

# Nabaltec

## Germany - Chemicals/ Specialty Chemicals

**Buy** (old: Buy)

**Price target: EUR 17.10** (old: EUR 17.10)

<b>Price:</b>	EUR 9.77	<b>Next result:</b>	Q1 31.05.11
<b>Bloomberg:</b>	NTG GR	<b>Market cap:</b>	EUR 78.2 m
<b>Reuters:</b>	NTGG.DE	<b>Enterprise Value:</b>	EUR 148.0 m

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### Roadshow Feedback London - the best is yet to come

Prel. Q1 results released last week revealed the strong operational performance with sales up 45% yoy and an increase in the EBIT margin by 7pp to 11%. However, with utilisation and prices moving up further and new high margin products expected to start contributing to sales and profits, the outlook is bright. Main points:

**Utilisation** in high performance mineral based flame retardants and capex needs: Whilst utilisation was c. 85% (90k tpa) in '10, **it is today at a maximum run rate 95%** at both of its plants, i.e. in Germany and the US. Hence, Nabaltec needs to invest as demand continues to increase due to tighter regulation at the scrutiny of toxic halogenated flame retardants and as electronic OEMs decided to go green. To satisfy demand Nabaltec is in the process to add 15k tpa in Germany and 3-5k tpa in the US lifting total capacity to c. 110k tpa (+20% yoy) by year end.

**Pricing:** Price levels are improving as capacities have become tight for mineral based flame retardants fillers in this oligopolistic market (only 4 relevant players in the western hemisphere) characterised by substantial capital requirements. The **full effect** of price increases of up to 20% for high performance fillers **should be seen from Q2** when all customer contracts will run under new terms.

**Financing:** Capex requirements of c. € 15m and scheduled debt redemption of c. € 8m should be more than covered by an **expected CFO of € 11m and an inflow of € 29m from the bond issue** at the end of 2010. A potential mirroring of the capacity of the US plant (c. \$ 25m) would be financed by the JV company with 80% debt and 20% equity. Nabaltec owns 50.5% and Sherwin Alumina (Glencore) 49.5%.

**New products:** Investments of € 23m **have not yet led to any material revenue/profit contribution**. However, 5k tpa capacity for its boehmite, which can be used as environmental flame retardant on PCBs and 10k tpa capacity for its stabiliser which can be used as an eco friendly stabiliser in PVC (e.g. in window frames) could add up to € 30m p.a. to sales. As fixed costs are in place and as these products achieve gross margins above 60%, the **ramp up should strongly add to profits**.

Meetings confirmed our positive view and without any exogenous shocks Nabaltec looks set to continue to deliver strong results. **BUY, PT € 17.10 based on FCFY '12E.**



Source: Company data, Hauck & Aufhäuser

**High/low 52 weeks:** 9.77 / 3.87  
**Price/Book Ratio:** 1.6  
**Relative performance (SDAX):**  
3 months 26.6 %  
6 months 25.8 %  
12 months 105.4 %

### Changes in estimates

		Sales	EBIT	EPS
2011	old:	140.7	13.7	0.67
	Δ	-	-	-
2012	old:	163.0	20.0	1.25
	Δ	-	-	-
2013	old:	183.0	25.5	1.80
	Δ	-	-	-

### Key share data:

Number of shares: (in m pcs) 8.0  
Authorised capital: (in € m) 3.0  
Book value per share: (in €) 6.0  
Ø trading volume: (12 months) 20,000

