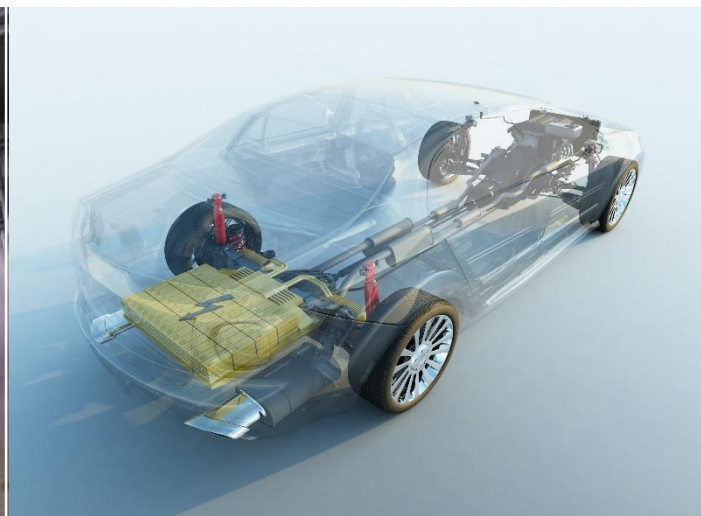


## Our know-how for your safety



Nabaltec: a leading supplier of eco-friendly flame retardant fillers and specialty alumina

## The company in brief

2019 REVENUES

EUR **179.0** MILLION

EBIT 2019

EUR **18.6** MILLION

SECTOR

**CHEMICAL  
INDUSTRY**

EMPLOYEES 2019

**514**

PRODUCTION  
SITES

**3**

EXPORT  
RATIO 2019

**76%**

ABOUT **800** CUSTOMERS

ABOUT **50** REPRESENTATIVE  
OFFICES

IN BUSINESS SINCE **1937**

ANNUAL CAPACITY APPROX.

**260,000<sup>t</sup>**

## Nabaltec Group



**Naprotec LLC**  
Chattanooga, **TN, USA**

**Nabaltec USA**

**Nabaltec USA Corporation**  
Corpus Christi, **TX, USA**



**Nashtec LLC**  
Corpus Christi, **TX, USA**

**Nabaltec**

**Nabaltec AG**  
Schwandorf, **GERMANY**  
Head Office


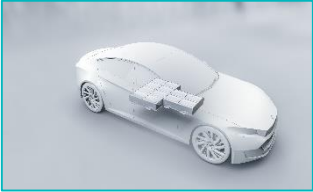
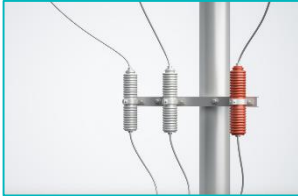

**Nabaltec Asia Pacific**

**Nabaltec Asia Pacific K.K.**  
Tokio, **JAPAN**

**Nabaltec Shanghai**

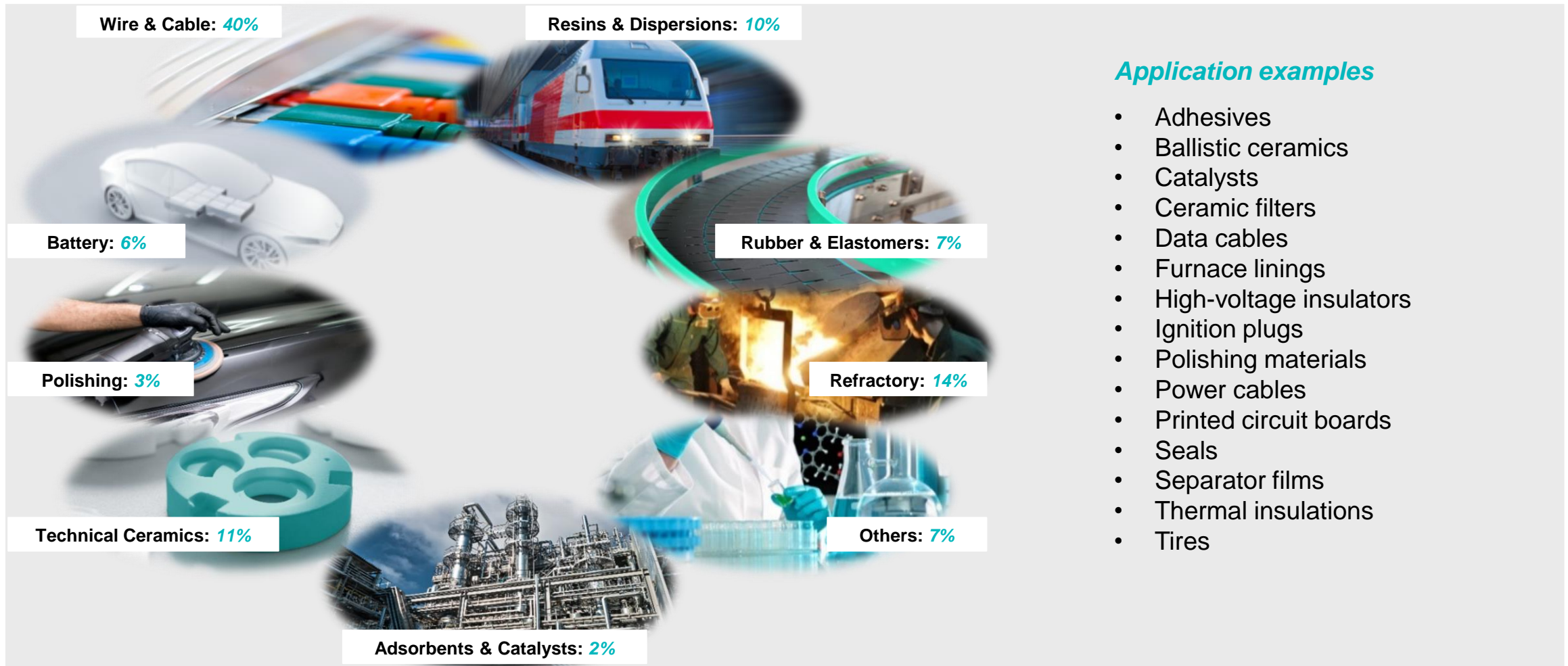
**Nabaltec (Shanghai) Trading Co., Ltd.**  
Shanghai, **CHINA**

