

24 May 2022

## Nabaltec

Germany

### Chemicals

More cautious on the 2023E & 2024E business environment; TP reduced to EUR 33; Add reiterated

**Nabaltec's stock declined from its peak in February 2022 by 30% and therefore underperformed the chemical sector. We think the reasons were: 1) the higher market risk discounts for small caps, 2) Nabaltec's exposure to the construction and automotive end markets. As we think that Nabaltec's investment story is on track and believe that the potential lower earnings growth environment is already included in Nabaltec's market valuation, we reiterate our Add rating.**

■ **Investment case fully intact...** The underlying sector trend is supportive for Nabaltec: **1)** stricter fire safety regulations will drive flame retardant demand, **2)** the shift from halogenated commodity towards non-halogenated commodity flame retardants continues unabated, **3)** the electrification trends in the automotive industry should trigger significantly higher demand for Nabaltec's Boehmite product (oligopolistic market – Nabaltec has 50% market share) for batteries, **4)** 5G and recharging infrastructure for electric vehicles are supportive for Nabaltec's flame retardants in cables, and **5)** the market for both divisions has consolidated after several difficult years and pricing power should remain supportive. As Nabaltec has very little exposure to Russian raw material suppliers (in contrast to competitors like Huber), we think it might also experience a very healthy demand and margin environment at least in 9M22E and therefore reiterate our positive view on the stock.

■ **...but we have to cut our target price by EUR 6 per share since we became more cautious on Nabaltec's earnings growth:** We cut our earnings estimates (2022E to 24E) by 2% to 9% but increased our revenue and NWC forecasts (inflationary driven), which reduced our valuation by EUR 6 per share. Our target price is based on the average of our DCF, peer group and capital return models. Consequently, we cut our target price down to EUR 33 from EUR 39 per share and reiterate our Add rating. While our revenue forecast for 2022 is ahead of consensus, our earnings and dividend forecasts are 2% to 18% below consensus for 2022E to 24E, and therefore we expect a revision downward need which might weigh on the stock further. As Nabaltec is a very interesting long-term ESG enabler story, with a strong management and a strong market share & pricing power, we reiterate our positive view on the stock.

	2019	2020	2021	2022E	2023E
Gross sales (EUR mn)	180.0	159.6	187.0	217.7	225.6
EBITDA (EUR mn)	34.3	11.1	34.4	38.1	40.2
EBIT reported (EUR mn)	20.6	-28.3	22.6	22.9	25.0
EBIT adjusted (EUR mn)	20.6	-28.3	22.6	22.9	25.0
Net income (EUR mn)	11.5	-32.6	14.2	15.0	16.7
EPS reported (EUR)	1.31	-3.70	1.61	1.71	1.90
EPS adjusted (EUR)	1.31	-3.70	1.61	1.71	1.90
DPS (EUR)	0.21	0.00	0.30	0.30	0.30
Dividend yield (%)	0.7	0.0	0.9	1.1	1.1
P/E adjusted (x)	24.1	-	20.0	16.1	14.5
P/BV (x)	2.8	2.7	2.9	2.2	1.9
EV/Sales (x)	2.0	1.8	1.8	1.3	1.2
EV/EBITDA (x)	10.7	25.6	9.7	7.6	6.7
EV/EBIT (x)	17.8	-10.0	14.8	12.6	10.7
Net debt/EBITDA (x)	1.2	3.0	0.2	0.0	-0.5

Source: Company data, Baader Helvea Equity Research

## Add (prev. Add)

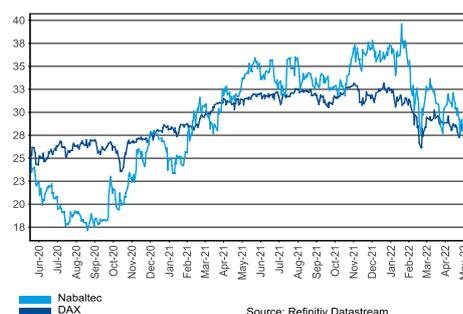
Closing price as of 23-May-22	EUR 27.60
High/Low (12M)	39.60/26.80
<b>Target price (prev. EUR 39.00)</b>	<b>EUR 33.00</b>
Upside to target price (%)	19.6
Expected dividend yield (%)	1.1
Total return potential (%)	20.7

Reuters/Bloomberg	NTGG.DE/NTG GY
Avg. daily turnover (EUR mn)	0.10
Free float (%)	44.0
Market cap. (EUR mn)	243
No. of shares issued (mn)	8.8

### Events

Annual general meeting	29-Jun-2022
1Q	31-May-2022
Shareholders	Heckmann family 31.16%, Witzany family 29.87%

## Price relative to Index



Performance (%)	1M	3M	6M
Absolute	-11.8	-13.8	-24.2
rel. DAX	-12.1	-10.6	-13.1
rel. STOXX Europe 600	-8.1	-9.9	-15.3
rel. SXXP Chemicals	-11.2	-15.0	-16.4

## Changes in estimates

EUR mn	2022E Prev.	Delta (%)	2023E Prev.	Delta (%)
Gross sales	205.3	6.0	218.7	3.1
EBIT adj.	23.3	-1.8	25.6	-2.3
EPS adj. (EUR)	1.74	-1.7	1.95	-2.6
DPS (EUR)	0.35	-14.3	0.39	-23.1

**Analyst: Markus Mayer**  
+49 89 5150 1818  
markus.mayer@baaderbank.de

## Nabaltec

## 1Q22 PREVIEW

Strong preliminary 1Q22 numbers already announced – Indication for 2Q22 should be very good as well – Question mark on 2H22 remain and therefore “only” 2022 guidance reiteration expected

Where do we differ versus Nabaltec's guidance and consensus\*?

