminary Q1 figures were marked by COVID-19 headwinds, which should further intensify in Q2, clouding the short-term picture. Nevertheless, we remain confident about the company's mid-term prospects, particularly environmental friendly flame retardants and boehmite. **Reiterate BUY.**

**Q1 sales decreased by 6.4% yoy to € 45.4m** stemming from slightly lower sales prices (eH&A 2-3%) and decreased demand. This was particularly visible in the cyclical Specialty Alumina segment, which suffered from a 14.2% yoy sales decrease. Functional Fillers was down only 2.6% yoy thanks to **continuously strong demand for boehmite** (eH&A +45% yoy to 1.3kt, € 4.2m).

Due to lower sales volumes and the resulting negative operating leverage, **the EBIT margin came in at 5.9%** (-6.1 pp yoy); € 2.5m EBIT. Positively, management has initiated multiples measures to counter the current macroeconomic environment: reduced working hours, potential short-term work, and overall strict cost discipline.

**For the FY, management did not give a guidance due to the lack of visibility.** In our view, headwinds should worsen in Q2 (sales -16% yoy), followed by a better H2; implying FY sales to decline by 8% yoy. Importantly, Nabaltec's top-line is seen to significantly improve from 2021 onwards (2021E: +14% yoy, 2022E: +7% yoy) thanks to (i) unbroken strong demand for boehmite, its coating solution of separator foils in LIBs, (ii) a regulatory driven need for environmental friendly flame retardants and (iii) a gradual recovery of the cyclical Specialty Alumina market, accelerated by inventory normalizations.

**Alteo's forced shutdown still looming.** Nabaltec's French competitor (c. € 220m sales) in Specialty Alumina 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 cut our 2020/21 estimates to reflect lower average sales prices as well as stronger and longer lasting coronavirus related headwinds. Valuation is rolled forward to 2022E, as it provides a more normalized picture of Nabaltec's operational abilities.

As structural demand drivers for NTG's core products of environmental friendly nonhazardous flame retardants are unchanged and boehmite is gaining momentum, **midterm earnings growth prospects remain bright. We reiterate BUY with a € 34.5 PT** (old: € 40.5) based on FCFY 2022E.

Y/E 31.12 (EUR m)	2016	2017	2018	2019	2020E	2021E	2022E
Sales	159.2	168.6	176.7	179.0	164.7	187.1	204.0
Sales growth	5 %	6 %	5 %	1 %	-8 %	14 %	9 %
EBITDA	22.9	30.0	30.6	32.3	24.9	37.2	42.0
EBIT	12.2	18.3	18.5	18.6	10.1	22.6	27.6
Net income	5.3	11.4	10.3	10.7	6.0	15.4	19.2
Net debt	36.4	25.9	40.7	41.9	32.1	19.3	1.0
Net gearing	63.6 %	30.6 %	42.4 %	42.3 %	32.1 %	17.2 %	0.8 %
Net Debt/EBITDA	1.6	0.9	1.3	1.3	1.3	0.5	0.0
EPS pro forma	1.07	1.30	1.49	1.22	0.68	1.75	2.18
CPS	1.88	1.90	0.92	1.63	1.56	2.10	2.74
DPS	0.15	0.18	0.20	0.20	0.20	0.25	0.30
Dividend yield	0.7 %	0.9 %	1.0 %	1.0 %	1.0 %	1.2 %	1.4 %
Gross profit margin	49.3 %	50.8 %	51.2 %	53.5 %	52.6 %	53.5 %	53.2 %
EBITDA margin	14.4 %	17.8 %	17.3 %	18.1 %	15.1 %	19.9 %	20.6 %
EBIT margin	7.7 %	10.9 %	10.5 %	10.4 %	6.1 %	12.1 %	13.5 %
ROCE	7.1 %	10.0 %	9.8 %	8.9 %	4.8 %	10.2 %	12.3 %
EV/sales	1.5	1.5	1.5	1.5	1.6	1.3	1.1
EV/EBITDA	10.6	8.2	8.5	8.4	10.5	6.7	5.5
EV/EBIT	19.8	13.5	14.2	14.7	26.2	11.1	8.4
PER	19.6	16.1	14.1	17.3	30.9	12.0	9.6
Adjusted FCF yield	4.6 %	7.2 %	6.6 %	7.0 %	5.6 %	9.6 %	11.8 %