## Product segments

Product segments	<b>Functional Fillers</b> 2019 revenues: EUR 122.2 million		<b>Specialty Alumina</b> 2019 revenues: EUR 56.8 million	
Product range	 <b>Aluminum hydroxides</b>	 <b>Boehmites</b>	 <b>Aluminum oxides</b>	 <b>Ceramic bodies</b>
Properties	Eco-friendly, smoke-reducing, flame retardant, temperature-resistant, non-abrasive		Resistant to wear and tear, electric insulation, resistant to corrosion, resistant to changes in temperature	
Capacities	Europe: 140,000 t Aluminum hydroxides 7,000 t Boehmites USA: 65,000 t Aluminum hydroxides		Europe: 85,000 t Specialty alumina	
Raw materials	Aluminum hydroxide		Aluminum oxide	



## Market segments



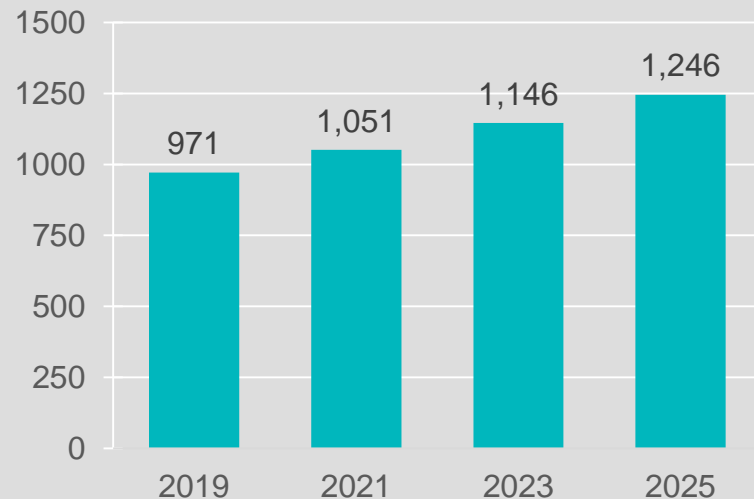
### Application examples

- Adhesives
- Ballistic ceramics
- Catalysts
- Ceramic filters
- Data cables
- Furnace linings
- High-voltage insulators
- Ignition plugs
- Polishing materials
- Power cables
- Printed circuit boards
- Seals
- Separator films
- Thermal insulations
- Tires

## Functional Fillers

### Market volume: aluminum hydroxides for flame retardants

in thousand tons



CAGR 4.2% through 2025 based on ATH (Frost & Sullivan, 2019)

### Oligopolistic competitive environment\*



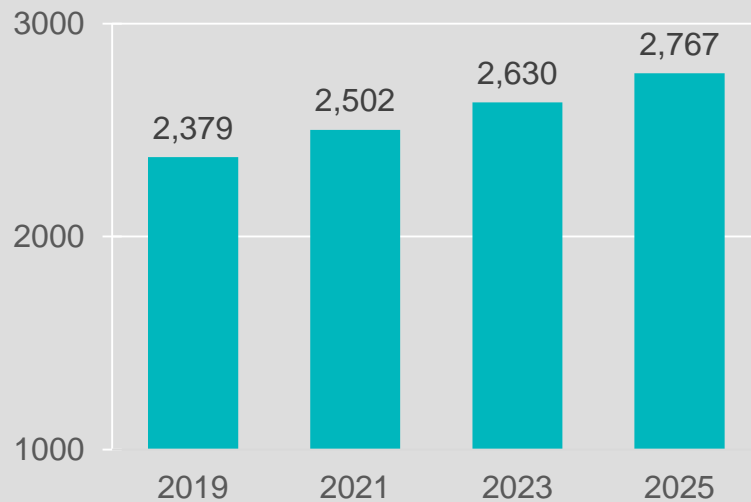
### Market drivers: aluminum hydroxide\*\*