EUR mn	2021 rep.	2022E				2023E		
		Guidance	Baader	Consensus	Deviation (%)	Baader	Consensus	Deviation (%)
Sales	187.0	10-12% sales growth or EUR 206 to 209mn	217.7	215.0	1.3	225.6	229.2	-1.6
EBITDA	34.4		38.1	39.0	-2.4	40.2	44.3	-9.2
EBIT	24.6		22.9	25.1	-9.0	25.0	30.4	-17.7
EBIT margin (%)	13.2	10-12	10.5	11.7	n.m.	11.1	13.2	n.m.
DPS (EUR)	0.3		0.30	0.32	-6.3	0.30	0.35	-14.3

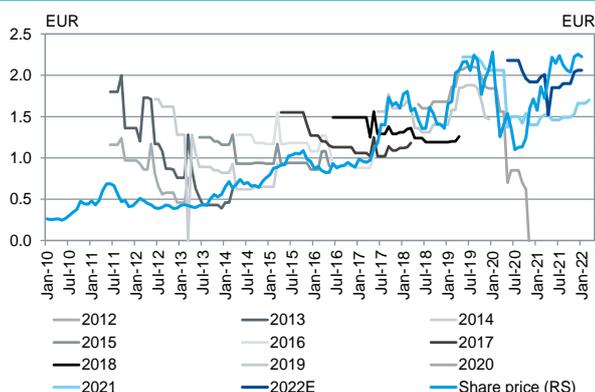
\* Consensus of 23 May 2022

Source: Company data, Refinitiv Datastream, Baader Helvea Equity Research

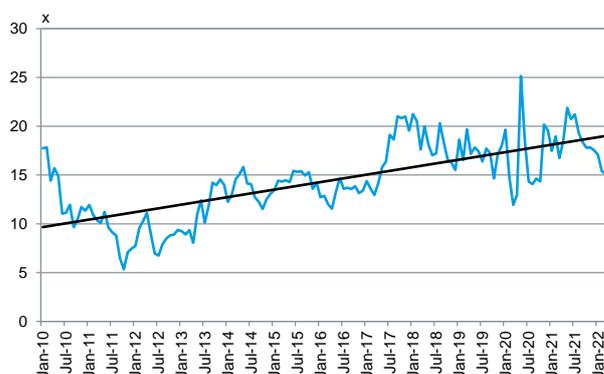
- **1Q22 was very strong:** According to the preliminary 1Q22 numbers of Nabaltec, 1Q22 EBIT jumped 82% yoy to EUR 7.1mn (1Q22 EBIT margin at 12.9%).
- **2Q22 should have started well:** Whereas Nabaltec's Böhmite's volume growth should be less strong than in the past years/quarters due to the supply chain issues of the automotive industry, the Specialty Alumina demand from the steel industry as well as the Functional Filler demand from the construction industry should have remained very strong. We expect that the North American demand is among the regions currently the strongest for Nabaltec. Due to the increased government spending for military equipment, Nabaltec's ceramics might see higher demand as they are used for vehicle armor. According to our knowledge, Nabaltec has up to 10,000 t/p.a. capacity (with very low utilization right now). In our view, the price should vary from EUR/kg 1,000 to 3,000 and we think Nabaltec achieved in the past around 20% EBIT margin for this product category. Consequently, there might be over EUR 10mn additional revenues and over EUR 2mn additional EBIT business potential for Nabaltec.
- **2022 outlook should be again “only” reiterated** (and not lifted as there is a question mark on the business development in 2H22): Nabaltec is expecting revenue growth in a range from 10% to 12% in 2022. On the earnings side, Nabaltec is expecting an EBIT margin in a range from 10% to 12%. The forecast is based on the assumption that, despite the current war in the Ukraine, the economy and the industries relevant to Nabaltec will develop positively.
- **Gas (supply and cost) risk not a big issue for Nabaltec:** Nabaltec, due to its energy supply situation (despite its energy intense business), does not have a big exposure to gas (in contrast to other chemical companies like BASF). In addition, Nabaltec has fully hedged its gas contracts until 2024. On the current gas price level (and other costs like for like), Nabaltec would need an 8% price increase to pass on the higher costs in 2025 to customers.

### NABALTEC'S VALUATION (BASED ON CONSENSUS ESTIMATES) AND CONSENSUS EPS REVISION TREND

Consensus EPS revision versus NTG's share price trend



12-month forward P/E



Source: Refinitiv Datastream, Baader Helvea Equity Research

# Baader Helvea Equity Research

## COMPANY UPDATE

# BAADER

### Key data

#### Nabaltec

Germany

#### Chemicals

Reuters: NTGG.DE Bloomberg: NTG GY

#### Add

Price on 23-May-22 EUR 27.60

**Target price EUR 33.00**

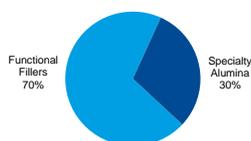
High/Low (12M) EUR 39.60/26.80

Market cap. EUR mn 243

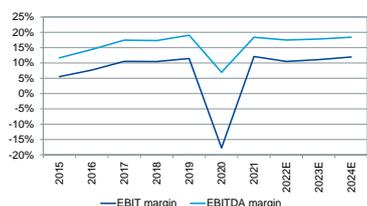
#### Company profile

Nabaltec is a leading supplier of aluminum hydroxide based functional fillers (mainly flame retardants) for the plastics industry and provides aluminum oxide based raw materials for the technical ceramics industries.

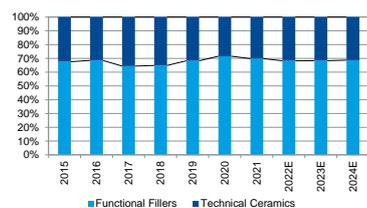
#### Divisions (2021)