### Major shareholders:

Free Float 37.5 %  
Family Heckmann 32.9 %  
Family Witzany 29.7 %

### 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.

Y/E 31.12 (EUR m)	2007	2008	2009	2010	2011E	2012E	2013E
Sales	88.1	96.3	73.1	112.7	140.7	163.0	183.0
Sales growth	23 %	9 %	-24 %	54 %	25 %	16 %	12 %
EBITDA	8.4	9.3	3.7	14.3	21.8	29.0	35.4
EBIT	4.0	4.1	-2.7	6.5	13.7	20.0	25.5
Net income	2.4	1.1	-5.0	1.8	5.3	10.0	14.4
Net debt	33.8	42.9	57.6	52.9	56.8	55.2	42.0
Net gearing	68.4 %	87.5 %	128.4 %	115.0 %	118.7 %	97.6 %	59.9 %
Net Debt/EBITDA	4.0	4.6	15.4	3.7	2.6	1.9	1.2
EPS fully diluted	0.29	0.14	-0.63	0.22	0.67	1.25	1.80
CPS	2.06	0.63	0.02	0.28	0.45	1.17	1.79
DPS	0.00	0.00	0.00	0.00	0.10	0.20	0.30
Dividend yield	1.0 %	0.0 %	0.0 %	0.0 %	1.0 %	2.0 %	3.1 %
Gross profit margin	43.9 %	42.8 %	46.7 %	46.0 %	46.9 %	47.9 %	48.9 %
EBITDA margin	9.5 %	9.7 %	5.1 %	12.7 %	15.5 %	17.8 %	19.3 %
EBIT margin	4.5 %	4.3 %	-3.7 %	5.8 %	9.7 %	12.2 %	14.0 %
ROCE	4.6 %	4.2 %	-2.5 %	5.3 %	10.1 %	14.9 %	18.8 %
EV/sales	1.4	1.4	2.0	1.3	1.1	0.9	0.7
EV/EBITDA	14.6	14.0	39.3	10.1	6.8	5.0	3.8
EV/EBIT	30.6	31.7	-54.3	22.0	10.8	7.3	5.2
PER	22.6	70.4	-15.6	43.9	14.6	7.8	5.4
Adjusted FCF yield	4.3 %	3.2 %	-0.5 %	5.3 %	7.5 %	10.9 %	15.1 %

Source: Company data, Hauck & Aufhäuser Close price as of: 06.05.2011

## Financials

Profit and loss (EUR m)	2007	2008	2009	2010	2011E	2012E	2013E
<b>Net sales</b>	<b>88.1</b>	<b>96.3</b>	<b>73.1</b>	<b>112.7</b>	<b>140.7</b>	<b>163.0</b>	<b>183.0</b>
<i>Sales growth</i>	23.1 %	9.3 %	-24.1 %	54.3 %	24.8 %	15.9 %	12.2 %
Increase/decrease in finished goods and work-in-process	1.3	4.4	-1.7	-0.1	0.0	0.0	0.0
<b>Total sales</b>	<b>89.4</b>	<b>100.6</b>	<b>71.4</b>	<b>112.6</b>	<b>140.7</b>	<b>163.0</b>	<b>183.0</b>
Other operating income	2.4	1.9	1.0	2.2	1.4	1.5	1.5
Material expenses	50.2	57.5	38.1	60.8	74.8	84.9	93.5
Personnel expenses	15.6	17.1	15.6	19.0	21.1	22.7	24.5
Other operating expenses	17.6	18.6	15.0	20.7	24.5	27.8	31.1
Total operating expenses	81.1	91.3	67.6	98.3	118.9	134.0	147.6
<b>EBITDA</b>	<b>8.4</b>	<b>9.3</b>	<b>3.7</b>	<b>14.3</b>	<b>21.8</b>	<b>29.0</b>	<b>35.4</b>
Depreciation	4.4	5.2	6.4	7.8	8.1	9.1	9.9
<b>EBITA</b>	<b>4.0</b>	<b>4.1</b>	<b>-2.7</b>	<b>6.5</b>	<b>13.7</b>	<b>20.0</b>	<b>25.5</b>
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBIT</b>	<b>4.0</b>	<b>4.1</b>	<b>-2.7</b>	<b>6.5</b>	<b>13.7</b>	<b>20.0</b>	<b>25.5</b>
Interest income	0.5	0.6	0.1	0.2	0.4	0.2	0.1
Interest expenses	3.3	3.7	4.4	5.3	5.6	5.0	4.2
Other financial result	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial result	-2.8	-3.1	-4.3	-5.1	-5.2	-4.8	-4.1
<b>Recurring pretax income from continuing operations</b>	<b>1.2</b>	<b>1.0</b>	<b>-7.0</b>	<b>1.4</b>	<b>8.5</b>	<b>15.1</b>	<b>21.5</b>
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Earnings before taxes</b>	<b>1.2</b>	<b>1.0</b>	<b>-7.0</b>	<b>1.4</b>	<b>8.5</b>	<b>15.1</b>	<b>21.5</b>
Taxes	0.5	1.2	-1.7	-0.7	2.6	4.5	6.4
<b>Net income from continuing operations</b>	<b>0.7</b>	<b>-0.2</b>	<b>-5.3</b>	<b>2.1</b>	<b>6.0</b>	<b>10.6</b>	<b>15.0</b>
Result from discontinued operations (net of tax)	1.1	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income</b>	<b>0.7</b>	<b>-0.2</b>	<b>-5.3</b>	<b>2.1</b>	<b>6.0</b>	<b>10.6</b>	<b>15.0</b>
Minority interest	-1.7	-1.3	-0.3	0.3	0.6	0.6	0.6
<b>Net income (net of minority interest)</b>	<b>2.4</b>	<b>1.1</b>	<b>-5.0</b>	<b>1.8</b>	<b>5.3</b>	<b>10.0</b>	<b>14.4</b>
Average number of shares	8.0	8.0	8.0	8.0	8.0	8.0	8.0
<b>EPS reported</b>	<b>0.29</b>	<b>0.14</b>	<b>-0.63</b>	<b>0.22</b>	<b>0.67</b>	<b>1.25</b>	<b>1.80</b>