Source: Company data, Hauck & Aufhäuser Close price as of: 08.05.2020



Source: Company data, Hauck & Aufhäuser

**High/low 52 weeks:** 37.70 / 18.15

**Price/Book Ratio:** 1.9

**Relative performance (SDAX):**

3 months -19.3 %

6 months -12.8 %

12 months -31.8 %

### Changes in estimates

		Sales	EBIT	EPS
2020	old:	191.0	21.5	1.56
	Δ	-13.8%	-53.1%	-56.5%
2021	old:	226.6	32.5	2.51
	Δ	-17.4%	-30.5%	-30.1%
2022	old:	-	-	-
	Δ	-	-	-

### Key share data:

Number of shares: (in m pcs) 8.8

Authorised capital: (in € m) 3.2

Book value per share: (in €) 11.4

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)	2016	2017	2018	2019	2020E	2021E	2022E
<b>Net sales</b>	<b>159.2</b>	<b>168.6</b>	<b>176.7</b>	<b>179.0</b>	<b>164.7</b>	<b>187.1</b>	<b>204.0</b>
<i>Sales growth</i>	5.2 %	5.9 %	4.8 %	1.3 %	-8.0 %	13.6 %	9.0 %
Increase/decrease in finished goods and work-in-process	0.4	1.5	0.0	2.6	0.0	2.8	0.0
<b>Total sales</b>	<b>159.6</b>	<b>170.1</b>	<b>176.7</b>	<b>181.7</b>	<b>164.7</b>	<b>189.8</b>	<b>204.0</b>
Other operating income	2.2	4.5	3.1	1.5	1.6	2.2	2.0
Material expenses	80.9	83.7	86.3	84.4	78.1	88.3	95.5
Personnel expenses	31.7	31.3	33.0	35.6	34.6	35.2	35.9
Other operating expenses	26.2	29.6	30.7	30.9	28.8	31.4	32.6
Total operating expenses	136.7	140.1	146.9	149.3	139.8	152.6	162.0
<b>EBITDA</b>	<b>22.9</b>	<b>30.0</b>	<b>30.6</b>	<b>32.3</b>	<b>24.9</b>	<b>37.2</b>	<b>42.0</b>
Depreciation	10.7	11.7	12.1	13.7	14.8	14.6	14.4
<b>EBITA</b>	<b>12.2</b>	<b>18.3</b>	<b>18.5</b>	<b>18.6</b>	<b>10.1</b>	<b>22.6</b>	<b>27.6</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>12.2</b>	<b>18.3</b>	<b>18.5</b>	<b>18.6</b>	<b>10.1</b>	<b>22.6</b>	<b>27.6</b>
Interest income	0.3	0.1	0.1	0.1	0.0	0.0	0.1
Interest expenses	3.3	2.7	2.8	2.8	2.0	1.8	1.8
Other financial result	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial result	-3.1	-2.6	-2.7	-2.7	-2.0	-1.8	-1.7
<b>Recurring pretax income from continuing operations</b>	<b>9.2</b>	<b>15.7</b>	<b>15.8</b>	<b>15.9</b>	<b>8.1</b>	<b>20.8</b>	<b>25.9</b>
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Earnings before taxes</b>	<b>9.2</b>	<b>15.7</b>	<b>15.8</b>	<b>15.9</b>	<b>8.1</b>	<b>20.8</b>	<b>25.9</b>
Taxes	3.9	4.3	5.5	5.2	2.1	5.4	6.7
<b>Net income from continuing operations</b>	<b>5.3</b>	<b>11.4</b>	<b>10.3</b>	<b>10.7</b>	<b>6.0</b>	<b>15.4</b>	<b>19.2</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>5.3</b>	<b>11.4</b>	<b>10.3</b>	<b>10.7</b>	<b>6.0</b>	<b>15.4</b>	<b>19.2</b>
Minority interest	-0.1	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net profit (reported)</b>	<b>5.3</b>	<b>11.4</b>	<b>10.3</b>	<b>10.7</b>	<b>6.0</b>	<b>15.4</b>	<b>19.2</b>
Average number of shares	8.0	8.3	8.8	8.8	8.8	8.8	8.8
<b>EPS reported</b>	<b>0.67</b>	<b>1.39</b>	<b>1.17</b>	<b>1.22</b>	<b>0.68</b>	<b>1.75</b>	<b>2.18</b>