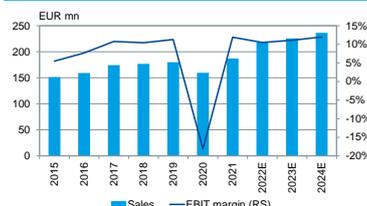
#### Margin evolution



#### Divisional sales evolution



#### Sales vs. EBIT margin



Source: Company data, Refinitiv Datastream, Baader Helvea Equity Research

**Analyst: Markus Mayer**  
+49 89 5150 1818  
markus.mayer@baaderbank.de

FY 31 Dec.	2018	2019	2020	2021	2022E	2023E
<b>Share data</b>						
EPS reported (EUR)	1.17	1.31	-3.70	1.61	1.71	1.90
<b>EPS adjusted (EUR)</b>	<b>1.17</b>	<b>1.31</b>	<b>-3.70</b>	<b>1.61</b>	<b>1.71</b>	<b>1.90</b>
Dividend (EUR)	0.18	0.21	0.00	0.30	0.30	0.30
Book value (EUR)	10.88	11.34	8.73	10.97	12.67	14.57
Free cash flow (EUR)	-0.58	0.27	1.59	3.00	1.40	1.99
Avg. no. of shares (mn)	8.8	8.8	8.8	8.8	8.8	8.8
Market cap. (avg./current; EUR mn)	214.7	277.4	206.8	283.9	242.9	242.9
Enterprise value (EUR mn)	290.9	365.6	284.4	334.2	287.7	267.6
<b>Valuation</b>						
<b>P/E adj. (x)</b>	<b>20.9</b>	<b>24.1</b>	-	<b>20.0</b>	<b>16.1</b>	<b>14.5</b>
P/BV (x)	2.2	2.8	2.7	2.9	2.2	1.9
FCF/EV (%)	-1.8	0.6	4.9	7.9	4.3	6.6
FCF yield (%) (FCF/Mcap.)	-2.4	0.8	6.8	9.3	5.1	7.2
Dividend yield (%)	0.7	0.7	0.0	0.9	1.1	1.1
EV/Sales (x)	1.6	2.0	1.8	1.8	1.3	1.2
EV/EBITDA adj. (x)	9.5	10.7	25.6	9.7	7.6	6.7
EV/EBIT adj. (x)	15.8	17.8	-10.0	14.8	12.6	10.7
EV/CE (x)	1.7	1.9	1.9	2.2	1.8	1.5
ROCE/WACC adj. (x)	0.9	0.9	-2.6	1.3	1.1	1.2
<b>Key company data</b>						
Sales growth (%)	1.4	1.8	-11.3	17.2	16.4	3.6
EBITDA adj. growth (%)	0.5	12.2	-67.6	209.4	10.8	5.6
EBITDA adj. margin (%)	17.3	19.1	7.0	18.4	17.5	17.8
<b>EBIT adj. margin (%)</b>	<b>10.4</b>	<b>11.4</b>	<b>-17.7</b>	<b>12.1</b>	<b>10.5</b>	<b>11.1</b>
Net adj. margin (%)	5.8	6.4	-20.4	7.6	6.9	7.4
Free cash flow margin (%)	-2.9	1.3	8.8	14.1	5.6	7.8
Payout ratio (%)	15.4	16.1	0.0	18.6	17.6	15.8
Gearing (%) (net debt/equity)	41.9	42.0	43.1	7.3	0.2	-16.3
Net debt/EBITDA (x)	1.3	1.2	3.0	0.2	0.0	-0.5
Equity ratio (x) (equity/total assets)	42.4	41.5	38.7	43.7	45.2	42.6
Capital employed (EUR mn)	175.4	188.8	150.9	149.1	162.8	173.3
ROCE adj. (%)	6.9	7.1	-20.2	10.9	10.1	10.4
<b>Income statement (EUR mn)</b>						
Turnover	176.7	180.0	159.6	187.0	217.7	225.6
EBITDA	30.6	34.3	11.1	34.4	38.1	40.2
EBITDA adj.	30.6	34.3	11.1	34.4	38.1	40.2
EBIT	18.5	20.6	-28.3	22.6	22.9	25.0
EBIT adj.	18.5	20.6	-28.3	22.6	22.9	25.0
EBT	15.8	17.7	-30.2	20.6	20.9	23.2
Net profit after minorities	10.3	11.5	-32.6	14.2	15.0	16.7
Net profit adj.	10.3	11.5	-32.6	14.2	15.0	16.7
<b>Balance sheet (EUR mn)</b>						
Non-current assets	149	159	129	123	132	142
thereof goodwill	0	0	0	0	0	0
Current assets	77	81	70	97	113	155
<b>Total assets</b>	<b>226</b>	<b>240</b>	<b>199</b>	<b>221</b>	<b>247</b>	<b>301</b>
Shareholders' equity	96	100	77	96	112	128
<b>Total equity and liabilities</b>	<b>226</b>	<b>240</b>	<b>199</b>	<b>221</b>	<b>247</b>	<b>301</b>
Net debt	40	42	33	7	0	-21
<b>Cash flow (EUR mn)</b>						
Cash flow from operations	22.0	22.4	24.3	33.2	36.4	41.6
of which change in working capital	-8.1	1.8	2.1	-3.5	-2.7	-0.1
Cash flow from investments	-27.1	-20.0	-10.3	-6.7	-24.1	-24.1
of which investment in fixed assets	-26.9	-19.9	-10.2	-6.7	-25.0	-25.0
<b>Free cash flow</b>	<b>-5.1</b>	<b>2.3</b>	<b>14.0</b>	<b>26.4</b>	<b>12.3</b>	<b>17.6</b>
Dividends paid	-1.6	-1.7	-1.8	0.0	-2.6	-2.6
Cash flow from financing activities	-4.6	-3.7	-14.6	-1.4	-3.2	25.9
<b>Change in cash position</b>	<b>-11.0</b>	<b>-1.3</b>	<b>-2.6</b>	<b>25.8</b>	<b>6.8</b>	<b>41.1</b>

## Nabaltec

## Disclaimer

**Important Notice and Disclosures pursuant to Art. 20 of the Regulation (EU) No 596/2014 of 16 April 2014 and the Commission Delegated Regulation (EU) 2016/958 of 9 March 2016 and pursuant to Art. 34, 36 and 37 of the Commission Delegated Regulation (EU) No 2017/565 of 25 April 2016****A. GENERAL STATEMENTS**

Baader Bank AG is the parent company of Baader Helvea AG and Baader Helvea Limited. Baader Bank AG, Baader Helvea AG and Baader Helvea Limited are collectively referred to as “**Baader Helvea Group Europe Companies**” below, and each of them is referred to separately as a “**Baader Helvea Group Europe Company**”. Baader Bank AG and its subsidiaries and affiliates, including Baader Helvea AG and Baader Helvea Limited, are collectively referred to below as the “**Group Companies**” and each of them is referred to separately as a “**Group Company**”.

This “**Research Document**” was prepared by its named author, who is an employee of a Baader Helvea Group Europe Company (the “**Relevant Baader Helvea Group Europe Company**”). Responsibility for the client relationship management, the client classification as required under the applicable regulatory laws, suitability assessments and any other legal or regulatory obligations is borne solely by the legal entity that enters into a contractual relationship with the applicable client, except to the extent that applicable law or regulations require another Group Company to share the responsibility in question. This Research Document is intended for clients only of Group Companies.

