

# Nabaltec AG

## Germany - Chemicals/ Specialty Chemicals



HAUCK & AUFHÄUSER  
Investment Banking

**Buy** (old: Buy)

**Price target: EUR 32.00** (old: EUR 32.00)

**Price:** EUR 24.80      **Next result:** Q4 29.04.2021  
**Bloomberg:** NTG GR      **Market cap:** EUR 218.2 m  
**Reuters:** NTGG.DE      **Enterprise Value:** EUR 295.0 m

25-January-21

**Christian Sandherr**  
Analyst

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

### Demand recovery materializing // boehmite remains hot; chg.

**Topic:** Not only should first signs of a demand recovery materialize but we also see an improving boehmite momentum as the major EV battery players resume their ramp-ups.

**Operational recovery ongoing with first signs visible with Q4 figures.** While sales decreased 16% yoy during the first nine months, we expect Q4 sales to only be down 2% yoy to € 37m stemming from improved demand across the product portfolio; FY -13% yoy. We expect the **recovery to carry on throughout 2021**, partially supported by a revived automotive industry and rising infrastructure spending.

In detail, **we expect group sales to improve by 14% yoy to € 178m**, predominantly carried by Functional Fillers (+17%/+11% excl. boehmite) as volumes at its US plants should notably improve vs 2020: Nashtec from 13kt to 16kt and Naprotec from 1-2kt to 10kt. Specialty Alumina sales are seen to increase by 5% yoy.

Thanks to (1) overall higher sales volumes and the resulting operating leverage, (2) the strong earnings contribution from the incremental boehmite volumes and (3) the absence of the € 23m impairment in Q3 '20, **2021E should show strong earnings improvement.**

**Boehmite to remain on a stellar growth path.** Despite the weak auto industry in 2020, sales volumes of the coating solution for separator foils in LIBs **should have grown by 50% yoy to 4.5kt, equal to € 15m sales.** Growth rates look set to remain on these high levels in the short- to mid-term, if not accelerate, as Nabaltec is not only in contact with all major EV battery players but has also begun delivering first volumes to one of their new plants in Europe, supporting **our expectations of 6.75kt in '21E and 9.5kt in '22E.**

While Nabaltec is already **working on increasing its boehmite production capacity to 10-12k until the end of this year**, further build-outs in Germany or an independent production at one of their US sites with an incremental capacity of 5-10kt should be decided during Q1/Q2 '21. As the potential build-out would depend on clear commitment from a potential customers, a positive decision is seen to provide visibility on stellar mid-term growth rates. **Fully utilized 20kt would imply c. € 65m sales and € 20m EBITDA.**

More than ever, we remain fully convinced of the prospects stemming from boehmite, the "gem" of Nabaltec's portfolio with 30% EBIT margins. Coupled with a gradually recovering underlying business, **Nabaltec looks set to generate c. € 2 EPS by 2022E.**

**Action:** We slight adjust our numbers to reflect a better Q4 2020E.

**Nabaltec remains a BUY with an unchanged € 32 PT** 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	156.4	177.9	194.8
Sales growth	5 %	6 %	5 %	1 %	-13 %	14 %	9 %
EBITDA	22.9	30.0	30.6	32.3	19.5	34.1	40.1
EBIT	12.2	18.3	18.5	18.6	-18.3	19.5	25.7
Net income	5.3	11.4	10.3	10.7	-15.0	12.8	17.3
Net debt	36.4	25.9	40.7	41.9	30.4	20.2	3.9
Net gearing	63.6 %	30.6 %	42.4 %	42.3 %	38.8 %	22.9 %	3.7 %
Net Debt/EBITDA	1.6	0.9	1.3	1.3	1.6	0.6	0.1
EPS pro forma	1.07	1.30	1.49	1.22	0.91	1.45	1.96
CPS	1.88	1.90	0.92	1.63	1.87	1.81	2.51
DPS	0.15	0.18	0.20	0.20	0.20	0.25	0.30
Dividend yield	0.6 %	0.7 %	0.8 %	0.8 %	0.8 %	1.0 %	1.2 %
Gross profit margin	49.3 %	50.8 %	51.2 %	53.5 %	52.0 %	53.5 %	54.2 %
EBITDA margin	14.4 %	17.8 %	17.3 %	18.1 %	12.5 %	19.2 %	20.6 %
EBIT margin	7.7 %	10.9 %	10.5 %	10.4 %	-11.7 %	11.0 %	13.2 %
ROCE	7.1 %	10.0 %	9.8 %	8.9 %	-9.3 %	9.3 %	12.8 %
EV/sales	1.7	1.7	1.7	1.7	1.9	1.6	1.4
EV/EBITDA	11.9	9.4	9.6	9.5	15.1	8.3	6.7
EV/EBIT	22.3	15.3	16.0	16.5	-16.1	14.6	10.4
PER	23.2	19.1	16.7	20.4	27.3	17.1	12.6
Adjusted FCF yield	4.1 %	6.3 %	5.8 %	6.3 %	5.7 %	7.5 %	9.5 %