Profit and loss (common size)	2007	2008	2009	2010	2011E	2012E	2013E
<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	1.5 %	4.5 %	-2.3 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Total sales</b>	<b>101.5 %</b>	<b>104.5 %</b>	<b>97.7 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>
Other operating income	2.8 %	2.0 %	1.4 %	1.9 %	1.0 %	0.9 %	0.8 %
Material expenses	57.0 %	59.8 %	52.1 %	54.0 %	53.1 %	52.1 %	51.1 %
Personnel expenses	17.8 %	17.8 %	21.3 %	16.9 %	15.0 %	13.9 %	13.4 %
Other operating expenses	20.0 %	19.3 %	20.5 %	18.3 %	17.4 %	17.1 %	17.0 %
Total operating expenses	92.0 %	94.9 %	92.6 %	87.2 %	84.5 %	82.2 %	80.7 %
<b>EBITDA</b>	<b>9.5 %</b>	<b>9.7 %</b>	<b>5.1 %</b>	<b>12.7 %</b>	<b>15.5 %</b>	<b>17.8 %</b>	<b>19.3 %</b>
Depreciation	5.0 %	5.4 %	8.8 %	6.9 %	5.7 %	5.6 %	5.4 %
<b>EBITA</b>	<b>4.5 %</b>	<b>4.3 %</b>	<b>-3.7 %</b>	<b>5.8 %</b>	<b>9.7 %</b>	<b>12.2 %</b>	<b>14.0 %</b>
Amortisation of goodwill	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Amortisation of intangible assets	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Impairment charges	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>EBIT</b>	<b>4.5 %</b>	<b>4.3 %</b>	<b>-3.7 %</b>	<b>5.8 %</b>	<b>9.7 %</b>	<b>12.2 %</b>	<b>14.0 %</b>
Interest income	0.5 %	0.6 %	0.2 %	0.2 %	0.3 %	0.1 %	0.1 %
Interest expenses	3.7 %	3.8 %	6.1 %	4.7 %	4.0 %	3.1 %	2.3 %
Other financial result	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Financial result	-3.2 %	-3.2 %	-5.9 %	-4.5 %	-3.7 %	-3.0 %	-2.2 %
<b>Recurring pretax income from continuing operations</b>	<b>1.3 %</b>	<b>1.1 %</b>	<b>-9.6 %</b>	<b>1.3 %</b>	<b>6.1 %</b>	<b>9.3 %</b>	<b>11.7 %</b>
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Earnings before taxes</b>	<b>1.3 %</b>	<b>1.1 %</b>	<b>-9.6 %</b>	<b>1.3 %</b>	<b>6.1 %</b>	<b>9.3 %</b>	<b>11.7 %</b>
Tax rate	43.7 %	118.3 %	24.2 %	-45.5 %	30.0 %	30.0 %	30.0 %
<b>Net income from continuing operations</b>	<b>0.7 %</b>	<b>-0.2 %</b>	<b>-7.3 %</b>	<b>1.9 %</b>	<b>4.2 %</b>	<b>6.5 %</b>	<b>8.2 %</b>
Income from discontinued operations (net of tax)	1.2 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Net income</b>	<b>0.7 %</b>	<b>-0.2 %</b>	<b>-7.3 %</b>	<b>1.9 %</b>	<b>4.2 %</b>	<b>6.5 %</b>	<b>8.2 %</b>
Minority interest	-1.9 %	-1.4 %	-0.4 %	0.3 %	0.4 %	0.3 %	0.4 %
<b>Net income (net of minority interest)</b>	<b>2.7 %</b>	<b>1.2 %</b>	<b>-6.9 %</b>	<b>1.6 %</b>	<b>3.8 %</b>	<b>6.2 %</b>	<b>7.9 %</b>