The recommendations of the Relevant Baader Helvea Group Europe Company are based on information that has been diligently compiled by the Relevant Baader Helvea Group Company and is partially based on publicly available sources of third parties (including data supplied by AlphaValue S.A., a cooperation partner of Baader Bank AG) believed to be reliable. Neither Baader Bank AG nor any other Group Company warrants the accuracy or completeness of such information of third parties. All estimates and opinions included herein represent the independent judgment of the responsible analyst(s) named in this Research Document as of the date of publication of this Research Document.

The Relevant Baader Helvea Group Europe Company reserves the right to modify the views expressed herein at any time without notice and the right not to update this information and to discontinue coverage of the company that is the subject of this Research Document without notice.

No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. To the extent legally permissible, neither the Relevant Baader Helvea Group Europe Company, any other Group Company, any of their respective authorized representatives or employees nor any other person accepts any liability whatsoever for any loss arising from any use of this Research Document or its contents or otherwise arising in connection therewith.

This Research Document (i) is for information purposes only, (ii) does not constitute or form part of any offer for sale or subscription of or solicitation of any offer to buy or subscribe for any financial instrument, money market or investment instrument or any security, (iii) is not intended as an offer for sale or subscription of or solicitation of an offer to buy or subscribe for any financial instrument, money market or investment instrument or any security and (iv) is not an advertisement thereof.

This Research Document is being distributed by electronic and ordinary mail to professional investors, who are expected to make their own investment decisions without reliance on any analysis in this Research Document. The investment opportunities discussed in this Research Document may not be suitable for certain investors, depending on their specific investment objectives, their timetable for investment or their overall financial situation, and this Research Document is not a substitute for advice from investment and tax advisors. Investors must make their own determination of the appropriateness of an investment in any instruments referred to herein based on the merits and risks involved, their own investment strategy and their legal, fiscal and financial position. As this Research Document does not constitute a direct or indirect investment recommendation, neither this Research Document nor any part of it should be construed as establishing, or be relied on in connection with or act as an inducement to enter into, any contract or commitment whatsoever.

The investments discussed herein may fluctuate in price or value and may result in losses. Changes in rates of exchange may have an adverse effect on the value of investments. Furthermore, past performance is not indicative of future results. In particular, the risks associated with an investment in the relevant financial, money market or investment instrument or securities are not explained here in their entirety.

This Research Document has been exclusively prepared for the party who receives the Research Document from the Relevant Baader Helvea Group Europe Company or, as the case may be, their U.S. affiliate, Baader Helvea Inc., and does not establish any liability whatsoever vis-à-vis any third party. Transmission or reproduction of this Research Document without prior written consent from the Relevant Baader Helvea Group Europe Company or, as the case may be, their U.S. affiliate, Baader Helvea Inc., is not permitted, unless explicitly approved in writing by the Group Company disseminating the Research Document to the initial receiver. In the event of any approved disclosure or dissemination of the Research Document, the initial receiver is required to obtain prior confirmation from any third party to whom it discloses or transmits the Research Document that it may not rely on the Research Document in whole or in part and that no liability of any Group Company will be established vis-à-vis the third party and that it may not disclose or transmit the Research Document to any other third party.

Any party receiving the Research Document is responsible for the compliance with the laws applicable to the reception and, as applicable, the disclosure or transmission of the Research Document, particularly the requirements under Directive 2014/65/EU (MiFID II) and Regulation (EU) no. 596/2014, the regulations promulgated thereunder and the national laws implementing such laws, and none of the Group Companies may be held liable for any non-compliance with such laws.

This Research Document was completed at 08:58 AM (CEST) on 24-05-2022.

Copyright ©: **Published by** the Relevant Baader Helvea Group Europe Company. **Disseminated by** Baader Bank AG or on its behalf by Baader Helvea Inc., Baader Helvea AG or Baader Helvea Limited.

**Germany:** Baader Bank AG is a stock corporation (*Aktiengesellschaft*) organized under the laws of the Federal Republic of Germany with its principal place of business in Munich. It is registered with the District Court (Amtsgericht) in Munich under No. HRB 121537 and supervised by the German Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin*), Marie-Curie-Strasse 24-28, 60439 Frankfurt am Main and Graurheindorfer Strasse 108, 53117 Bonn. The value added tax identification number of Baader Bank AG is DE 114123893.

**Switzerland:** Baader Helvea AG is a corporation organized under the laws of Switzerland with its principal place of business in Zurich. It is registered with the Zurich commercial registry under No. CH-110.356.568. Baader Helvea AG is authorized and regulated as a Securities Dealer by the Swiss Financial Market Supervisory Authority (“FINMA”).

**United Kingdom:** Baader Helvea Limited is a limited company incorporated under the laws of England and Wales with its registered office at 5 Royal Exchange Buildings, London, EC3V 3NL. It is registered with Companies House under the company number 04935018. Baader Helvea Limited is authorized and regulated in the United Kingdom by the Financial Conduct Authority (“FCA”), 25 North Colonnade, London E14 5HS with the firm reference number 400056. There are no branches or related entities of Baader Helvea Limited that are also regulated by the FCA.

## Nabaltec

**B. POTENTIAL INTERESTS OR CONFLICTS OF INTERESTS**

Art. 20 of the Regulation (EU) No 596/2014 of 16 April 2014 in conjunction with Articles 5 and 6 of the Commission Delegated Regulation (EU) 2016/958 of 9 March 2016 requires Baader Bank AG to disclose relationships and circumstances that may reasonably be expected to impair the objectivity of the Research Document, including interests or conflicts of interest with respect to the company that is the subject of this Research Document ("**Key Factors**"). The following Key Factors also include any interests or conflicts of interest of any person belonging to the Group Companies that are (i) known, or reasonably expected to be known, to the persons involved in the production of the Research Document; (ii) known to persons who, although not involved in the production of the Research Document, have or could reasonably be expected to have, access to the Research Document prior to its completion, or (iii) of any person closely associated with the named author of the Research Document.

Therefore, Key Factors that may apply regarding the company that is the subject of this Research Document are designated below under "Applicable Key Factors," followed by a list of all Key Factors specified by the aforementioned requirements. Please note that the list of specified Key Factors is for explanatory purposes only and that only the Key Factors designated under "Applicable Key Factor(s)" are present with respect to the company that is the subject of this Research Document.