- Increasing fire safety requirements in connection with reduced smoke development (e.g. the CPR in EU)
- Trend towards eco-friendly products (e.g. RoHS & WEEE, circular economy)
- Global growth in plastics (construction, automotive, as well as electronics and electrical)

## Specialty Alumina

### Outlook Nabaltec target market for specialty alumina\*

in thousand tons



CAGR 2.6% through 2025 (Roskill, 2019)

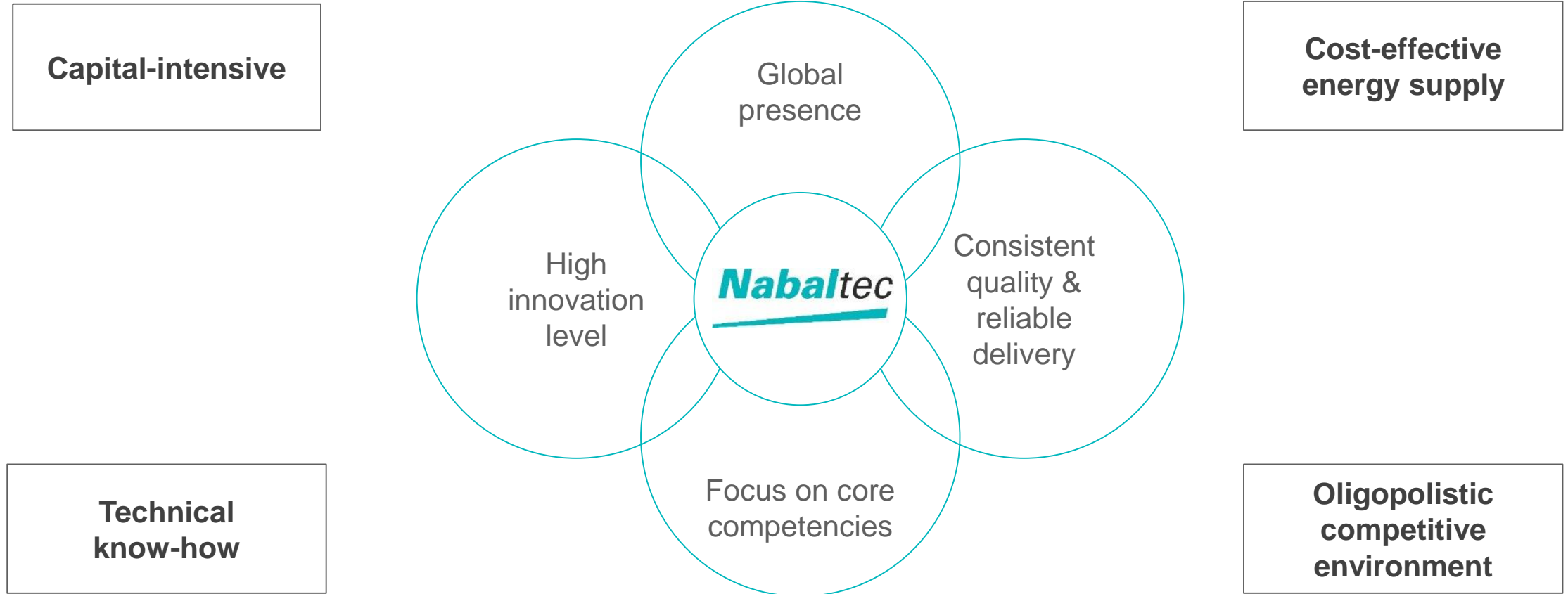
### Oligopolistic competitive environment\*\*



### Market drivers: specialty alumina

- Growing demand for technical ceramics in transportation and mechanical engineering
- Growing demand for high-quality specialty alumina for efficient and sustainable steel production in Eastern Europe, Russia, India and China