Profit and loss (common size)	2016	2017	2018	2019	2020E	2021E	2022E
<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	0.2 %	0.9 %	0.0 %	1.5 %	0.0 %	1.5 %	0.0 %
<b>Total sales</b>	<b>100.2 %</b>	<b>100.9 %</b>	<b>100.0 %</b>	<b>101.5 %</b>	<b>100.0 %</b>	<b>101.5 %</b>	<b>100.0 %</b>
Other operating income	1.4 %	2.7 %	1.7 %	0.9 %	1.0 %	1.2 %	1.0 %
Material expenses	50.8 %	49.7 %	48.8 %	47.2 %	47.4 %	47.2 %	46.8 %
Personnel expenses	19.9 %	18.6 %	18.7 %	19.9 %	21.0 %	18.8 %	17.6 %
Other operating expenses	16.5 %	17.5 %	17.4 %	17.2 %	17.5 %	16.8 %	16.0 %
Total operating expenses	85.8 %	83.1 %	83.1 %	83.4 %	84.9 %	81.6 %	79.4 %
<b>EBITDA</b>	<b>14.4 %</b>	<b>17.8 %</b>	<b>17.3 %</b>	<b>18.1 %</b>	<b>15.1 %</b>	<b>19.9 %</b>	<b>20.6 %</b>
Depreciation	6.7 %	6.9 %	6.9 %	7.7 %	9.0 %	7.8 %	7.1 %
<b>EBITA</b>	<b>7.7 %</b>	<b>10.9 %</b>	<b>10.5 %</b>	<b>10.4 %</b>	<b>6.1 %</b>	<b>12.1 %</b>	<b>13.5 %</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>7.7 %</b>	<b>10.9 %</b>	<b>10.5 %</b>	<b>10.4 %</b>	<b>6.1 %</b>	<b>12.1 %</b>	<b>13.5 %</b>
Interest income	0.2 %	0.1 %	0.1 %	0.1 %	0.0 %	0.0 %	0.0 %
Interest expenses	2.1 %	1.6 %	1.6 %	1.6 %	1.2 %	1.0 %	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>5.8 %</b>	<b>9.3 %</b>	<b>8.9 %</b>	<b>8.9 %</b>	<b>4.9 %</b>	<b>11.1 %</b>	<b>12.7 %</b>
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Earnings before taxes</b>	<b>5.8 %</b>	<b>9.3 %</b>	<b>8.9 %</b>	<b>8.9 %</b>	<b>4.9 %</b>	<b>11.1 %</b>	<b>12.7 %</b>
Tax rate	42.3 %	27.2 %	34.7 %	32.9 %	26.0 %	26.0 %	26.0 %
<b>Net income from continuing operations</b>	<b>3.3 %</b>	<b>6.8 %</b>	<b>5.8 %</b>	<b>6.0 %</b>	<b>3.6 %</b>	<b>8.2 %</b>	<b>9.4 %</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>3.3 %</b>	<b>6.8 %</b>	<b>5.8 %</b>	<b>6.0 %</b>	<b>3.6 %</b>	<b>8.2 %</b>	<b>9.4 %</b>
Minority interest	neg.	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Net profit (reported)</b>	<b>3.4 %</b>	<b>6.8 %</b>	<b>5.8 %</b>	<b>6.0 %</b>	<b>3.6 %</b>	<b>8.2 %</b>	<b>9.4 %</b>

