

Nabaltec AG

Germany - Chemicals/ Specialty Chemicals



HAUCK & AUFHÄUSER
Investment Banking

Buy (old: Buy)

Price target: EUR 38.50 (old: EUR 36.00)

Price: EUR 34.50 **Next result:** Final Q2 26.08.20
Bloomberg: NTG GR **Market cap:** EUR 308.0 m
Reuters: NTGG.DE **Enterprise Value:** EUR 376.9 m

30-July-21

Christian Sandherr
Analyst

Christian.Sandherr@ha-ib.de
Tel.: +49 (40) 4143885 79

Q2 prelims: Record profitability and guidance hike; PT raised

Topic: Nabaltec raised its FY 2021E guidance thanks to strong Q2 prelims with steep sales growth and even more importantly the **highest profitability ever**, which underpins the company's attractive earnings growth prospects going forward.

Nabaltec (€ m)	Q2 2021	Q2 2021 est.	Q2 2020	yoy	Q1 2021	qoq	H1 2021	H1 2020	yoy
Sales	47.9	48.3	36.4	32%	46.0	4%	93.9	81.7	15%
Functional Fillers	33.3	33.7	26.1	28%	32.3	3%	65.6	57.8	13%
Special Alumina	14.7	14.6	10.3	43%	13.7	7%	28.4	24.0	18%
Adj. EBIT	6.6	5.9	-0.4	n.a.	3.9	69%	10.5	2.1	400%
EBIT margin	13.8%	12.2%	-1.1%	n.a.	8.5%	+5 pp	11.2%	2.6%	+9 pp

Q2 sales rose by 32% yoy to € 47.9m (eH&A € 48.3m). This was driven by a strong demand recovery in Europe, particularly visible within Special Alumina (+43% yoy), improvements at Nashtec (fine ATH) but also a booming boehmite business thanks to an accelerating technology shift towards EVs. However, the ramp-up of Naprotec (coarse ATH) remains slow due to a still sluggish demand recovery, making the overall top-line development stand out even more; only 2% below the record quarter in 2019.

Higher utilization coupled with positive mix effects, largely stemming from boehmite with ~30% EBIT margin, allowed for a **record-high profitability of 13.8%** (eH&A 12.2%).

Thanks to a strong H1 with € 94m sales (+15% yoy) and a 11.2% EBIT margin and relentless structural growth drivers fully intact, **NTG raised its FY targets to 11-14% yoy sales growth and a 10-12% margin** (old: 6-9% growth and 8-10% margin).

Boehmite is seen to remain the key earnings driver for the mid-term. Nabaltec's "gem", a high temperature resistant coating material for separator foils within lithium-ion batteries of EVs and hybrids remains on track to grow roughly 50% yoy for FY 2021E. This would imply a **sales volume of ~7kt, or € 24.5m, with an EBIT of € 7.4m.**

In light of the constantly increasing EV momentum as reflected by ambitious targets (Daimler + VW: >50% of unit sales to be EV/hybrid) and coupled with Nabaltec's recently resolved capacity increase to ~12kt and the high likelihood of another large capacity increase of 5-10kt (decision expected during the next 2-3 months, eH&A), **boehmite could contribute as much as € 65m sales and € 20m EBIT by 2023/24E.** So far, our 2023E estimates include only the current build-out phase, € 39m sales and € 12m EBIT

Action: We raise estimates due to a better than expected H1 and reflect a postponement of the ramp-up of Naprotec. Key volume growth is now expected for 2022/23E.

We reiterate BUY with a new € 38.5 PT (old: € 36) based on FCFY 2023E.

Y/E 31.12 (EUR m)	2017	2018	2019	2020	2021E	2022E	2023E
Sales	168.6	176.7	179.0	159.6	181.3	200.5	215.8
Sales growth	6 %	5 %	1 %	-11 %	14 %	11 %	8 %
EBITDA	30.0	30.6	32.3	23.6	35.1	41.3	45.5
EBIT	18.3	18.5	18.6	-15.9	21.1	27.5	31.7
Net income	11.4	10.3	10.7	-19.7	14.0	18.5	21.6
Net debt	25.9	40.7	41.9	33.1	24.4	12.3	-3.8
Net gearing	30.6 %	42.4 %	42.3 %	43.1 %	26.7 %	11.5 %	-3.0 %
Net Debt/EBITDA	0.9	1.3	1.3	1.4	0.7	0.3	0.0
EPS pro forma	1.30	1.49	1.22	0.64	1.59	2.11	2.45
CPS	1.90	0.92	1.63	1.85	1.68	2.08	2.57
DPS	0.18	0.20	0.15	0.22	0.25	0.28	n/a
Dividend yield	0.5 %	0.6 %	0.4 %	0.6 %	0.7 %	0.8 %	0.9 %
Gross profit margin	50.8 %	51.2 %	53.5 %	51.8 %	53.7 %	54.2 %	54.7 %
EBITDA margin	17.8 %	17.3 %	18.1 %	14.8 %	19.4 %	20.6 %	21.1 %
EBIT margin	10.9 %	10.5 %	10.4 %	-9.9 %	11.7 %	13.7 %	14.7 %
ROCE	10.0 %	9.8 %	8.9 %	-8.2 %	10.2 %	14.0 %	15.0 %
EV/sales	2.2	2.2	2.2	2.4	2.1	1.8	1.6
EV/EBITDA	12.3	12.6	12.3	16.3	10.7	8.8	7.7
EV/EBIT	20.2	20.8	21.3	-24.3	17.8	13.3	11.0
PER	26.9	23.5	28.8	54.5	22.1	16.6	14.3
Adjusted FCF yield	4.8 %	4.5 %	4.8 %	3.6 %	5.8 %	7.2 %	8.4 %