**Applicable Key Factors**

Company	Key
Nabaltec	4, 5

**Key Factors Specified by Art. 5 and 6 of the Commission Delegated Regulation (EU) No. 2016/958 of 9 March 2016**

- Key 1: The Relevant Baader Helvea Group Europe Company, any other Group Company or the responsible analyst(s) named in this report own a net long or short position exceeding the threshold of 0.5% of the total issued share capital of the company that is the subject of the Research Document, calculated in accordance with Article 3 of Regulation (EU) No 236/2012 and with Chapter III and IV of Commission Delegated Regulation (EU) No 918/20127.
- Key 2: The company that is the subject of the Research Document owns 5% or more in the total issued share capital of the Relevant Baader Helvea Group Europe Company or of any of the Group Companies.
- Key 3: The Relevant Baader Helvea Group Europe Company or any other Group Company has been lead manager or co-lead manager over the previous 12 months of any publicly disclosed offer of financial instruments of the company that is the subject of the Research Document.
- Key 4: The Relevant Baader Helvea Group Europe Company or any other Group Company is a market maker or liquidity provider in the financial instruments of the company that is the subject of the Research Document.
- Key 5: The Relevant Baader Helvea Group Europe Company or any other Group Company is party to an agreement with the company that is the subject of the Research Document relating to the provision of services of investment firms set out in Sections A and B of Annex I of Directive 2014/65/EU of the European Parliament and of the Council.
- Key 6: The Relevant Baader Helvea Group Europe Company or any other Group Company is party to an agreement with the company that is the subject of the Research Document relating to the production of the Research Document.
- Key 7: Employees of the Relevant Baader Helvea Group Europe Company and/or of a Group Company (including the responsible analyst(s) named in this report or persons closely associated with them) are members of the board of directors of the company (or equivalent management and supervisory organs under applicable law) that is the subject of this Research Document. Members of the board of directors (or equivalent management and supervisory organs under applicable law) of the company that is the subject of this Research Document sit on the management board and/or supervisory board of Baader Bank AG or any other Group Company.
- Key 8: The Relevant Baader Helvea Group Europe Company or any other Group Company owns more than 1% of the capital stock in the company that is the subject of this Research Document.
- Key 9: The responsible analyst(s) named in this report or persons closely associated with them own a significant amount or at least 0.1% of the capital stock of, or otherwise has a financial interest (including options, rights, warrants, futures) in, the company that is the subject of this Research Document.
- Key 10: The responsible analyst(s) named in this report disclosed a draft of the analysis set forth in this Research Document to the company that is the subject of this Research Document for fact reviewing purposes and changes were made to this Research Document before publication.
- Key 11: The Research Document has been prepared by the Relevant Baader Helvea Group Europe Company or any other Group Company as part of a research program commissioned by a stock exchange.

In addition, the following relationships and circumstances may reasonably be expected to impair the objectivity of the Research Document, including interests or conflicts of interests, on the part of the Relevant Baader Helvea Group Europe Company or on the part of any natural or legal person working for the Relevant Baader Helvea Group Europe Company under a contract or on the part of any person belonging to the Group Companies, or on the part of any person closely associated with them:

Baader Bank AG, the Relevant Baader Helvea Group Europe Company and/or any other Group Company and/or employees or clients thereof may (i) hold significant open derivative positions in the securities of the company that is the subject of this Research Document which are not delta-neutral, or (ii) from time to time take positions in, and may purchase and/or sell the securities or related financial instruments as principal or agent, of the company that is the subject of this Research Document or of affiliates or other related parties of the company that is the subject of this Research Report.

**C. RECOMMENDATIONS, RATINGS AND EVALUATION METHODOLOGY**

A list of all of our Research Documents on any financial instrument or issuer that were disseminated during the preceding 12-month period is available to our clients under [http://www.baaderbank.de/disclaimer\\_research.html](http://www.baaderbank.de/disclaimer_research.html).

Company	Date	Rating	Currency	Target price	Closing price as of	Analyst	
Nabaltec	02-Feb-22	Add	EUR	39.00	36.60	01-Feb-22	Markus Mayer

The ratings and the target prices in the Research Documents shown above are valid until (i) the publication of a revised Research Document on the Company that is the subject of the Research Document, or (ii) the discontinuation of coverage of the Company that is the subject of the Research Document.

**Nabaltec****Rating categories:**

The following is an explanation of the ratings, if any, included in this document.

Expected total return based on forecast dividend and 12-month price targets.

Rating	Upside/downside to the target price
Buy	>20%
Add	5%-20%
Reduce	-10% to 5%
Sell	<-10%

**Research ratings key:**

There are four possible ratings: **Buy, Add, Reduce or Sell.**

**Examples of certain ratings:**

**Buy:** A company that the analyst(s) named in this report deem(s) higher risk with a forecast dividend yield of 5% and price appreciation potential of 16%, generating a forecast total return of 21% over 12 months.

**Reduce:** A company with a forecast dividend yield of 7% and price appreciation potential of -5%, generating a forecast total return of +2% over 12 months.

We use three further categorizations for stocks in our coverage:

**Restricted:** A rating and/or financial forecast and/or target price is not disclosed due to compliance or other regulatory considerations such as blackout period or conflict of interest.

**Coverage in transition:** Due to changes in the research team, the disclosure of a stock's rating and/or target price and/or financial information are temporarily suspended. The stock remains in the research universe and disclosures of relevant information will be resumed in due course.

**Not rated:** Suspension of coverage.

**Valuation methodology**

Company valuations are based on the following general valuation methods: Multiple-based models, peer-group comparisons, discount models, break-up value approaches, asset-based valuation methods as well as economic profit based models. Furthermore, recommendations are also based on the economic profit approach. Valuation models (including the underlying assumptions) are dependent on macroeconomic factors such as interest rates, exchange rates and raw material prices, and on assumptions about the economy. Furthermore, market sentiment affects the valuation of companies. The valuation is also based on expectations that might change rapidly and without notice, depending on developments specific to individual companies or industries. Our analysts' recommendations and target prices are derived from the models we use and might therefore change as a result of the use or development of different models. Our analysts' investment ratings generally relate to a 12-month horizon. They are, however, also subject to market conditions and can only represent a snapshot. The ratings may in fact be achieved more quickly or slowly than expected and therefore a rating may need to be revised upward or downward. Further information on the valuation methodology can be found under [http://www.baaderbank.de/valuation\\_methodology.html](http://www.baaderbank.de/valuation_methodology.html).