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2016	2017	2018	2019	2020E	2021E	2022E
<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	125.3	131.7	148.4	155.6	150.8	150.2	149.8
Financial assets	0.1	0.1	0.1	0.1	0.1	0.1	0.1
<b>FIXED ASSETS</b>	<b>125.9</b>	<b>132.2</b>	<b>149.0</b>	<b>156.1</b>	<b>151.4</b>	<b>150.7</b>	<b>150.4</b>
Inventories	30.9	33.0	34.6	40.5	35.8	37.4	37.1
Accounts receivable	3.1	4.1	4.5	5.6	5.4	5.6	6.1
Other current assets	5.5	5.5	7.5	5.7	5.7	5.7	5.7
Liquid assets	36.2	45.9	30.3	29.0	28.8	41.5	59.9
Deferred taxes	1.1	0.7	0.0	2.7	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>76.8</b>	<b>89.2</b>	<b>76.9</b>	<b>83.4</b>	<b>75.7</b>	<b>90.3</b>	<b>108.8</b>
<b>TOTAL ASSETS</b>	<b>202.7</b>	<b>221.4</b>	<b>225.9</b>	<b>239.6</b>	<b>227.1</b>	<b>241.0</b>	<b>259.2</b>
SHAREHOLDERS EQUITY	57.2	84.5	95.8	98.9	100.0	112.3	129.2
MINORITY INTEREST	0.6	0.0	0.0	0.0	0.0	0.0	0.0
Long-term debt	71.3	70.4	70.4	39.0	60.9	60.9	60.9
Provisions for pensions and similar obligations	38.1	36.8	36.1	46.4	46.4	46.4	46.4
Other provisions	2.4	3.2	3.5	4.7	3.1	3.1	3.1
<b>Non-current liabilities</b>	<b>111.8</b>	<b>110.4</b>	<b>110.0</b>	<b>90.0</b>	<b>110.4</b>	<b>110.4</b>	<b>110.4</b>
short-term liabilities to banks	1.2	1.4	0.5	31.9	0.0	0.0	0.0
Accounts payable	14.5	15.6	12.6	13.4	12.3	14.0	15.3
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)	16.4	8.3	6.2	5.3	4.3	4.3	4.3
Deferred taxes	1.0	1.0	0.7	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>33.2</b>	<b>26.5</b>	<b>20.1</b>	<b>50.6</b>	<b>16.6</b>	<b>18.3</b>	<b>19.6</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>202.7</b>	<b>221.4</b>	<b>225.9</b>	<b>239.6</b>	<b>227.1</b>	<b>241.0</b>	<b>259.2</b>