Source: Company data, Hauck & Aufhäuser Close price as of: 29.07.2021



Source: Company data, Hauck & Aufhäuser

High/low 52 weeks: 35.90 / 17.15

Price/Book Ratio: 3.3

Relative performance (SDAX):

3 months 8.5 %

6 months 34.5 %

12 months 53.4 %

Changes in estimates

		Sales	EBIT	EPS
2021	old:	178.2	20.2	1.51
	Δ	1.8%	4.8%	5.3%
2022	old:	194.8	26.3	2.01
	Δ	3.0%	4.5%	4.9%
2023	old:	208.7	30.2	2.33
	Δ	3.4%	5.0%	5.3%

Key share data:

Number of shares: (in m pcs) 8.8

Authorised capital: (in € m) 3.2

Book value per share: (in €) 10.4

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)	2017	2018	2019	2020	2021E	2022E	2023E
Net sales	168.6	176.7	179.0	159.6	181.3	200.5	215.8
<i>Sales growth</i>	5.9 %	4.8 %	1.3 %	-10.9 %	13.6 %	10.6 %	n/a
Increase/decrease in finished goods and work-in-process	1.5	0.0	2.6	-3.9	2.7	0.0	0.0
Total sales	170.1	176.7	181.7	155.7	184.0	200.5	215.8
Other operating income	4.5	3.1	1.5	2.6	2.2	2.0	2.2
Material expenses	83.7	86.3	84.4	75.0	85.2	91.9	97.8
Personnel expenses	31.3	33.0	35.6	32.0	34.5	35.7	38.4
Other operating expenses	29.6	30.7	30.9	27.7	31.4	33.7	36.3
Total operating expenses	140.1	146.9	149.3	132.1	148.9	159.2	170.3
EBITDA	30.0	30.6	32.3	23.6	35.1	41.3	45.5
Depreciation	11.7	12.1	13.7	14.1	14.0	13.8	13.8
EBITA	18.3	18.5	18.6	9.4	21.1	27.5	31.7
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
Impairment charges	0.0	0.0	0.0	25.3	0.0	0.0	0.0
EBIT (inc revaluation net)	18.3	18.5	18.6	-15.9	21.1	27.5	31.7
Interest income	0.1	0.1	0.1	0.1	0.0	0.0	0.1
Interest expenses	2.7	2.8	2.8	2.0	1.8	1.8	1.8
Other financial result	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial result	-2.6	-2.7	-2.7	-2.0	-1.8	-1.8	-1.7
Recurring pretax income from continuing operations	15.7	15.8	15.9	-17.8	19.4	25.8	30.0
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	15.7	15.8	15.9	-17.8	19.4	25.8	30.0
Taxes	4.3	5.5	5.2	1.8	5.4	7.2	8.4
Net income from continuing operations	11.4	10.3	10.7	-19.7	14.0	18.5	21.6
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	11.4	10.3	10.7	-19.7	14.0	18.5	21.6
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit (reported)	11.4	10.3	10.7	-19.7	14.0	18.5	21.6
Average number of shares	8.3	8.8	8.8	8.8	8.8	8.8	8.8
EPS reported	1.39	1.17	1.22	-2.23	1.59	2.11	2.45