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2007	2008	2009	2010	2011E	2012E	2013E
<b>Intangible assets</b>	<b>0.3</b>	<b>0.4</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	82.5	96.9	108.5	109.0	115.9	121.9	120.0
Financial assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>FIXED ASSETS</b>	<b>82.8</b>	<b>97.3</b>	<b>108.7</b>	<b>109.2</b>	<b>116.2</b>	<b>122.1</b>	<b>120.2</b>
Inventories	17.8	28.4	19.2	21.4	26.7	31.0	34.8
Accounts receivable	2.8	1.3	0.5	1.6	2.0	2.3	2.6
Other current assets	11.6	3.2	3.0	3.5	3.5	3.5	0.0
Liquid assets	1.7	1.9	0.5	29.0	15.7	8.7	11.7
Deferred taxes	0.0	0.0	0.0	1.3	0.0	0.0	0.0
Deferred charges and prepaid expenses	0.2	0.0	0.0	0.0	0.0	0.0	0.0
<b>CURRENT ASSETS</b>	<b>34.1</b>	<b>34.9</b>	<b>23.1</b>	<b>56.8</b>	<b>48.0</b>	<b>45.4</b>	<b>49.1</b>
<b>TOTAL ASSETS</b>	<b>116.9</b>	<b>132.2</b>	<b>131.8</b>	<b>166.0</b>	<b>164.1</b>	<b>167.5</b>	<b>169.3</b>
SHAREHOLDERS EQUITY	49.3	49.0	44.9	46.0	47.8	56.6	70.1
MINORITY INTEREST	-1.9	-4.0	-4.0	-4.0	-1.0	0.0	0.0
Long-term debt	28.7	34.6	53.4	73.6	64.5	55.9	48.7
Provisions for pensions and similar obligations	9.6	9.6	11.1	13.1	13.1	13.1	13.1
Other provisions	2.0	1.5	1.3	0.8	0.8	0.8	0.0
<b>Non-current liabilities</b>	<b>40.2</b>	<b>45.8</b>	<b>65.8</b>	<b>87.4</b>	<b>78.3</b>	<b>69.7</b>	<b>61.7</b>
short-term liabilities to banks	6.8	10.2	4.7	8.3	8.0	8.0	5.0
Accounts payable	11.4	9.5	6.1	11.2	14.0	16.3	18.3
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)	7.7	17.6	13.1	14.2	14.2	14.2	14.2
Deferred taxes	3.4	3.9	2.1	2.7	2.7	2.7	0.0
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Current liabilities</b>	<b>29.3</b>	<b>41.3</b>	<b>25.9</b>	<b>36.5</b>	<b>39.0</b>	<b>41.2</b>	<b>37.5</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>117.0</b>	<b>132.2</b>	<b>132.7</b>	<b>166.0</b>	<b>164.1</b>	<b>167.6</b>	<b>169.3</b>