Source: Company data, Hauck & Aufhäuser Close price as of: 22.01.2021



Source: Company data, Hauck & Aufhäuser

**High/low 52 weeks:** 37.70 / 17.15

**Price/Book Ratio:** 2.8

**Relative performance (SDAX):**

3 months 1.1 %

6 months -0.4 %

12 months -49.5 %

### Changes in estimates

		Sales	EBIT	EPS
2020	old:	152.6	-19.6	0.80
	Δ	2.5%	-6.7%	13.8%
2021	old:	174.9	18.9	1.45
	Δ	1.7%	3.1%	0.6%
2022	old:	191.6	25.1	1.96
	Δ	1.7%	2.6%	0.0%

### Key share data:

Number of shares: (in m pcs) 8.8

Authorised capital: (in € m) 3.2

Book value per share: (in €) 8.9

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>156.4</b>	<b>177.9</b>	<b>194.8</b>
<i>Sales growth</i>	5.2 %	5.9 %	4.8 %	1.3 %	-12.7 %	13.8 %	9.5 %
Increase/decrease in finished goods and work-in-process	0.4	1.5	0.0	2.6	0.0	2.6	0.0
<b>Total sales</b>	<b>159.6</b>	<b>170.1</b>	<b>176.7</b>	<b>181.7</b>	<b>156.4</b>	<b>180.6</b>	<b>194.8</b>
Other operating income	2.2	4.5	3.1	1.5	1.6	2.1	1.9
Material expenses	80.9	83.7	86.3	84.4	75.0	84.0	89.2
Personnel expenses	31.7	31.3	33.0	35.6	34.6	33.8	34.7
Other operating expenses	26.2	29.6	30.7	30.9	28.8	30.8	32.7
Total operating expenses	136.7	140.1	146.9	149.3	136.8	146.4	154.7
<b>EBITDA</b>	<b>22.9</b>	<b>30.0</b>	<b>30.6</b>	<b>32.3</b>	<b>19.5</b>	<b>34.1</b>	<b>40.1</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>4.7</b>	<b>19.5</b>	<b>25.7</b>
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Impairment charges	0.0	0.0	0.0	0.0	23.0	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>-18.3</b>	<b>19.5</b>	<b>25.7</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>-20.3</b>	<b>17.8</b>	<b>24.0</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>-20.3</b>	<b>17.8</b>	<b>24.0</b>
Taxes	3.9	4.3	5.5	5.2	-5.3	5.0	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>-15.0</b>	<b>12.8</b>	<b>17.3</b>
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income</b>	<b>5.3</b>	<b>11.4</b>	<b>10.3</b>	<b>10.7</b>	<b>-15.0</b>	<b>12.8</b>	<b>17.3</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>-15.0</b>	<b>12.8</b>	<b>17.3</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>-1.70</b>	<b>1.45</b>	<b>1.96</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 %	48.0 %	47.2 %	45.8 %
Personnel expenses	19.9 %	18.6 %	18.7 %	19.9 %	22.1 %	19.0 %	17.8 %
Other operating expenses	16.5 %	17.5 %	17.4 %	17.2 %	18.4 %	17.3 %	16.8 %
Total operating expenses	85.8 %	83.1 %	83.1 %	83.4 %	87.5 %	82.3 %	79.4 %
<b>EBITDA</b>	<b>14.4 %</b>	<b>17.8 %</b>	<b>17.3 %</b>	<b>18.1 %</b>	<b>12.5 %</b>	<b>19.2 %</b>	<b>20.6 %</b>
Depreciation	6.7 %	6.9 %	6.9 %	7.7 %	9.5 %	8.2 %	7.4 %
<b>EBITA</b>	<b>7.7 %</b>	<b>10.9 %</b>	<b>10.5 %</b>	<b>10.4 %</b>	<b>3.0 %</b>	<b>11.0 %</b>	<b>13.2 %</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 %	14.7 %	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>neg.</b>	<b>11.0 %</b>	<b>13.2 %</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 %	1.3 %	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>neg.</b>	<b>10.0 %</b>	<b>12.3 %</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>neg.</b>	<b>10.0 %</b>	<b>12.3 %</b>
Tax rate	42.3 %	27.2 %	34.7 %	32.9 %	26.0 %	28.0 %	28.0 %
<b>Net income from continuing operations</b>	<b>3.3 %</b>	<b>6.8 %</b>	<b>5.8 %</b>	<b>6.0 %</b>	<b>neg.</b>	<b>7.2 %</b>	<b>8.9 %</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>neg.</b>	<b>7.2 %</b>	<b>8.9 %</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>neg.</b>	<b>7.2 %</b>	<b>8.9 %</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	128.8	128.2	127.8
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>129.4</b>	<b>128.7</b>	<b>128.4</b>