Profit and loss (common size)	2017	2018	2019	2020	2021E	2022E	2023E
Net sales	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Increase/decrease in finished goods and work-in-process	0.9 %	0.0 %	1.5 %	neg.	1.5 %	0.0 %	0.0 %
Total sales	100.9 %	100.0 %	101.5 %	97.5 %	101.5 %	100.0 %	100.0 %
Other operating income	2.7 %	1.7 %	0.9 %	1.6 %	1.2 %	1.0 %	1.0 %
Material expenses	49.7 %	48.8 %	47.2 %	47.0 %	47.0 %	45.8 %	45.3 %
Personnel expenses	18.6 %	18.7 %	19.9 %	20.0 %	19.0 %	17.8 %	17.8 %
Other operating expenses	17.5 %	17.4 %	17.2 %	17.4 %	17.3 %	16.8 %	16.8 %
Total operating expenses	83.1 %	83.1 %	83.4 %	82.8 %	82.1 %	79.4 %	78.9 %
EBITDA	17.8 %	17.3 %	18.1 %	14.8 %	19.4 %	20.6 %	21.1 %
Depreciation	6.9 %	6.9 %	7.7 %	8.8 %	7.7 %	6.9 %	6.4 %
EBITA	10.9 %	10.5 %	10.4 %	5.9 %	11.7 %	13.7 %	14.7 %
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 %
Impairment charges	0.0 %	0.0 %	0.0 %	15.9 %	0.0 %	0.0 %	0.0 %
EBIT (inc revaluation net)	10.9 %	10.5 %	10.4 %	neg.	11.7 %	13.7 %	14.7 %
Interest income	0.1 %	0.1 %	0.1 %	0.0 %	0.0 %	0.0 %	0.0 %
Interest expenses	1.6 %	1.6 %	1.6 %	1.3 %	1.0 %	0.9 %	0.8 %
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.
Recurring pretax income from continuing operations	9.3 %	8.9 %	8.9 %	neg.	10.7 %	12.8 %	13.9 %
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Earnings before taxes	9.3 %	8.9 %	8.9 %	neg.	10.7 %	12.8 %	13.9 %
Tax rate	27.2 %	34.7 %	32.9 %	-10.2 %	28.0 %	28.0 %	28.0 %
Net income from continuing operations	6.8 %	5.8 %	6.0 %	neg.	7.7 %	9.2 %	10.0 %
Income from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income	6.8 %	5.8 %	6.0 %	neg.	7.7 %	9.2 %	10.0 %
Minority interest	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net profit (reported)	6.8 %	5.8 %	6.0 %	neg.	7.7 %	9.2 %	10.0 %

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2017	2018	2019	2020	2021E	2022E	2023E
Intangible assets	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Property, plant and equipment	131.7	148.4	155.6	123.9	123.9	124.1	124.3
Financial assets	0.1	0.1	0.1	0.4	0.1	0.4	0.1
FIXED ASSETS	132.2	149.0	156.1	124.8	124.5	125.0	124.9
Inventories	33.0	34.6	40.5	32.9	37.8	41.8	45.0
Accounts receivable	4.1	4.5	5.6	5.3	6.0	6.6	7.1
Other current assets	5.5	7.5	5.7	5.7	5.7	5.7	5.7
Liquid assets	45.9	30.3	29.0	26.4	34.6	46.7	62.7
Deferred taxes	0.7	0.0	2.7	3.7	3.7	3.7	3.7
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CURRENT ASSETS	89.2	76.9	83.4	73.9	87.7	104.4	124.1
TOTAL ASSETS	221.4	225.9	239.6	198.6	212.2	229.3	249.1
SHAREHOLDERS EQUITY	84.5	95.8	98.9	76.8	91.1	106.9	125.6
MINORITY INTEREST	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term debt	70.4	70.4	39.0	59.0	59.0	59.0	59.0
Provisions for pensions and similar obligations	36.8	36.1	46.4	44.5	44.5	44.5	44.5
Other provisions	3.2	3.5	4.7	1.8	0.0	0.0	0.0
Non-current liabilities	110.4	110.0	90.0	105.3	103.5	103.5	103.5
short-term liabilities to banks	1.4	0.5	31.9	0.5	0.0	0.0	0.0
Accounts payable	15.6	12.6	13.4	11.6	13.2	14.6	15.7
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)	8.3	6.2	5.3	4.4	4.4	4.4	4.4
Deferred taxes	1.0	0.7	0.0	0.0	0.0	0.0	0.0
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current liabilities	26.5	20.1	50.6	16.5	17.6	19.0	20.1
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	221.4	225.9	239.6	198.6	212.2	229.4	249.2

Balance sheet (common size)	2017	2018	2019	2020	2021E	2022E	2023E
Intangible assets	0.2 %	0.2 %	0.2 %	0.2 %	0.2 %	0.2 %	0.2 %
Property, plant and equipment	59.5 %	65.7 %	64.9 %	62.4 %	58.4 %	54.1 %	49.9 %
Financial assets	0.0 %	0.0 %	0.0 %	0.2 %	0.0 %	0.2 %	0.0 %
FIXED ASSETS	59.7 %	65.9 %	65.2 %	62.8 %	58.7 %	54.5 %	50.1 %
Inventories	14.9 %	15.3 %	16.9 %	16.6 %	17.8 %	18.2 %	18.0 %
Accounts receivable	1.8 %	2.0 %	2.3 %	2.7 %	2.8 %	2.9 %	2.8 %
Other current assets	2.5 %	3.3 %	2.4 %	2.9 %	2.7 %	2.5 %	2.3 %
Liquid assets	20.7 %	13.4 %	12.1 %	13.3 %	16.3 %	20.3 %	25.2 %
Deferred taxes	0.3 %	0.0 %	1.1 %	1.8 %	1.7 %	1.6 %	1.5 %
Deferred charges and prepaid expenses	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
CURRENT ASSETS	40.3 %	34.1 %	34.8 %	37.2 %	41.3 %	45.5 %	49.8 %
TOTAL ASSETS	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	99.9 %
SHAREHOLDERS EQUITY	38.2 %	42.4 %	41.3 %	38.7 %	43.0 %	46.6 %	50.4 %
MINORITY INTEREST	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Long-term debt	31.8 %	31.2 %	16.3 %	29.7 %	27.8 %	25.7 %	23.7 %
Provisions for pensions and similar obligations	16.6 %	16.0 %	19.4 %	22.4 %	21.0 %	19.4 %	17.9 %
Other provisions	1.5 %	1.6 %	2.0 %	0.9 %	0.0 %	0.0 %	0.0 %
Non-current liabilities	49.9 %	48.7 %	37.6 %	53.0 %	48.8 %	45.1 %	41.5 %
short-term liabilities to banks	0.6 %	0.2 %	13.3 %	0.3 %	0.0 %	0.0 %	0.0 %
Accounts payable	7.1 %	5.6 %	5.6 %	5.8 %	6.2 %	6.4 %	6.3 %
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)	3.8 %	2.8 %	2.2 %	2.2 %	2.1 %	1.9 %	1.8 %
Deferred taxes	0.5 %	0.3 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Deferred income	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Current liabilities	12.0 %	8.9 %	21.1 %	8.3 %	8.3 %	8.3 %	8.1 %
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