Balance sheet (common size)	2007	2008	2009	2010	2011E	2012E	2013E
<b>Intangible assets</b>	<b>0.2 %</b>	<b>0.3 %</b>	<b>0.2 %</b>	<b>0.1 %</b>	<b>0.1 %</b>	<b>0.1 %</b>	<b>0.1 %</b>
Property, plant and equipment	70.5 %	73.3 %	81.8 %	65.7 %	70.6 %	72.7 %	70.9 %
Financial assets	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>FIXED ASSETS</b>	<b>70.7 %</b>	<b>73.6 %</b>	<b>81.9 %</b>	<b>65.8 %</b>	<b>70.8 %</b>	<b>72.8 %</b>	<b>71.0 %</b>
Inventories	15.3 %	21.5 %	14.5 %	12.9 %	16.3 %	18.5 %	20.5 %
Accounts receivable	2.4 %	1.0 %	0.4 %	1.0 %	1.2 %	1.4 %	1.5 %
Other current assets	9.9 %	2.4 %	2.2 %	2.1 %	2.1 %	2.1 %	0.0 %
Liquid assets	1.4 %	1.5 %	0.4 %	17.4 %	9.6 %	5.2 %	6.9 %
Deferred taxes	0.0 %	0.0 %	0.0 %	0.8 %	0.0 %	0.0 %	0.0 %
Deferred charges and prepaid expenses	0.1 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>CURRENT ASSETS</b>	<b>29.1 %</b>	<b>26.4 %</b>	<b>17.4 %</b>	<b>34.2 %</b>	<b>29.2 %</b>	<b>27.1 %</b>	<b>29.0 %</b>
<b>TOTAL ASSETS</b>	<b>99.9 %</b>	<b>100.0 %</b>	<b>99.4 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>
SHAREHOLDERS EQUITY	42.2 %	37.1 %	33.8 %	27.7 %	29.1 %	33.8 %	41.4 %
MINORITY INTEREST	-1.6 %	-3.0 %	-3.0 %	-2.4 %	-0.6 %	0.0 %	0.0 %
Long-term debt	24.5 %	26.2 %	40.3 %	44.3 %	39.3 %	33.4 %	28.8 %
Provisions for pensions and similar obligations	8.2 %	7.3 %	8.4 %	7.9 %	8.0 %	7.8 %	7.7 %
Other provisions	1.7 %	1.2 %	1.0 %	0.5 %	0.5 %	0.5 %	0.0 %
<b>Non-current liabilities</b>	<b>34.4 %</b>	<b>34.7 %</b>	<b>49.6 %</b>	<b>52.7 %</b>	<b>47.7 %</b>	<b>41.6 %</b>	<b>36.5 %</b>
short-term liabilities to banks	5.8 %	7.7 %	3.6 %	5.0 %	4.9 %	4.8 %	3.0 %
Accounts payable	9.7 %	7.2 %	4.6 %	6.8 %	8.6 %	9.7 %	10.8 %
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)	6.6 %	13.3 %	9.8 %	8.6 %	8.7 %	8.5 %	8.4 %
Deferred taxes	2.9 %	3.0 %	1.6 %	1.6 %	1.7 %	1.6 %	0.0 %
Deferred income	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Current liabilities</b>	<b>25.0 %</b>	<b>31.2 %</b>	<b>19.6 %</b>	<b>22.0 %</b>	<b>23.8 %</b>	<b>24.6 %</b>	<b>22.1 %</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)	2007	2008	2009	2010	2011E	2012E	2013E
Net profit/loss	0.7	-0.2	-5.3	2.1	6.0	10.6	15.0