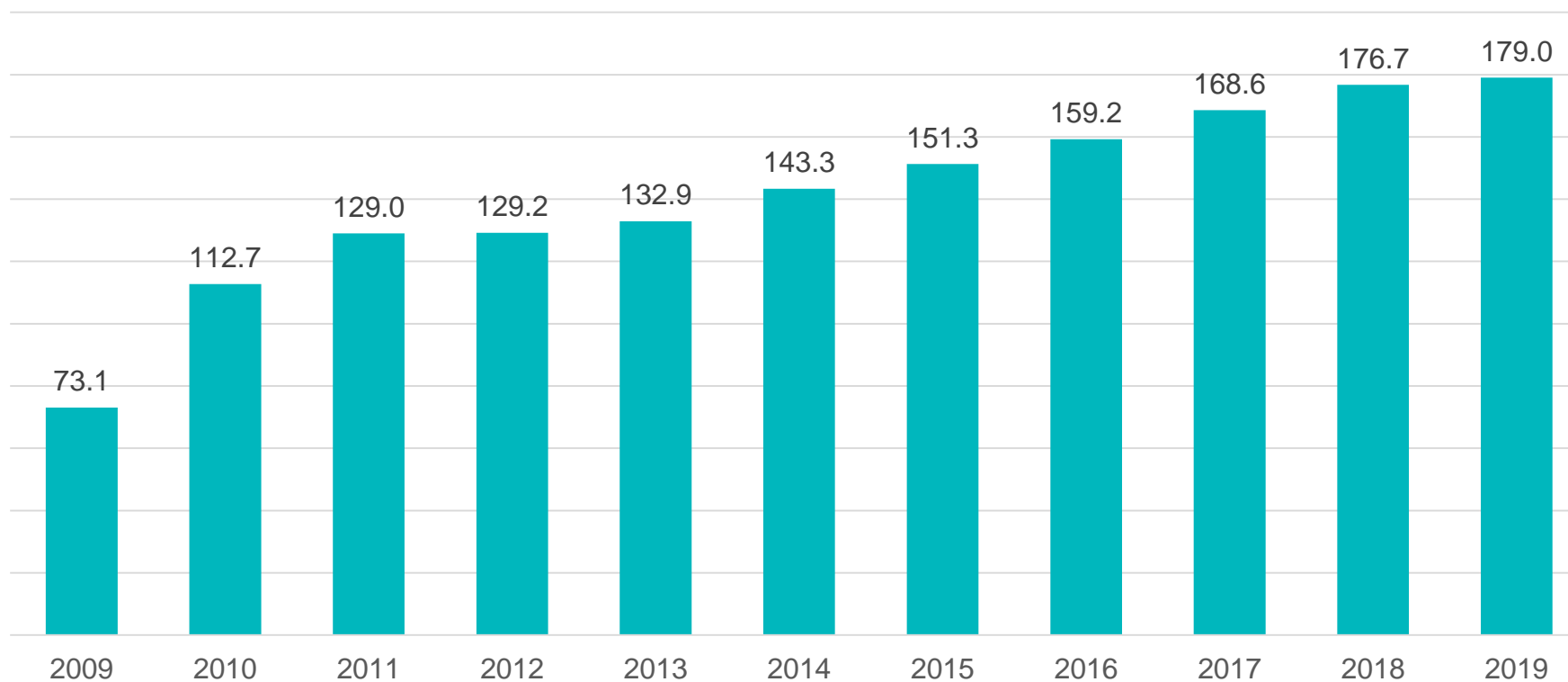
## Market entry barriers & USPs





## Development of revenues from 2009 to 2019

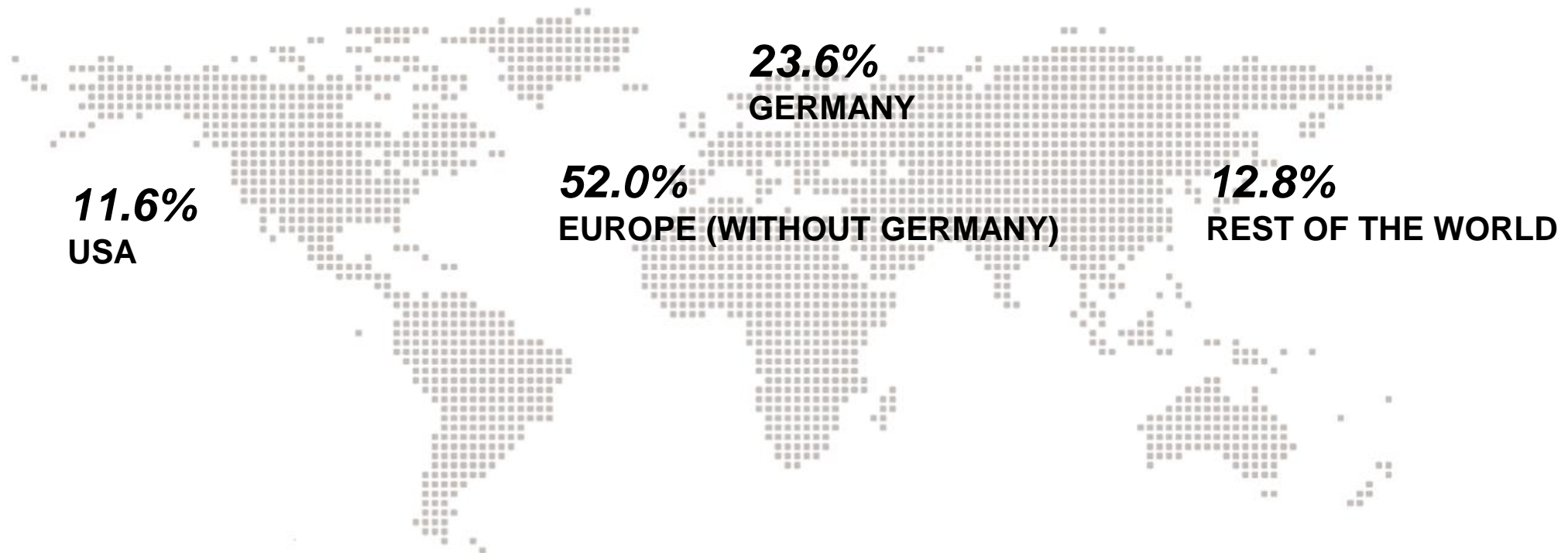
in EUR million



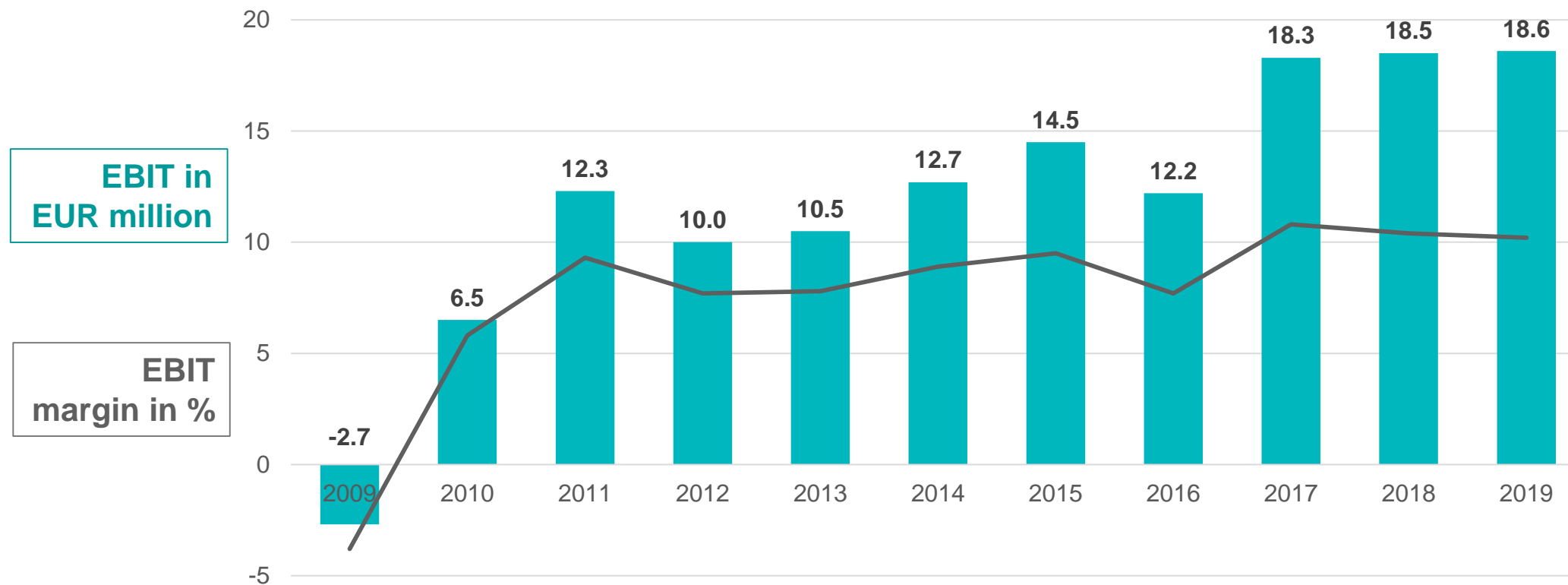