Source: Company data, Hauck & Aufhäuser

Cash flow statement (EUR m)	2017	2018	2019	2020	2021E	2022E	2023E
Net profit/loss	11.4	10.3	10.7	-19.7	14.0	18.5	21.6
Depreciation of fixed assets (incl. leases)	11.7	12.1	13.7	37.1	14.0	13.8	13.8
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	3.5	1.4	0.2	-1.9	0.0	0.0	0.0
Cash flow from operations before changes in w/c	26.7	23.9	24.6	15.6	28.0	32.3	35.4
Increase/decrease in inventory	-2.1	-1.6	-5.9	7.6	-4.9	-4.0	-3.2
Increase/decrease in accounts receivable	-1.0	-2.4	0.7	0.3	-0.7	-0.6	-0.5
Increase/decrease in accounts payable	1.1	-3.7	0.3	1.8	-1.6	-1.4	-1.1
Increase/decrease in other working capital positions	0.0	0.0	2.6	-1.0	2.0	0.0	0.0
Increase/decrease in working capital	-2.0	-7.8	-2.2	8.7	-5.2	-6.0	-4.8
Cash flow from operating activities	24.7	16.1	22.4	24.3	22.8	26.3	30.6
CAPEX	23.4	27.1	20.0	10.3	12.0	12.0	12.0
Payments for acquisitions	0.6	0.0	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
Cash flow from investing activities	-23.9	-27.1	-20.0	-10.3	-12.0	-12.0	-12.0
Cash flow before financing	0.7	-11.1	2.3	14.0	10.8	14.3	18.6
Increase/decrease in debt position	-0.8	-1.0	-0.1	-13.3	-0.5	0.0	0.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	17.9	0.0	0.0	0.0	0.0	0.0	0.0
Dividends paid	1.2	1.6	1.8	1.3	1.9	2.2	2.5
Others	-6.0	-2.0	-2.0	0.0	0.0	0.0	0.0
Effects of exchange rate changes on cash	-1.0	0.1	0.0	-2.0	0.0	0.0	0.0
Cash flow from financing activities	10.0	-4.6	-3.8	-14.6	-2.4	-2.2	-2.5
Increase/decrease in liquid assets	9.8	-15.6	-1.4	-2.7	8.4	12.1	16.1
Liquid assets at end of period	45.9	30.3	28.8	26.2	34.5	46.6	62.8

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2017	2018	2019	2020	2021E	2022E	2023E
Domestic	45.3	46.0	46.6	41.5	47.2	52.2	n/a
yoy change	6.7 %	1.7 %	1.3 %	-10.9 %	13.6 %	10.6 %	n/a
Rest of Europe	81.7	89.1	90.2	80.4	91.4	101.1	n/a
yoy change	4.4 %	9.0 %	1.3 %	-10.9 %	13.6 %	10.6 %	n/a
NAFTA	21.4	23.5	23.8	21.2	24.1	26.7	n/a
yoy change	5.7 %	10.0 %	1.3 %	-10.9 %	13.6 %	10.6 %	n/a
Asia Pacific	0.0	0.0	3.6	3.2	3.6	4.0	n/a
yoy change	n/a	n/a	n/a	-10.9 %	13.6 %	10.6 %	n/a
Rest of world	20.3	18.2	14.8	13.2	15.0	16.6	n/a
yoy change	10.8 %	-10.3 %	-18.4 %	-10.9 %	13.6 %	10.6 %	n/a
TTL	168.6	176.7	179.0	159.6	181.3	200.5	n/a
yoy change	5.9 %	4.8 %	1.3 %	-10.9 %	13.6 %	10.6 %	n/a