Balance sheet (common size)	2016	2017	2018	2019	2020E	2021E	2022E
<b>Intangible assets</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>	<b>0.2 %</b>
Property, plant and equipment	61.8 %	59.5 %	65.7 %	64.9 %	66.4 %	62.3 %	57.8 %
Financial assets	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>FIXED ASSETS</b>	<b>62.1 %</b>	<b>59.7 %</b>	<b>65.9 %</b>	<b>65.2 %</b>	<b>66.7 %</b>	<b>62.5 %</b>	<b>58.0 %</b>
Inventories	15.2 %	14.9 %	15.3 %	16.9 %	15.8 %	15.5 %	14.3 %
Accounts receivable	1.5 %	1.8 %	2.0 %	2.3 %	2.4 %	2.3 %	2.4 %
Other current assets	2.7 %	2.5 %	3.3 %	2.4 %	2.5 %	2.4 %	2.2 %
Liquid assets	17.9 %	20.7 %	13.4 %	12.1 %	12.7 %	17.2 %	23.1 %
Deferred taxes	0.6 %	0.3 %	0.0 %	1.1 %	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>37.9 %</b>	<b>40.3 %</b>	<b>34.1 %</b>	<b>34.8 %</b>	<b>33.3 %</b>	<b>37.5 %</b>	<b>42.0 %</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	28.2 %	38.2 %	42.4 %	41.3 %	44.1 %	46.6 %	49.9 %
MINORITY INTEREST	0.3 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Long-term debt	35.2 %	31.8 %	31.2 %	16.3 %	26.8 %	25.3 %	23.5 %
Provisions for pensions and similar obligations	18.8 %	16.6 %	16.0 %	19.4 %	20.4 %	19.2 %	17.9 %
Other provisions	1.2 %	1.5 %	1.6 %	2.0 %	1.4 %	1.3 %	1.2 %
<b>Non-current liabilities</b>	<b>55.1 %</b>	<b>49.9 %</b>	<b>48.7 %</b>	<b>37.6 %</b>	<b>48.6 %</b>	<b>45.8 %</b>	<b>42.6 %</b>
short-term liabilities to banks	0.6 %	0.6 %	0.2 %	13.3 %	0.0 %	0.0 %	0.0 %
Accounts payable	7.2 %	7.1 %	5.6 %	5.6 %	5.4 %	5.8 %	5.9 %
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)	8.1 %	3.8 %	2.8 %	2.2 %	1.9 %	1.8 %	1.7 %
Deferred taxes	0.5 %	0.5 %	0.3 %	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>16.4 %</b>	<b>12.0 %</b>	<b>8.9 %</b>	<b>21.1 %</b>	<b>7.3 %</b>	<b>7.6 %</b>	<b>7.6 %</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)	2016	2017	2018	2019	2020E	2021E	2022E
Net profit/loss	5.3	11.4	10.3	10.7	6.0	15.4	19.2
Depreciation of fixed assets (incl. leases)	10.7	11.7	12.1	13.7	14.8	14.6	14.4
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	3.5	1.4	0.2	0.0	0.0	0.0
Cash flow from operations before changes in w/c	18.8	26.7	23.9	24.6	20.8	30.0	33.6
Increase/decrease in inventory	-0.1	-2.1	-1.6	-5.9	4.7	-1.6	0.3
Increase/decrease in accounts receivable	2.1	-1.0	-2.4	0.7	0.2	-0.2	-0.5
Increase/decrease in accounts payable	2.2	1.1	-3.7	0.3	1.1	-1.7	-1.3
Increase/decrease in other working capital positions	0.0	0.0	0.0	2.6	-5.0	0.0	0.0
Increase/decrease in working capital	4.3	-2.0	-7.8	-2.2	0.9	-3.5	-1.5
<b>Cash flow from operating activities</b>	<b>23.0</b>	<b>24.7</b>	<b>16.1</b>	<b>22.4</b>	<b>21.7</b>	<b>26.5</b>	<b>32.1</b>
CAPEX	17.0	23.4	27.1	20.0	10.0	12.0	12.0
Payments for acquisitions	0.0	0.6	0.0	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>-17.0</b>	<b>-23.9</b>	<b>-27.1</b>	<b>-20.0</b>	<b>-10.0</b>	<b>-12.0</b>	<b>-12.0</b>
Cash flow before financing	6.0	0.7	-11.1	2.3	11.7	14.5	20.1
Increase/decrease in debt position	-11.8	-0.8	-1.0	-0.1	-10.0	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	17.9	0.0	0.0	0.0	0.0	0.0
Dividends paid	1.2	1.2	1.6	1.8	1.8	1.8	1.8
Others	0.6	-6.0	-2.0	-2.0	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.2	-1.0	0.1	0.0	0.0	0.0	0.0
<b>Cash flow from financing activities</b>	<b>-12.4</b>	<b>10.0</b>	<b>-4.6</b>	<b>-3.8</b>	<b>-11.8</b>	<b>-1.8</b>	<b>-1.8</b>
Increase/decrease in liquid assets	-6.1	9.8	-15.6	-1.4	0.0	12.7	18.3
<b>Liquid assets at end of period</b>	<b>36.2</b>	<b>45.9</b>	<b>30.3</b>	<b>28.8</b>	<b>28.8</b>	<b>41.5</b>	<b>59.9</b>

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2016	2017	2018	2019	2020E	2021E	2022E
Domestic	42.4	45.3	46.0	46.6	42.9	48.7	53.1
yoy change	1.2 %	6.7 %	1.7 %	1.3 %	-8.0 %	13.6 %	9.0 %
Rest of Europe	78.3	81.7	89.1	90.2	83.0	94.3	102.8
yoy change	7.0 %	4.4 %	9.0 %	1.3 %	-8.0 %	13.6 %	9.0 %
NAFTA	20.2	21.4	23.5	23.8	21.9	24.9	27.1
yoy change	2.6 %	5.7 %	10.0 %	1.3 %	-8.0 %	13.6 %	9.0 %
Asia Pacific	0.0	0.0	0.0	3.6	3.3	3.7	4.1
yoy change	n/a	n/a	n/a	n/a	-8.0 %	13.6 %	9.0 %
Rest of world	18.3	20.3	18.2	14.8	13.6	15.5	16.9
yoy change	10.8 %	10.8 %	-10.3 %	-18.4 %	-8.0 %	13.6 %	9.0 %
<b>TTL</b>	<b>159.2</b>	<b>168.6</b>	<b>176.7</b>	<b>179.0</b>	<b>164.7</b>	<b>187.1</b>	<b>204.0</b>
yoy change	5.2 %	5.9 %	4.8 %	1.3 %	-8.0 %	13.6 %	9.0 %