Inventories	30.9	33.0	34.6	40.5	34.0	35.6	35.4
Accounts receivable	3.1	4.1	4.5	5.6	5.1	5.4	5.9
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	30.5	40.7	57.0
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>75.3</b>	<b>87.4</b>	<b>104.0</b>
<b>TOTAL ASSETS</b>	<b>202.7</b>	<b>221.4</b>	<b>225.9</b>	<b>239.6</b>	<b>204.7</b>	<b>216.1</b>	<b>232.4</b>
SHAREHOLDERS EQUITY	57.2	84.5	95.8	98.9	78.3	88.1	103.1
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	11.7	13.3	14.6
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>16.0</b>	<b>17.6</b>	<b>18.9</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>204.7</b>	<b>216.1</b>	<b>232.4</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 %	62.9 %	59.3 %	55.0 %
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>63.2 %</b>	<b>59.6 %</b>	<b>55.2 %</b>
Inventories	15.2 %	14.9 %	15.3 %	16.9 %	16.6 %	16.5 %	15.2 %
Accounts receivable	1.5 %	1.8 %	2.0 %	2.3 %	2.5 %	2.5 %	2.5 %
Other current assets	2.7 %	2.5 %	3.3 %	2.4 %	2.8 %	2.6 %	2.5 %
Liquid assets	17.9 %	20.7 %	13.4 %	12.1 %	14.9 %	18.8 %	24.5 %
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>36.8 %</b>	<b>40.4 %</b>	<b>44.8 %</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 %	38.3 %	40.8 %	44.4 %
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 %	29.7 %	28.2 %	26.2 %
Provisions for pensions and similar obligations	18.8 %	16.6 %	16.0 %	19.4 %	22.7 %	21.5 %	20.0 %
Other provisions	1.2 %	1.5 %	1.6 %	2.0 %	1.5 %	1.4 %	1.3 %
<b>Non-current liabilities</b>	<b>55.1 %</b>	<b>49.9 %</b>	<b>48.7 %</b>	<b>37.6 %</b>	<b>53.9 %</b>	<b>51.1 %</b>	<b>47.5 %</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 %	5.7 %	6.2 %	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)	8.1 %	3.8 %	2.8 %	2.2 %	2.1 %	2.0 %	1.9 %
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>7.8 %</b>	<b>8.2 %</b>	<b>8.1 %</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	-15.0	12.8	17.3
Depreciation of fixed assets (incl. leases)	10.7	11.7	12.1	13.7	37.8	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	22.8	27.4	31.7
Increase/decrease in inventory	-0.1	-2.1	-1.6	-5.9	6.5	-1.6	0.2
Increase/decrease in accounts receivable	2.1	-1.0	-2.4	0.7	0.4	-0.2	-0.5
Increase/decrease in accounts payable	2.2	1.1	-3.7	0.3	1.7	-1.6	-1.3
Increase/decrease in other working capital positions	0.0	0.0	0.0	2.6	-7.0	0.0	0.0
Increase/decrease in working capital	4.3	-2.0	-7.8	-2.2	1.7	-3.4	-1.6
<b>Cash flow from operating activities</b>	<b>23.0</b>	<b>24.7</b>	<b>16.1</b>	<b>22.4</b>	<b>24.5</b>	<b>24.0</b>	<b>30.1</b>
CAPEX	17.0	23.4	27.1	20.0	11.0	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>-11.0</b>	<b>-12.0</b>	<b>-12.0</b>
Cash flow before financing	6.0	0.7	-11.1	2.3	13.5	12.0	18.1
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	1.7	10.2	16.3
<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>30.5</b>	<b>40.7</b>	<b>57.0</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	40.7	46.3	50.7
yoy change	1.2 %	6.7 %	1.7 %	1.3 %	-12.7 %	13.8 %	9.5 %
Rest of Europe	78.3	81.7	89.1	90.2	78.8	89.7	98.2
yoy change	7.0 %	4.4 %	9.0 %	1.3 %	-12.7 %	13.8 %	9.5 %
NAFTA	20.2	21.4	23.5	23.8	20.8	23.7	25.9
yoy change	2.6 %	5.7 %	10.0 %	1.3 %	-12.7 %	13.8 %	9.5 %
Asia Pacific	0.0	0.0	0.0	3.6	3.1	3.6	3.9
yoy change	n/a	n/a	n/a	n/a	-12.7 %	13.8 %	9.5 %
Rest of world	18.3	20.3	18.2	14.8	12.9	14.7	16.1
yoy change	10.8 %	10.8 %	-10.3 %	-18.4 %	-12.7 %	13.8 %	9.5 %
<b>TTL</b>	<b>159.2</b>	<b>168.6</b>	<b>176.7</b>	<b>179.0</b>	<b>156.4</b>	<b>177.9</b>	<b>194.8</b>
yoy change	5.2 %	5.9 %	4.8 %	1.3 %	-12.7 %	13.8 %	9.5 %