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2017	2018	2019	2020	2021E	2022E	2023E
P&L growth analysis							
Sales growth	5.9 %	4.8 %	1.3 %	-10.9 %	13.6 %	10.6 %	n/a
EBITDA growth	31.0 %	33.5 %	7.7 %	-23.0 %	8.7 %	75.4 %	n/a
EBIT growth	49.7 %	51.0 %	1.7 %	-185.8 %	13.5 %	-273.4 %	n/a
EPS growth	107.5 %	75.0 %	-12.4 %	-290.8 %	30.4 %	-194.4 %	n/a
Efficiency							
Total operating costs / sales	83.1 %	83.1 %	83.4 %	82.8 %	82.1 %	79.4 %	n/a
Sales per employee	360.3	356.3	354.5	309.9	345.4	374.9	n/a
EBITDA per employee	64.2	61.7	64.0	45.7	66.9	77.2	n/a
Balance sheet analysis							
Avg. working capital / sales	12.1 %	13.0 %	15.1 %	16.6 %	17.4 %	15.0 %	15.5 %
Inventory turnover (sales/inventory)	5.1	5.1	4.4	4.9	4.8	4.8	4.8
Trade debtors in days of sales	8.9	9.2	11.4	12.1	12.0	12.0	12.0
A/P turnover [(A/P*365)/sales]	33.9	26.1	27.3	26.6	26.6	26.6	26.6
Cash conversion cycle (days)	84.5	102.2	128.6	115.6	117.3	120.0	121.2
Cash flow analysis							
Free cash flow	1.3	-11.1	2.3	14.0	10.8	14.3	18.6
Free cash flow/sales	0.8 %	-6.3 %	1.3 %	8.8 %	6.0 %	7.1 %	8.6 %
FCF / net profit	11.3 %	neg.	21.9 %	neg.	77.4 %	77.2 %	86.2 %
Capex / depre	199.8 %	223.8 %	146.0 %	27.8 %	85.7 %	87.0 %	n/a
Capex / maintenance capex	292.4 %	336.3 %	248.2 %	129.2 %	175.0 %	175.0 %	175.0 %
Capex / sales	13.9 %	15.3 %	11.2 %	6.5 %	6.6 %	6.0 %	n/a
Security							
Net debt	25.9	40.7	41.9	33.1	24.4	12.3	-3.8
Net Debt/EBITDA	0.9	1.3	1.3	1.4	0.7	0.3	0.0
Net debt / equity	0.3	0.4	0.4	0.4	0.3	0.1	neg.
Interest cover	6.8	6.6	6.6	0.0	11.7	15.3	n/a
Dividend payout ratio	13.0 %	17.1 %	12.3 %	100.0 %	15.8 %	13.3 %	n/a
Asset utilisation							
Capital employed turnover	0.9	0.9	0.8	0.9	0.9	1.0	n/a
Operating assets turnover	1.1	1.0	1.0	1.1	1.2	1.3	n/a
Plant turnover	1.3	1.2	1.2	1.3	1.5	1.6	n/a
Inventory turnover (sales/inventory)	5.1	5.1	4.4	4.9	4.8	4.8	4.8
Returns							
ROCE	10.0 %	9.8 %	8.9 %	-8.2 %	10.2 %	14.0 %	15.0 %
ROE	13.5 %	10.8 %	10.8 %	-25.6 %	15.3 %	17.3 %	17.2 %
Other							
Interest paid / avg. debt	3.7 %	3.9 %	3.9 %	3.1 %	2.8 %	3.0 %	n/a
No. employees (average)	468	496	505	515	525	535	545
Number of shares	8.3	8.8	8.8	8.8	8.8	8.8	n/a
DPS	0.2	0.2	0.2	0.2	0.3	0.3	n/a
EPS reported	1.39	1.17	1.22	-2.23	1.59	2.11	2.45
Valuation ratios							
P/BV	3.6	3.2	3.1	4.0	3.4	2.9	2.5
EV/sales	2.2	2.2	2.2	2.4	2.1	1.8	1.6
EV/EBITDA	12.3	12.6	12.3	16.3	10.7	8.8	7.7
EV/EBITA	20.2	20.8	21.3	40.9	17.8	13.3	11.0
EV/EBIT	20.2	20.8	21.3	-24.3	17.8	13.3	11.0
EV/FCF	285.4	-34.8	168.9	27.6	34.9	25.5	18.7
Adjusted FCF yield	4.8 %	4.5 %	4.8 %	3.6 %	5.8 %	7.2 %	8.4 %
Dividend yield	0.5 %	0.6 %	0.4 %	0.6 %	0.7 %	0.8 %	0.9 %

Source: Company data, Hauck & Aufhäuser

Disclosures regarding research publications of Hauck & Aufhäuser Privatbankiers AG pursuant to section 85 of the German Securities Trading Act (WpHG) and distributed in the UK under the Temporary Permission Regime for EEA firms, subject to the FCA requirements on research recommendation disclosures