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2016	2017	2018	2019	2020E	2021E	2022E
<b>P&amp;L growth analysis</b>							
Sales growth	5.2 %	5.9 %	4.8 %	1.3 %	-8.0 %	13.6 %	9.0 %
EBITDA growth	-7.0 %	31.0 %	33.5 %	7.7 %	-18.8 %	15.0 %	69.0 %
EBIT growth	-15.5 %	49.7 %	51.0 %	1.7 %	-45.6 %	21.3 %	174.6 %
EPS growth	-20.4 %	107.5 %	75.0 %	-12.4 %	-41.9 %	44.0 %	220.0 %
<b>Efficiency</b>							
Total operating costs / sales	85.8 %	83.1 %	83.1 %	83.4 %	84.9 %	81.6 %	79.4 %
Sales per employee	353.8	360.3	356.3	354.5	319.8	356.3	381.3
EBITDA per employee	50.9	64.2	61.7	64.0	48.3	70.8	78.5
<b>Balance sheet analysis</b>							
Avg. working capital / sales	13.6 %	12.1 %	13.0 %	15.1 %	16.8 %	16.5 %	13.9 %
Inventory turnover (sales/inventory)	5.2	5.1	5.1	4.4	4.6	5.0	5.5
Trade debtors in days of sales	7.1	8.9	9.2	11.4	12.0	11.0	11.0
A/P turnover [(A/P*365)/sales]	33.3	33.9	26.1	27.3	27.3	27.3	27.3
Cash conversion cycle (days)	80.8	84.5	102.2	128.6	121.8	107.8	94.5
<b>Cash flow analysis</b>							
Free cash flow	6.0	1.3	-11.1	2.3	11.7	14.5	20.1
Free cash flow/sales	3.8 %	0.8 %	-6.3 %	1.3 %	7.1 %	7.8 %	9.9 %
FCF / net profit	112.5 %	11.3 %	neg.	21.9 %	195.9 %	94.1 %	105.0 %
Capex / depre	159.2 %	199.8 %	223.8 %	146.0 %	67.6 %	82.2 %	83.3 %
Capex / maintenance capex	212.6 %	292.4 %	336.3 %	248.2 %	125.0 %	175.0 %	175.0 %
Capex / sales	10.7 %	13.9 %	15.3 %	11.2 %	6.1 %	6.4 %	5.9 %
<b>Security</b>							
Net debt	36.4	25.9	40.7	41.9	32.1	19.3	1.0
Net Debt/EBITDA	1.6	0.9	1.3	1.3	1.3	0.5	0.0
Net debt / equity	0.6	0.3	0.4	0.4	0.3	0.2	0.0
Interest cover	3.7	6.8	6.6	6.6	5.0	12.5	15.3
Dividend payout ratio	22.4 %	13.0 %	17.1 %	16.5 %	29.4 %	14.3 %	13.8 %
<b>Asset utilisation</b>							
Capital employed turnover	0.9	0.9	0.9	0.8	0.8	0.8	0.9
Operating assets turnover	1.1	1.1	1.0	1.0	0.9	1.0	1.1
Plant turnover	1.3	1.3	1.2	1.2	1.1	1.2	1.4
Inventory turnover (sales/inventory)	5.2	5.1	5.1	4.4	4.6	5.0	5.5
<b>Returns</b>							
ROCE	7.1 %	10.0 %	9.8 %	8.9 %	4.8 %	10.2 %	12.3 %
ROE	9.4 %	13.5 %	10.8 %	10.8 %	6.0 %	13.7 %	14.8 %
<b>Other</b>							
Interest paid / avg. debt	4.3 %	3.7 %	3.9 %	3.9 %	3.0 %	2.7 %	3.0 %
No. employees (average)	450	468	496	505	515	525	535
Number of shares	8.0	8.3	8.8	8.8	8.8	8.8	8.8
DPS	0.2	0.2	0.2	0.2	0.2	0.3	0.3
EPS reported	0.67	1.39	1.17	1.22	0.68	1.75	2.18
<b>Valuation ratios</b>							
P/BV	2.9	2.2	1.9	1.9	1.8	1.6	1.4
EV/sales	1.5	1.5	1.5	1.5	1.6	1.3	1.1
EV/EBITDA	10.6	8.2	8.5	8.4	10.5	6.7	5.5
EV/EBITA	19.8	13.5	14.2	14.7	26.2	11.1	8.4
EV/EBIT	19.8	13.5	14.2	14.7	26.2	11.1	8.4
EV/FCF	40.3	190.5	-23.6	116.4	22.5	17.3	11.6
Adjusted FCF yield	4.6 %	7.2 %	6.6 %	7.0 %	5.6 %	9.6 %	11.8 %
Dividend yield	0.7 %	0.9 %	1.0 %	1.0 %	1.0 %	1.2 %	1.4 %