**Frequency of reports and updates**

It is intended that each company with respect to which we issue a Research Document will be covered at least once a year, as well as in the event of important developments and/or changes in our recommendation.

**D. DECLARATION OF RESPONSIBLE ANALYST(S)**

The analyst(s) named in this report certify that: (1) the views expressed in this Research Document accurately reflect their own personal views about any or all of the subject securities referred to in this Research Document, (2) no part of their compensation was, is or will be, directly or indirectly, related to the specific recommendation or views expressed in this Research Document and (3) no part of their compensation is directly tied to transactions in services of the Relevant Baader Helvea Group Europe Company's set out in Sections A and B of Annex I of Directive 2014/65/EU or other types of transactions the Relevant Baader Helvea Group Europe Company or any other Group Company performs, or to trading fees that the Relevant Baader Helvea Group Europe Company or any other Group Company performs. Such services include, *inter alia*, execution of orders on behalf of clients and on own account; portfolio management and investment advice; placing and underwriting of financial instruments; operation of multi-trading facilities or organized trading facilities and ancillary services with respect to the mentioned services.

**E. ANALYSTS' OPINIONS ONLY**

This Research Document reflects the assumptions, views and analytical methods of the analyst(s) named in this report and does not constitute the investment policy of the Relevant Baader Helvea Group Europe Company or any other Group Company.

**F. ORGANIZATIONAL ARRANGEMENTS TO AVOID AND PREVENT CONFLICTS OF INTEREST**

In order to proactively prevent conflicts of interest, Baader Bank AG and its Group Companies have established a compliance program. Such compliance program includes, among other things, a conflicts of interest policy and other measures to ensure compliance in particular with Article 16 (3) of Directive 2014/65/EU of 15 May 2014 and Articles 34 (3) and 37 of Commission Delegated Regulation (EU) No 2017/565 of 25 April 2016. Such measures shall ensure confidentiality and separation of information between individuals, groups and departments of Group Companies which otherwise may be exposed to conflicts of interest, particularly by virtual and physical barriers (so-called "Chinese walls"), independence of the analysts (which also include a remuneration system designed to avoid inadequate monetary incentives for analysts) as well as independence of the Research Document and recommendations themselves. The compliance program is monitored and periodically reviewed by the compliance department of Baader Bank AG and/or its Group Companies.

Furthermore, the Baader Helvea Group Europe Companies do not allow analysts and other relevant persons to engage in transactions that include financial instruments of companies on which they issue recommendations, or related financial instruments. However, analysts, like other staff, may hold financial instruments or related financial instrument in other companies that Baader Bank AG and its Group Companies cover. This is subject to strict compliance with internal rules governing own-account trading by staff members and third parties acting for the account of such staff members, including the authorization by the compliance department of Baader Bank AG and/or its Group Companies. The Baader Helvea Group Europe Companies are satisfied that their internal policy on transactions in financial instruments and related instruments does not compromise the objectivity of analysts in issuing recommendations.

The Baader Helvea Group Europe Companies and their research analysts are not aware of any actual, material conflict of interest not disclosed above at the time of distribution of this Research Document.

From time to time, sales staff may express their own personal views that depart from the research recommendation expressed in this Research Document. Both these views do not necessarily reflect the thoughts or opinions of Baader Bank AG or its Group Companies. Also sales staff's views may be based on factors, time frames and other parameters that differ from those upon which analysts base their research. Moreover, the views of our sales staff are ordinarily provided to particular clients, which may have different, specific and shorter-term investment needs and strategies.

**Nabaltec****G. ADDITIONAL REQUIRED DISCLOSURES UNDER THE LAWS OF JURISDICTIONS SET FORTH BELOW**

It cannot be excluded that Baader Bank AG or a Group Company, one of their products or any of their employees have a long or short position or deal as principal or agent in any of the securities issued by or linked to the company that is the subject of this Research Document or provide advisory or other services to it.

Opinions expressed herein may differ or be contrary to those expressed by other business areas of Baader Bank AG or of any of its Group Companies as a result of using different assumptions.

**Notice to Recipients in Australia**

This Research Document may only be distributed by the Group Companies which are authorized to provide financial services in Australia – Baader Helvea Limited and Baader Bank AG. Baader Bank AG discloses that it: (i) is exempt from the requirement to hold an Australian financial services license under the Australian Corporations Act 2001 (“Corporations Act”) in respect of financial services provided in Australia, and (ii) is regulated by Bundesanstalt für Finanzdienstleistungsaufsicht of Germany (BaFin) under German laws, which differ from Australian laws. Baader Helvea Limited discloses that it: (i) is exempt from the requirement to hold an Australian financial services license under the Corporations Act in respect of financial services provided in Australia (ii) is authorized and regulated by the Financial Conduct Authority of the United Kingdom (FCA) under UK laws which differ from Australian laws.

This Research Document is intended only for wholesale clients referred to in Section 761G of the Corporations Act who are also either professional or sophisticated investors for the purposes of Section 708(8) and (11) of the Corporations Act, and only to those persons who receive this Research Document (electronically or otherwise) in Australia (“Wholesale Clients”). Persons who are not Wholesale Clients may not act upon or rely on the information contained in this Research Document. Any investment or investment activity to which this Research Document relates is available only to Wholesale Clients and will be engaged in only with Wholesale Clients. You should speak to your legal advisor to confirm whether you are a Wholesale Client.

This Research Document has not been and will not be lodged with the Australian Securities and Investments Commission. This Research Document is not a product disclosure statement, prospectus or other disclosure document for the purposes of the Corporations Act. The information contained in this Research Document is general information only.

**Notice to Recipients in Austria**

This Research Document serves information purposes only and does not constitute investment advice nor an investment recommendation and shall not be regarded as solicitation or an offer in particular for purposes of the EU prospectus directive and the corresponding Austrian implementing statute, the Austrian Capital Markets Act (“KMG”) to purchase or sell any of the investment instruments mentioned herein. The illustrations, analyses and conclusions are of general nature only. This Research Document is directed solely to qualified investors (“qualifizierte Anleger”) within the meaning of Section 1 Paragraph 1 Subparagraph 5a KMG.