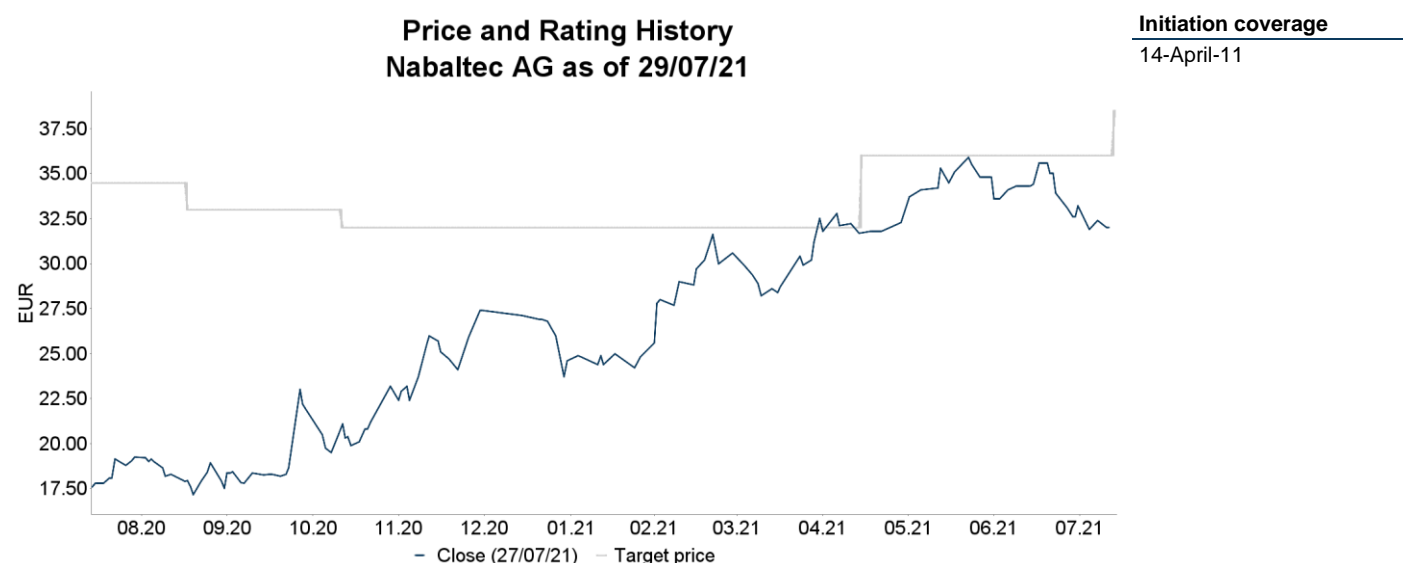
It is essential that any research recommendation is fairly presented and discloses interests of indicates relevant conflicts of interest. Pursuant to section 85 of the German Securities Trading Act (WpHG) a research report has to point out possible conflicts of interest in connection with the analysed company. Further to this, under the FCA’s rules on research recommendations, any conflicts of interest in connection with the recommendation must be disclosed. A conflict of interest is presumed to exist in particular if Hauck & Aufhäuser Privatbankiers AG

- (1) or any other person belonging to the same group with that person (as part of a consortium) within the past twelve months, acquired the financial instruments of the analysed company,
- (2) or any other person belonging to the same group with that person has entered into an agreement on the production of the research report with the analysed company,
- (3) has, within the past twelve months, been party to an agreement on the provision of investment banking services with the analysed company or have received services or a promise of services under the term of such an agreement,
- (4) holds a) 5% or more of the share capital of the analysed company, or b) the analysed company holds 5% or more of the share capital of Hauck & Aufhäuser Privatbankiers AG or its affiliate(s),
- (5) holds a net long (a) or a net short (b) position of 0.5% of the outstanding share capital of the analysed company or derivatives thereof,
- (6) or any other person belonging to the same group with that person is a market maker or liquidity provider in the financial instruments of the issuer,
- (7) or the analyst has any other significant financial interests relating to the analysed company such as, for example, exercising mandates in the interest of the analysed company or a significant conflict of interest with respect to the issuer,
- (8) The research report has been made available to the company prior to its publication. Thereafter, only factual changes have been made to the report.

Conflicts of interest that existed at the time when this research report was published:

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	27.07.2021	Sandherr, Christian	Buy	EUR 36.00	EUR 32.00
	30.04.2021	Sandherr, Christian	Buy	EUR 36.00	EUR 31.70
	26.02.2021	Sandherr, Christian	Buy	EUR 32.00	EUR 29.00
	25.01.2021	Sandherr, Christian	Buy	EUR 32.00	EUR 24.80
	28.10.2020	Sandherr, Christian	Buy	EUR 32.00	EUR 20.30

03.09.2020 Sandherr, Christian Buy EUR 33.00 EUR 17.60

Hauck & Aufhäuser distribution of ratings and in proportion to investment banking services