**CAGR 2009 to 2019 = 9.4%**

## Nabaltec revenue shares 2019

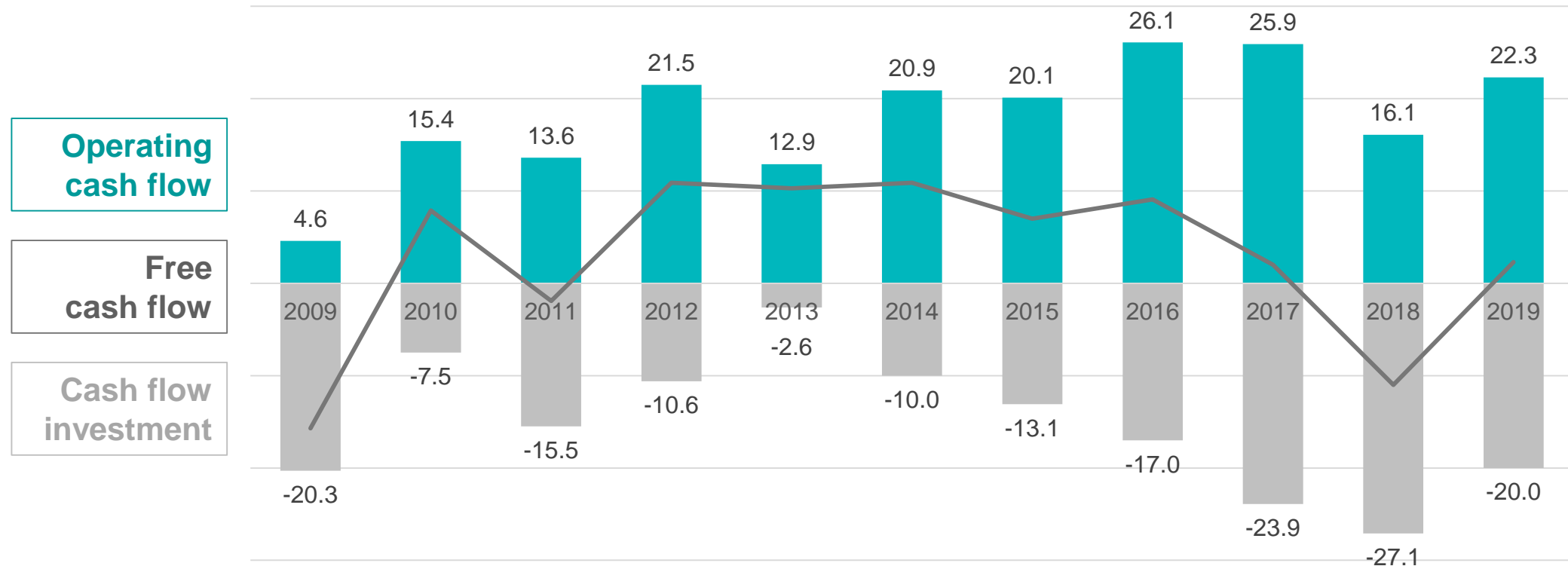
With its own sales companies and a network of international agencies, Nabaltec maintains a global presence.