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 %	-12.7 %	13.8 %	9.5 %
EBITDA growth	-7.0 %	31.0 %	33.5 %	7.7 %	-36.3 %	5.5 %	105.8 %
EBIT growth	-15.5 %	49.7 %	51.0 %	1.7 %	-199.0 %	4.8 %	-240.6 %
EPS growth	-20.4 %	107.5 %	75.0 %	-12.4 %	-245.6 %	19.6 %	-215.2 %
<b>Efficiency</b>							
Total operating costs / sales	85.8 %	83.1 %	83.1 %	83.4 %	87.5 %	82.3 %	79.4 %
Sales per employee	353.8	360.3	356.3	354.5	303.6	338.9	364.2
EBITDA per employee	50.9	64.2	61.7	64.0	37.9	65.0	75.0
<b>Balance sheet analysis</b>							
Avg. working capital / sales	13.6 %	12.1 %	13.0 %	15.1 %	17.2 %	17.0 %	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	120.4	107.8	96.3
<b>Cash flow analysis</b>							
Free cash flow	6.0	1.3	-11.1	2.3	13.5	12.0	18.1
Free cash flow/sales	3.8 %	0.8 %	-6.3 %	1.3 %	8.6 %	6.7 %	9.3 %
FCF / net profit	112.5 %	11.3 %	neg.	21.9 %	neg.	93.5 %	104.6 %
Capex / depre	159.2 %	199.8 %	223.8 %	146.0 %	29.1 %	82.2 %	83.3 %
Capex / maintenance capex	212.6 %	292.4 %	336.3 %	248.2 %	137.5 %	175.0 %	175.0 %
Capex / sales	10.7 %	13.9 %	15.3 %	11.2 %	7.0 %	6.7 %	6.2 %
<b>Security</b>							
Net debt	36.4	25.9	40.7	41.9	30.4	20.2	3.9
Net Debt/EBITDA	1.6	0.9	1.3	1.3	1.6	0.6	0.1
Net debt / equity	0.6	0.3	0.4	0.4	0.4	0.2	0.0
Interest cover	3.7	6.8	6.6	6.6	0.0	10.8	14.3
Dividend payout ratio	22.4 %	13.0 %	17.1 %	16.5 %	100.0 %	17.2 %	15.3 %
<b>Asset utilisation</b>							
Capital employed turnover	0.9	0.9	0.9	0.8	0.8	0.9	0.9
Operating assets turnover	1.1	1.1	1.0	1.0	1.0	1.1	1.3
Plant turnover	1.3	1.3	1.2	1.2	1.2	1.4	1.5
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 %	-9.3 %	9.3 %	12.8 %
ROE	9.4 %	13.5 %	10.8 %	10.8 %	-19.2 %	14.5 %	16.8 %
<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	-1.70	1.45	1.96
<b>Valuation ratios</b>							
P/BV	3.5	2.6	2.3	2.2	2.8	2.5	2.1
EV/sales	1.7	1.7	1.7	1.7	1.9	1.6	1.4
EV/EBITDA	11.9	9.4	9.6	9.5	15.1	8.3	6.7
EV/EBITA	22.3	15.3	16.0	16.5	62.7	14.6	10.4
EV/EBIT	22.3	15.3	16.0	16.5	-16.1	14.6	10.4
EV/FCF	45.3	216.3	-26.6	130.7	21.9	23.8	14.9
Adjusted FCF yield	4.1 %	6.3 %	5.8 %	6.3 %	5.7 %	7.5 %	9.5 %
Dividend yield	0.6 %	0.7 %	0.8 %	0.8 %	0.8 %	1.0 %	1.2 %

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 an EEA branch passport, 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.