Buy	73.29 %	90.32 %
Sell	6.21 %	0.00 %
Hold	20.50 %	9.68 %

Date of publication creation: 30/07/2021 08:16 AM

Date of publication dissemination: 30/07/2021 08:22 AM

1. General Information/Liabilities

This research report has been produced for the information purposes of institutional investors only, and is not in any way a personal recommendation, offer or solicitation to buy or sell the financial instruments mentioned herein. The document is confidential and is made available by Hauck & Aufhäuser Privatbankiers AG, exclusively to selected recipients [in DE, GB, FR, CH, US, UK, Scandinavia, and Benelux or, in individual cases, also in other countries]. A distribution to private investors in the sense of the German Securities Trading Act (WpHG) is excluded. It is not allowed to pass the research report on to persons other than the intended recipient without the permission of Hauck & Aufhäuser Privatbankiers AG. Reproduction of this document, in whole or in part, is not permitted without prior permission Hauck & Aufhäuser Privatbankiers AG. All rights reserved.

Under no circumstances shall Hauck & Aufhäuser Privatbankiers AG, any of its employees involved in the preparation, have any liability for possible errors or incompleteness of the information included in this research report – neither in relation to indirect or direct nor consequential damages. Liability for damages arising either directly or as a consequence of the use of information, opinions and estimates is also excluded. Past performance of a financial instrument is not necessarily indicative of future performance.

2. Responsibilities

This research report was prepared by the research analyst named on the front page (the "Producer"). The Producer is solely responsible for the views and estimates expressed in this report. The report has been prepared independently. The content of the research report was not influenced by the issuer of the analysed financial instrument at any time. It may be possible that parts of the research report were handed out to the issuer for information purposes prior to the publication without any major amendments being made thereafter.

3. Organisational Requirements

Hauck & Aufhäuser Privatbankiers AG took internal organisational and regulative precautions to avoid or accordingly disclose possible conflicts of interest in connection with the preparation and distribution of the research report. All members of Hauck & Aufhäuser Privatbankiers AG involved in the preparation of the research report are subject to internal compliance regulations. No part of the Producer's compensation is directly or indirectly related to the preparation of this financial analysis. In case a research analyst or a closely related person is confronted with a conflict of interest, the research analyst is restricted from covering this company.

4. Information Concerning the Methods of Valuation/Update

The determination of the fair value per share, i.e. the price target, and the resultant rating is done on the basis of the adjusted free cash flow (adj. FCF) method and on the basis of the discounted cash flow – DCF model. Furthermore, a peer group comparison is made.

The adj. FCF method is based on the assumption that investors purchase assets only at a price (enterprise value) at which the operating cash flow return after taxes on this investment exceeds their opportunity costs in the form of a hurdle rate of 7.5%. The operating cash flow is calculated as EBITDA less maintenance capex and taxes.

Within the framework of the DCF approach, the future free cash flows are calculated initially on the basis of a fictitious capital structure of 100% equity, i.e. interest and repayments on debt capital are not factored in initially. The adjustment towards the actual capital structure is done by discounting the calculated free cash flows with the weighted average cost of capital (WACC), which takes into account both the cost of equity capital and the cost of debt. After discounting, the calculated total enterprise value is reduced by the interest-bearing debt capital in order to arrive at the equity value.

Hauck & Aufhäuser Privatbankiers AG uses the following three-step rating system for the analysed companies:

Buy: Sustainable upside potential of more than 10% within 12 months
Sell: Sustainable downside potential of more than 10% within 12 months.
Hold: Upside/downside potential is limited. No immediate catalyst visible.

NB: The ratings of Hauck & Aufhäuser Privatbankiers AG are not based on a performance that is expected to be "relative" to the market.

The decision on the choice of the financial instruments analysed in this document was solely made by Hauck & Aufhäuser Privatbankiers AG. The opinions and estimates in this research report are subject to change without notice. It is within the discretion of Hauck & Aufhäuser Privatbankiers AG whether and when it publishes an update to this research report, but in general updates are created on a regular basis, after 6 months at the latest. A sensitivity analysis is included and published in company's initial studies.

5. Major Sources of Information

Part of the information required for this research report was made available by the issuer of the financial instrument. Furthermore, this report is based on publicly available sources (such as, for example, Bloomberg, Reuters, VWD-Trader and the relevant daily press) believed to be reliable. Hauck & Aufhäuser Privatbankiers AG has checked the information for plausibility but not for accuracy or completeness.

6. Competent Supervisory Authority

Hauck & Aufhäuser Privatbankiers AG are under supervision of the BaFin – German Federal Financial Supervisory Authority Bundesanstalt für Finanzdienstleistungsaufsicht), Graurheindorfer Straße 108, 53117 Bonn and Marie-Curie-Straße 24 – 28, 60439 Frankfurt a.M.

This document is distributed in the UK under the Temporary Permission Regime for EEA firms and in compliance with the applicable FCA requirements.

7. Specific Comments for Recipients Outside of Germany

This research report is subject to the law of the Federal Republic of Germany. The distribution of this information to other states in particular to the USA, Canada, Australia and Japan may be restricted or prohibited by the laws applicable within this state.