## Development of EBIT from 2009 to 2019

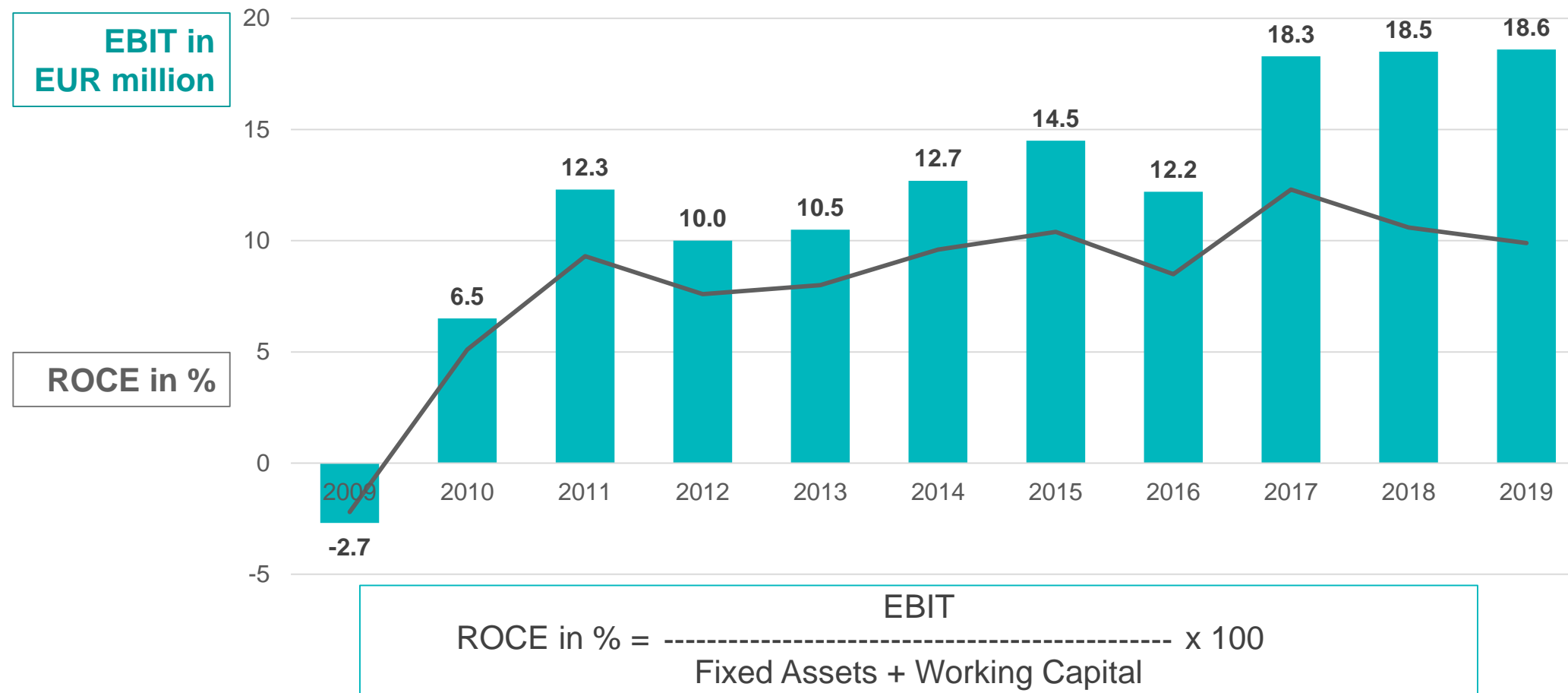


## Development of Cashflow from 2009 to 2019



More than EUR 168 million invested since 2009.

## Development of ROCE from 2009 to 2019



## Key figures Nabaltec Group (IFRS)

in EUR million	Q2/2020	Q2/2019	change	6M/2020	6M/2019	change
Revenues	<b>36.4</b>	49.0	-25.7%	<b>81.8</b>	97.4	-16.0%
Functional Fillers	<b>26.1</b>	33.8	-22.8%	<b>57.8</b>	66.3	-12.8%
Specialty Alumina	<b>10.3</b>	15.2	-32.2%	<b>24.0</b>	31.1	-22.8%
EBITDA	<b>3.7</b>	10.1	-63.4%	<b>9.8</b>	19.0	-48.4%
EBIT	<b>-0.4</b>	6.6	-106.1%	<b>2.1</b>	12.4	-83.1%
Consolidated result after taxes	<b>-1.1</b>	4.1	-126.8%	<b>0.1</b>	7.6	-98.7%
Earnings per share (EUR)	<b>-0.12</b>	0.46	-126.1%	<b>0.02</b>	0.86	-97.7%

- As expected, the market environment worsened significantly in the second quarter due to the impact of the COVID-19 pandemic, which slowed down the development of revenues and consequently earnings accordingly.
- In addition, non-recurring effects in the amount of EUR 2.1 million weighed down consolidated earnings: Write-downs of inventories in the US, extraordinary depreciation due to the closure of the mullite production plant at the Schwandorf site.
- EBIT margin (as a percentage of total performance) was 2.7% in the first six months of 2020, down from 12.7% in the same period of last year.
- Continued positive revenue growth for boehmite in the fast-growing electric mobility market.



## Extracts from the Balance Sheet

in EUR million	06/30/2020	12/31/2019	change
Total assets	<b>224.9</b>	239.6	-6.1%
Non-current assets	<b>158.8</b>	158.8	0.0%
thereof property, plant and equipment	<b>155.2</b>	155.6	-0.3%
Current assets	<b>66.1</b>	80.8	-18.2%
thereof cash and cash equivalents	<b>22.2</b>	29.0	-23.4%
Equity	<b>98.2</b>	98.9	-0.7%
Non-current liabilities	<b>107.0</b>	86.7	23,4%
Current liabilities	<b>19.7</b>	53.9	-63.5%

- Decrease in current liabilities by repayment of the first tranche of the 2015 loan against borrower's note in April 2020, in the amount of EUR 31 million.