**Notice to Recipients in Canada**

This Research Document is directed to persons in Canada who are “permitted clients” of a Group Company, as such term is defined National Instrument 31-103 – Registration Requirements, Exemptions and Ongoing Registrant Obligations (“**NI 31-103**”). No Group Company is registered as a broker-dealer with any securities commission or similar regulatory authority in Canada, and therefore they are each restricted to activities permitted in Canada in compliance with the requirements and conditions of the international dealer exemption under NI 31-103, which include, except in limited circumstances, trading with or on behalf of “permitted clients” in foreign securities (including a security issued by an issuer formed under the laws of a foreign jurisdiction). The jurisdictions in which the head office or principal place of business of each Group Company is located are outside of Canada. All or substantially all of the assets of the Group Company are situated outside of Canada. Accordingly, there may be difficulty enforcing legal rights against the Group Company due to the foregoing.

This Research Document is not, and under no circumstances is to be construed as, a general solicitation of an offer to buy, an offer to sell or a public offering of the securities described herein in Canada or any province or territory thereof. Any offer or sale of the securities referred to in this Research Document in Canada will comply with applicable securities laws in Canada concerning the subscription, purchase, holding and resale of the securities. The company that is the subject of this Research Document may not be subject to Canadian reporting and/or other requirements under applicable securities laws in Canada. Available information regarding the company that is the subject of this Research Document may be limited, and that company may not be subject to the same auditing and reporting standards as reporting issuers in Canada.

Under no circumstances is the information contained in this Research Document to be construed as investment advice in any province or territory of Canada, and such information is not tailored to the needs of the recipient. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon these materials, the information contained herein or the merits of the securities described herein, and any representation to the contrary is an offence.

**Notice to Recipients in Guernsey**

None of the Group Companies are licensed by the Guernsey Financial Services Commission (“GFSC”) under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended (the “POI Law”) to carry on controlled investment business in Guernsey. This Research Document is not being, and may not be, circulated or made available to, or directed at, any person in the Bailiwick of Guernsey to the extent that doing so constitutes carrying out a restricted activity (including promotion, subscription, registration, dealing, management, administration, advising or custody) in, or from within, the Bailiwick of Guernsey.

**Notice to Recipients in Israel**

This Research Document is directed only to “Qualified Clients” in Israel, as such term is defined in the Regulation of Investment Advice, Investment Marketing and Investment Portfolio Management Law, 1995 (the “Law”). None of the Group Companies holds a license under the Law, or the insurance required of licensed Investment Advisers under the Law. The “Potential Conflicts of Interests” section of this disclaimer includes a list of the categories of securities and financial assets/instruments with respect to which the Group Companies may have linkage or that are deemed to be preferred by the Group Companies.

**Notice to Recipients in Japan**

None of the Group Companies is registered as a Financial Instruments Business Operator under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “FIEA”). This Research Document may be distributed only to certain professional investors who are the addressees of our email pursuant to an exemption from the registration requirements of, and otherwise in compliance with the FIEA and other relevant laws and regulations of Japan.

**Notice to Recipients in Jersey**

None of the Group Companies are licensed by the Jersey Financial Services Commission under the Financial Services (Jersey) Law 1998, as amended (the “FSJL”) to carry on financial service business in Jersey. To the extent this Research Document contains investment advice for the purposes of the FSJL, the Group Companies are relying on the Financial Services (Investment Business (Overseas Persons – Exemption)) (Jersey) Order 2001.

**Nabaltec****Notice to Recipients in the Principality of Monaco**

This Research Document may only be offered or distributed, directly or indirectly, to Monaco banks duly licensed by the French "Autorité de Contrôle Prudentiel et de Résolution" and fully licensed financial service provider companies regulated by the "Commission de Contrôle des Activités Financières". The Recipients declare being perfectly fluent in English and expressly waive the possibility of a French translation of this Research Document: *Les destinataires du présent document reconnaissent être à même d'en prendre connaissance en langue anglaise et renoncent expressément à une traduction française.*

**Notice to Recipients in New Zealand**

This Research Document may only be distributed by Baader Helvea Limited and Baader Bank AG to wholesale clients as defined in section 5C (Wholesale Clients) of the Financial Advisers Act 2008 (NZ) (FAA). Both Baader Helvea Limited and Baader Bank AG can (i) provide financial adviser services to Wholesale Clients as exempt providers, and (ii) provide broking services under the FAA to persons who are Wholesale Clients and, to the extent that the broking services comprise custodial services as defined in the FAA, are also persons falling within the categories set out in clause 11 of the Financial Advisers (Custodians of FMCA Financial Products) Regulations 2014. Persons who are not Wholesale Clients (as referred to in the FAA) may not act upon or rely on the information contained in this Research Document. Any investment or investment activity to which this Research Document relates is available only to Wholesale Clients and will be engaged in only with Wholesale Clients. You should speak to your legal advisor to confirm whether you are a Wholesale Client.

Baader Bank AG discloses that it is regulated by Bundesanstalt für Finanzdienstleistungsaufsicht of Germany (BaFin) under German laws, which differ from New Zealand laws. Baader Helvea Limited discloses that it is authorized and regulated by the Financial Conduct Authority of the United Kingdom (FCA) under UK laws which differ from New Zealand laws. Neither Baader Helvea Limited nor Baader Bank AG are required to be registered under the Financial Service Providers (Registration and Dispute Resolution) Act 2008 (NZ) (FSPR) due to the territorial scope of the FSPR.

This Research Document has not been and will not be lodged with the New Zealand Registrar of Financial Service Providers. This Research Document is not a product disclosure statement for the purposes of the Financial Markets Conduct Act 2013 (NZ) nor an investment statement or prospectus for the purposes of the Securities Act 1978 (NZ). The information contained in this Research Document is general information only.

**Notice to Recipients in South Africa**

Baader Helvea Limited is exempted from the provisions of the Financial Advisory and Intermediary Services Act, 2002 (FAIS) and is not a registered financial services provider in terms of FAIS. Baader Helvea Limited will provide clients with confirmation of the exemption on request.

**Notice to Recipients in Switzerland**

This document has been prepared without regard to the disclosure standards for prospectuses under art 652a or art 1156 of the Swiss Federal Code of Obligations ("CO"), the Swiss Federal Act on Collective Investment Schemes ("CISA") or the disclosure rules of any stock exchange or regulated trading facility in Switzerland, and does neither constitute a prospectus under such laws, nor a similar communication within the meaning of art 752 CO, nor a simplified prospectus under the CISA.