8. Miscellaneous

According to Article 4(1) No. i of the delegated regulation 2016/958 supplementing regulation 596/2014 of the European Parliament, further information regarding investment recommendations of the last 12 months are published under:
<https://www.hauck-aufhaeuser.com/en/investment-banking/equities#institutionalresearch>

Disclosures for U.S. persons only

This research report is a product of HAUCK & AUFHÄUSER PRIVATBANKIERS AG, which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution by HAUCK & AUFHÄUSER PRIVATBANKIERS AG, only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor.

In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, HAUCK & AUFHÄUSER PRIVATBANKIERS AG, has entered into an agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo"). Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

Contacts: Hauck & Aufhäuser Privatbankiers AG

Hauck & Aufhäuser Research

Hauck & Aufhäuser
Privatbankiers AG
Mittelweg 16/17
20148 Hamburg
Germany

Tel.: +49 (0) 40 414 3885 91
Fax: +49 (0) 40 414 3885 71
Email: research@ha-ib.de
www.ha-research.de

Tim Wunderlich, CFA
Head of Transactional Research
Tel.: +49 40 414 3885 81
E-Mail: tim.wunderlich@ha-ib.de

Henning Breiter
Head of Research
Tel.: +49 40 414 3885 73
E-Mail: henning.breiter@ha-ib.de

Marie-Thérèse Grübner
Head of Capital Advisory
Tel.: +49 40 450 6342 3097
E-Mail: marie-therese.gruebner@ha-ib.de

Christian Sandherr
Head of Equity Advisory
Tel.: +49 40 414 3885 79
E-Mail: christian.sandherr@ha-ib.de

Aliaksandr Halitsa
Analyst
Tel.: +49 40 414 3885 83
E-Mail: aliaksandr.halitsa@ha-ib.de

Alina Köhler
Analyst
Tel.: +49 40 450 6342 3095
E-Mail: alina.koehler@ha-ib.de

Christian Glowa
Analyst
Tel.: +49 40 414 3885 95
E-Mail: christian.glowa@ha-ib.de

Christian Salis
Analyst
Tel.: +49 40 414 3885 96
E-Mail: christian.salis@ha-ib.de

Frederik Jarchow
Analyst
Tel.: +49 40 414 3885 76
E-Mail: frederik.jarchow@ha-ib.de

Jorge González Sadornil
Senior Analyst
Tel.: +49 40 414 3885 84
E-Mail: jorge.gonzalez@ha-ib.de

Simon Bentlage
Analyst
Tel.: +49 40 450 6342 3096
E-Mail: simon.bentlage@ha-ib.de

Hauck & Aufhäuser Sales

Alexander Lachmann
Equity Sales
Tel.: +41 43 497 30 23
E-Mail: alexander.lachmann@ha-ib.de

Carlos Becke
Equity Sales
Tel.: +44 203 84 107 97
E-Mail: carlos.becke@ha-ib.de

Christian Schwenkenbecher
Equity Sales
Tel.: +44 203 84 107 96
E-Mail: christian.schwenkenbecher@ha-ib.de

Christian Bybjerg
Equity Sales
Tel.: +49 414 3885 74
E-Mail: christian.bybjerg@ha-ib.de

Hugues Madelin
Equity Sales
Tel.: +33 1 78 41 40 62
E-Mail: hugues.madelin@ha-ib.de

Imogen Voorspuy
Equity Sales
Tel.: +44 203 84 107 98
E-Mail: imogen.voorspuy@ha-ib.de

Markus Scharhag
Equity Sales
Tel.: +49 89 23 93 2813
E-Mail: markus.scharhag@ha-ib.de

Rune Dinesen
Equity Sales
Tel.: +49 40 414 38 85 72
E-Mail: rune.dinesen@ha-ib.de

Vincent Bischoff
Equity Sales
Tel.: +49 40 414 38 85 88
E-Mail: vincent.bischoff@ha-ib.de

Hauck & Aufhäuser Sales Trading

Hauck & Aufhäuser
Privatbankiers AG
Mittelweg 16/17
20148 Hamburg
Germany

Tel.: +49 40 414 3885 78
Fax: +49 40 414 3885 71
Email: info@hauck-aufhaeuser.com
www.hauck-aufhaeuser.com

Christian von Schuler
Trading
Tel.: +49 40 414 38 85 77
E-Mail: christian.schuler@hauck-aufhaeuser.com

Fin Schaffer
Trading
Tel.: +49 40 414 38 85 98
E-Mail: fin.schaffer@hauck-aufhaeuser.com

Nils Carstens
Trading
Tel.: +49 40 414 38 85 85
E-Mail: Nils.Carstens@ha-ib.de

Kathleen Jonas
Middle-Office
Tel.: +49 40 414 3885 97
E-Mail: kathleen.jonas@hauck-aufhaeuser.com

Carolin Heidrich
Middle-Office
Tel.: +49 176 10 59 41 52
E-Mail: carolin.heidrich@hauck-aufhaeuser.com