- Increase in non-current liabilities by taking out a loan in the amount of EUR 20 million in April 2020.
- Equity ratio of 43.7% (31 December 2019: 41.3%).
- Net debt of EUR 37.8 million (31 December 2019: EUR 41.9 million).

## Cashflow and investments

in EUR million	6M/2020	6M/2019	change
Cash flow from operating activities	<b>13.7</b>	14.7	-6.8%
Cash flow from investing activities	<b>-7.2</b>	-9.0	-20.0%
Free cash flow	<b>6.5</b>	5.7	14.0%
Cash flow from financing activities	<b>-13.4</b>	-2.7	396.3%

- Investments in the first six months of 2020 are rooted mainly in US operations as well as in capacity expansions at the Schwandorf site.
- Free cash flow in the first half of 2020 slightly above from the same period of last year.
- Significant change in cash flow from financing activities due to the payment in connection with the repayment of a loan against borrower's note.
- Cash and cash equivalents amounted to EUR 22.2 million on 30 June 2020.

## COVID-19 pandemic and measures 2020

- The tightening of political measures worldwide to contain the corona pandemic and the associated uncertainties with unforeseeable economic effects are also having a negative impact on Nabaltec's business.
- The placing of orders by customers is very short-term and volatile, reflecting the current uncertainty in the market.
- As expected, effects of the COVID-19 pandemic have weighed heavily on the second quarter. Significant declines in sales in both product segments compared with the prior-year quarter and the previous quarter were recorded.
- Cost-cutting measures were introduced, including a 12% reduction in working hours and corresponding compensation for all employees and the Management Board, effective April 2020.
- Securing the precautionary option of using short-time working.
- Refinancing of the April 2020 repayment of the first tranche of a loan against borrower's note obtained in 2015, in the amount of EUR 31.0 million, was already secured in the fourth quarter of 2019.
- Intensification of permanent customer monitoring.