Source: Company data, Hauck & Aufhäuser

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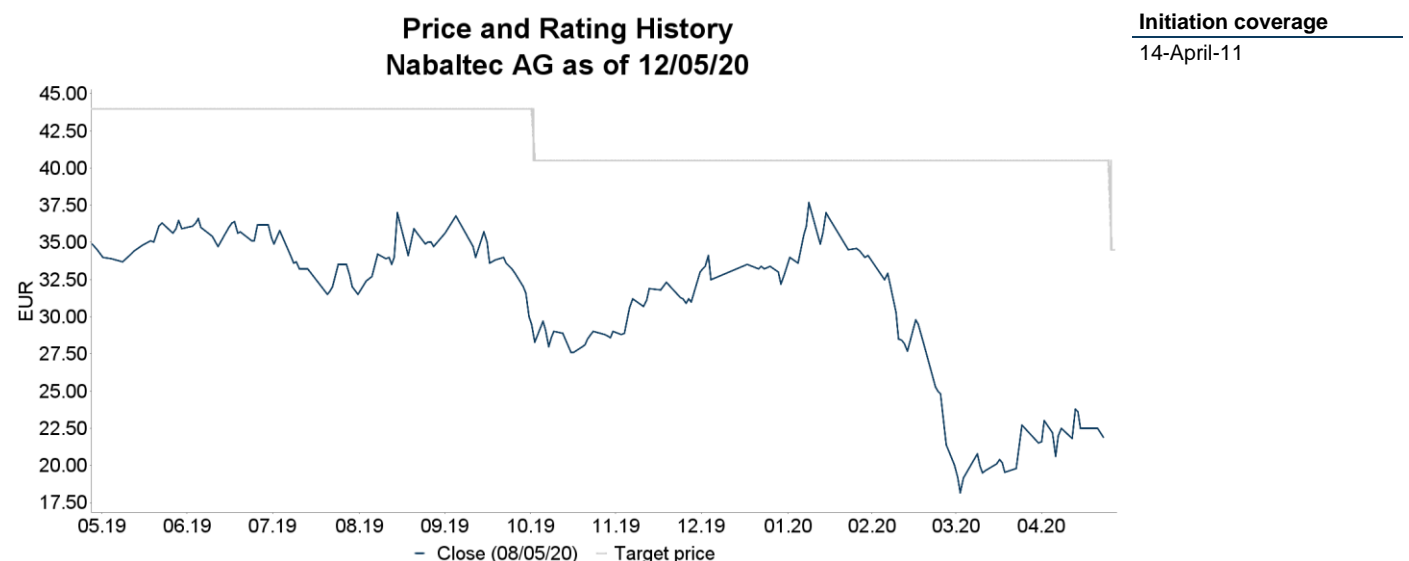
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Company	Disclosure
Nabaltec AG	2, 3

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



Company	Date	Analyst	Rating	Target price	Close
Nabaltec AG	06.03.2020	Sandherr, Christian	Buy	EUR 40.50	EUR 28.10
	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

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