**Notice to Recipients in Taiwan**

None of the Group Companies is licensed by the Financial Supervisory Commission ("FSC") of Taiwan to conduct the securities advisory or consulting business in Taiwan. The distribution of this Research Document from the jurisdiction outside of Taiwan has not been registered with or approved by the FSC. Neither this Research Document nor the information contained in it is an offer or is intended to be an offer to make with any person, or to induce or attempt to induce any person to enter into or to offer (or intent to offer) to enter into any agreement for or with a view to acquiring, disposing of, subscribing for or underwriting securities.

**Notice to Recipients in the United Kingdom**

This communication is directed to persons in the United Kingdom who (i) are reasonably believed to be such persons as are described in Article 19 ("investment professionals") or Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations, etc.") of the United Kingdom Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or (ii) are persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as "relevant persons"). Persons who are not relevant persons may not act upon or rely on the information contained in this communication. Any investment or investment activity to which this communication relates is available only to relevant persons and will be engaged in only with relevant persons.

**Notice to Recipients in the United States**

This Research Document has been prepared outside the United States by a Baader Helvea Group Europe Company (the "Preparing Group Company"). Neither the Preparing Group Company nor any other Baader Helvea Group Europe Company is registered with the U.S. Securities and Exchange Commission as a broker-dealer in the United States or a member of the Financial Institutions Regulatory Authority ("FINRA"). Baader Helvea Inc. (a Group Company that is a registered U.S. broker-dealer and a member of FINRA) did not contribute to the preparation of this Research Document. This Research Document has been prepared and reviewed by research analysts employed by the Preparing Group Company, who are not associated persons or employees of Baader Helvea Inc., are not registered or qualified as research analysts with FINRA, and are not subject to FINRA rules.

This Research Document may be distributed in the United States only:

1. by a Baader Helvea Group Europe Company to "major US institutional investors" (as defined in, and pursuant to the exemption provided by, Rule 15a-6 under the U.S. Securities Exchange Act of 1934. Neither any Baader Helvea Group Europe Company nor any major US institutional investor receiving this Research Document may distribute it to any other person in the United States; or
2. as affiliate research by Baader Helvea Inc. When distributing this Research Document in the United States as affiliate research, Baader Helvea Inc. accepts responsibility under applicable U.S. laws and regulations (including FINRA Rule 2711) for its content. Additional information on this report is available upon request from Baader Helvea Inc.

Regardless of whether this Research Document is distributed by a Baader Helvea Group Europe Company or by Baader Helvea Inc., orders utilizing the services of the Group Companies for the purchase or sale of the securities that are the subject of this Research Document may be given only to Baader Helvea Inc.

**Other Jurisdictions**

The distribution of this Research Document in any other jurisdiction may be restricted by law, and persons into whose possession this Research Document comes should inform themselves about, and observe, any such restrictions. This Research Document is not directed to, or intended for distribution to or use by, any person or entity that is a citizen or resident of, or located in, any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation.

For additional important legal information, please visit the following link: [http://www.baaderbank.de/disclaimer\\_research.html](http://www.baaderbank.de/disclaimer_research.html).

**Nabaltec**
**Contacts**
**Markus Mayer**

Head of Research  
 +49 89 5150 1818  
 markus.mayer@baaderbank.de

**EQUITY RESEARCH**
**Capital Goods**

Capital Goods (Switzerland)	Emrah Basic, CFA	+41 43 388 9250	ebasic@helvea.com
Capital Goods	Christian Obst, CEFA	+49 89 5150 1805	christian.obst@baaderbank.de
Capital Goods (Germany)	Peter Rothenaicher	+49 89 5150 1817	peter.rothenaicher@baaderbank.de

**Chemicals**

Markus Mayer	+49 89 5150 1818	markus.mayer@baaderbank.de
Andreas von Arx	+41 43 388 9257	avonarx@helvea.com
Konstantin Wiechert	+41 43 388 9213	kwiechert@helvea.com

**Consumer**

Consumer Durables / Food Retail / Non-Food Retail Food & Beverages	Volker Bosse, CEFA Co-Head Equity Research	+49 89 5150 1815	volker.bosse@baaderbank.de
--	---	------------------	----------------------------

**Financial Services**

Gerhard Schwarz, CEFA Andreas von Arx	+49 89 5150 1812 +41 43 388 9257	gerhard.schwarz@baaderbank.de avonarx@helvea.com
--	-------------------------------------	---

**Metals & Mining**

Christian Obst, CEFA	+49 89 5150 1805	christian.obst@baaderbank.de
----------------------	------------------	------------------------------

**Pharma**

Leonildo Delgado, PhD	+41 43 388 9226	ldelgado@helvea.com
-----------------------	-----------------	---------------------

**Real Estate**

Andre Remke, CFA Co-Head Equity Research	+49 89 5150 1816	andre.remke@baaderbank.de
Andreas von Arx	+41 43 388 9257	avonarx@helvea.com

**Technology**

Software / IT Services / Support Services	Knut Woller, CEFA	+49 89 5150 1807	knut.woller@baaderbank.de
---	-------------------	------------------	---------------------------

**Transport**

Christian Obst, CEFA	+49 89 5150 1805	christian.obst@baaderbank.de
----------------------	------------------	------------------------------

**EQUITY STRATEGY**

Gerhard Schwarz, CEFA Head of Equity Strategy	+49 89 5150 1812	gerhard.schwarz@baaderbank.de
--	------------------	-------------------------------

**EQUITY SALES**

Frankfurt	+49 69 1388 1357
London	+44 20 7054 7100
Munich	+49 89 5150 1850
Zurich	+41 43 388 9200

**For North American clients:**

New York	+1 212 935 5150
----------	-----------------

**DERIVATIVES SALES**

Munich	+49 89 5150 1990
--------	------------------

**EQUITY SALES TRADING**

Frankfurt	+49 69 1388 1355
London	+44 20 7054 7100
Munich	+49 89 5150 1870
New York	+1 212 935 5150
Zurich	+41 43 388 9200

**PUBLICATION ADDRESSES**

**Baader Bank AG**  
**Equity Research**  
 Weißenstephaner Strasse 4  
 85716 Unterschleißheim, Germany

T +49 89 5150 1810

**Baader Helvea AG**  
**Equity Research**  
 Talstrasse 9  
 8001 Zurich, Switzerland

T +41 43 388 9250