## Strong organic growth until 2024E\*

- \* A multi-year outlook cannot be seriously presented due to the current situation caused by the corona pandemic and the resulting unforeseeable short and long-term economic effects.
- The forecast for the 2020 Financial Year, which was prepared at the beginning of March 2020 with slight revenue growth and an EBIT margin in the upper single-digit percentage range, has been suspended due to the corona pandemic.

## Share

- ISIN: DE000A0KPPR7
- 2019 trading volume: average of 4,454 shares per day (2018: 3,105 shares)\*

### Baader Bank:

- Buy, price target EUR 28.00 (07/2020)

### Hauck & Aufhäuser:

- Buy, price target EUR 33.00 (09/2020)

### Shareholder structure:

- 28.20% Heckmann family
- 27.17% Witzany family
- 44.63% Free float



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## Corporate calendar

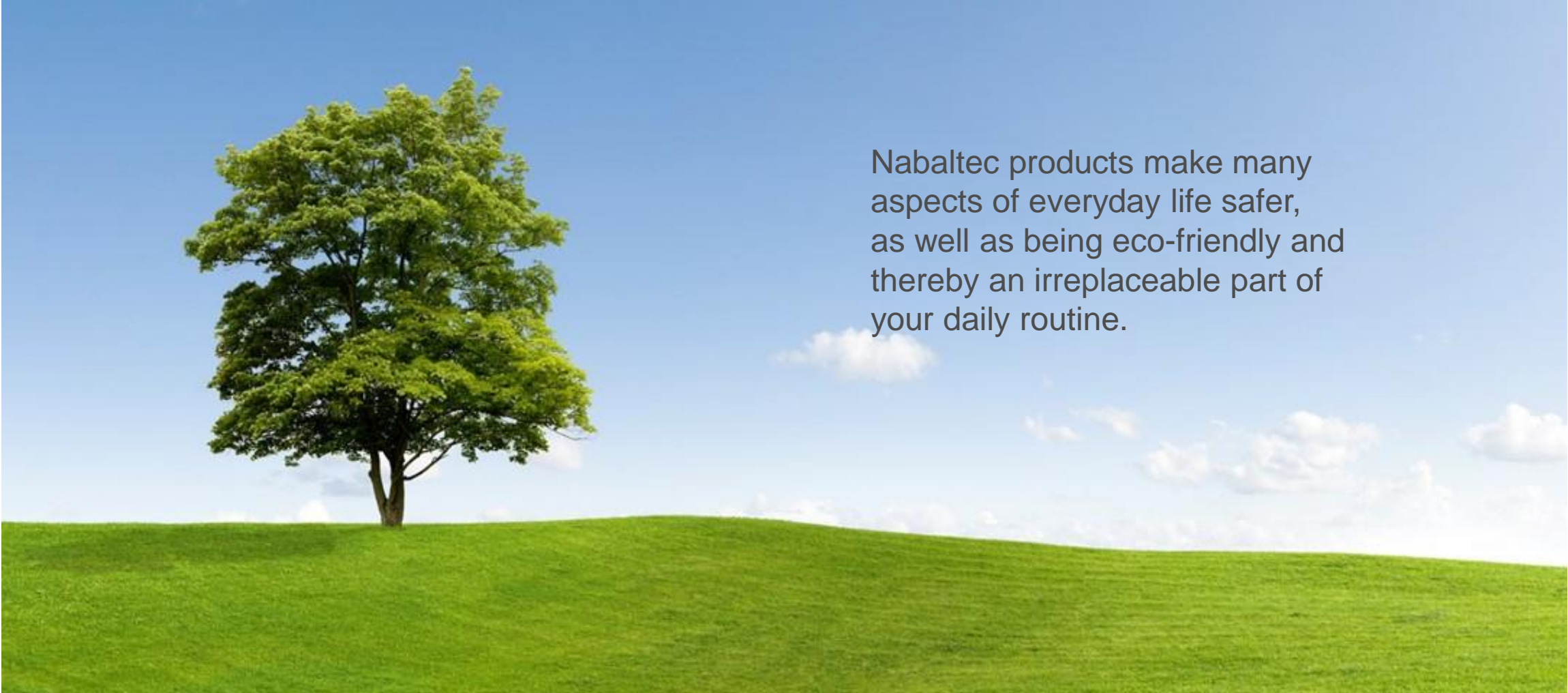
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**26 November 2020**

Interim Report 3/2020

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Nabaltec products make many aspects of everyday life safer, as well as being eco-friendly and thereby an irreplaceable part of your daily routine.

## Contact

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### Rounding

Due to computational reasons, rounding differences may appear in the percentages and figures in the tables, graphics and text.

### Statements relating to the future

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