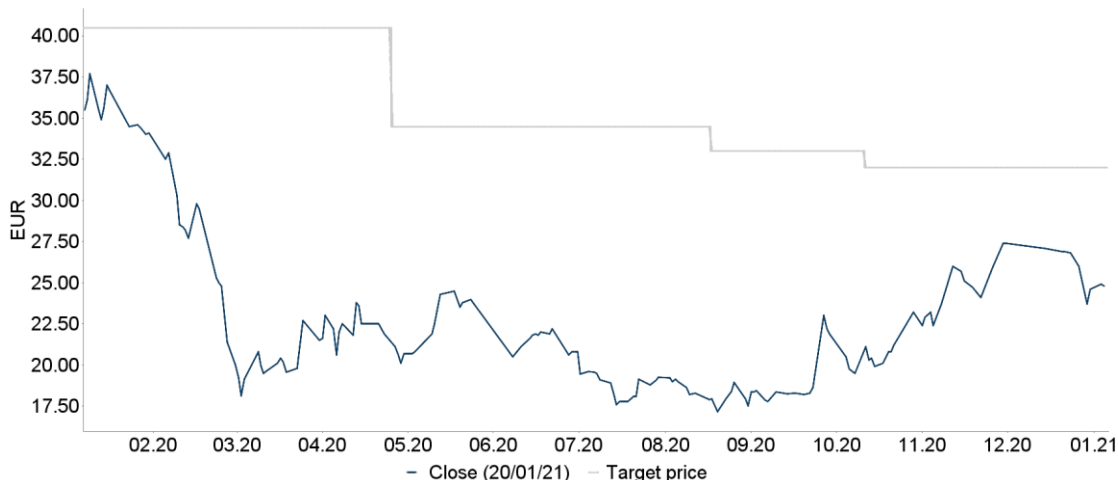
**Conflicts of interest that existed at the time when this research report was published:**

Company	Disclosure
Nabaltec AG	2, 3

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

**Price and Rating History  
Nabaltec AG as of 21/01/21**

**Initiation coverage**  
14-April-11



Company	Date	Analyst	Rating	Target price	Close
Nabaltec AG	28.10.2020	Sandherr, Christian	Buy	EUR 32.00	EUR 20.30
	03.09.2020	Sandherr, Christian	Buy	EUR 33.00	EUR 17.60
	13.05.2020	Sandherr, Christian	Buy	EUR 34.50	EUR 20.60
	06.03.2020	Sandherr, Christian	Buy	EUR 40.50	EUR 28.10
	27.02.2020	Sandherr, Christian	Buy	EUR 40.50	EUR 28.20

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

<b>Buy</b>	70.07 %	80.00 %
<b>Sell</b>	8.16 %	0.00 %
<b>Hold</b>	21.77 %	20.00 %

Date of publication creation: 25/01/2021 08:11 AM

Date of publication dissemination: 25/01/2021 08:17 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 a MiFID EEA branch passport 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 Corporate Brokerage  
Tel.: +49 40 450 6342 3097  
E-Mail: marie-therese.gruebner@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

**Christian Sandherr**  
Analyst  
Tel.: +49 40 414 3885 79  
E-Mail: christian.sandherr@ha-ib.de

**Frederik Bitter**  
Analyst  
Tel.: +49 40 450 6342 3091  
E-Mail: frederik.bitter@ha-ib.de

**Frederik Jarchow**  
Analyst  
Tel.: +49 40 414 3885 76  
E-Mail: frederik.jarchow@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 9473 245  
E-Mail: carlos.becke@ha-ib.de

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

**Christian Schwenkenbecher**  
Equity Sales  
Tel.: +44 203 9473 246  
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

**Vincent Bischoff**  
Equity Sales  
Tel.: +49 40 414 3885 88  
E-Mail: vincent.bischoff@ha-ib.de

**Imogen Voorspuy**  
Equity Junior Sales  
Tel.: +44 203 9473 244  
E-Mail: imogen.voorspuy@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 3885 77  
E-Mail: christian.schuler@hauck-aufhaeuser.com

**Fin Schaffer**  
Trading  
Tel.: +49 40 414 3885 98  
E-Mail: fin.schaffer@hauck-aufhaeuser.com

**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