Depreciation of fixed assets (incl. leases)	4.4	5.2	6.4	7.8	8.1	9.1	9.9
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	11.4	0.0	-0.9	-0.8	0.0	0.0	0.0
Cash flow from operations before changes in w/c	16.5	5.0	0.2	9.1	14.0	19.7	24.9
Increase/decrease in inventory	-3.5	-10.6	9.2	-2.2	-5.3	-4.2	-3.8
Increase/decrease in accounts receivable	-0.4	1.5	1.4	-1.7	-0.4	-0.3	-0.3
Increase/decrease in accounts payable	1.5	-1.9	-10.5	4.1	2.8	2.2	2.0
Increase/decrease in other working capital positions	2.3	6.5	0.0	0.0	0.0	0.0	0.0
Increase/decrease in working capital	0.0	-4.5	0.0	0.1	-2.9	-2.3	-2.1
<b>Cash flow from operating activities</b>	<b>16.4</b>	<b>0.6</b>	<b>0.2</b>	<b>9.2</b>	<b>11.1</b>	<b>17.3</b>	<b>22.8</b>
CAPEX	27.0	21.5	20.4	7.5	15.0	15.0	8.0
Payments for acquisitions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial investments	0.2	0.0	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	0.0	5.2	0.0	0.0	0.0	0.0	0.0
<b>Cash flow from investing activities</b>	<b>-27.2</b>	<b>-16.3</b>	<b>-20.4</b>	<b>-7.5</b>	<b>-15.0</b>	<b>-15.0</b>	<b>-8.0</b>
Cash flow before financing	-10.8	-15.8	-20.2	1.7	-3.9	2.3	14.8
Increase/decrease in debt position	2.5	9.9	18.8	28.7	-9.4	-8.6	-10.2
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividends paid	0.8	0.8	0.0	0.0	0.0	0.8	1.6
Others	-0.3	6.8	0.0	-2.0	0.0	0.0	0.0
Effects of exchange rate changes on cash	-0.1	0.1	0.0	0.0	0.0	0.0	0.0
<b>Cash flow from financing activities</b>	<b>1.5</b>	<b>15.9</b>	<b>18.8</b>	<b>26.7</b>	<b>-9.4</b>	<b>-9.4</b>	<b>-11.8</b>
Increase/decrease in liquid assets	-9.4	0.2	-1.4	28.4	-13.3	-7.0	3.0
<b>Liquid assets at end of period</b>	<b>1.7</b>	<b>2.0</b>	<b>0.6</b>	<b>29.0</b>	<b>15.8</b>	<b>8.7</b>	<b>11.8</b>

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2007	2008	2009	2010	2011E	2012E	2013E
Domestic	28.2	33.7	22.0	35.1	42.0	46.0	50.0
yoy change	13.8 %	19.5 %	-34.8 %	59.4 %	19.8 %	9.5 %	8.7 %
Rest of Europe	48.5	48.9	37.3	50.2	62.4	74.9	85.0
yoy change	25.4 %	0.7 %	-23.7 %	34.6 %	24.4 %	20.0 %	13.5 %
NAFTA	6.2	7.8	7.8	17.1	22.0	25.0	28.0
yoy change	44.8 %	26.0 %	0.6 %	119.5 %	28.4 %	13.6 %	12.0 %
Asia Pacific	0.0	0.0	0.0	0.0	0.0	0.0	0.0
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Rest of world	5.7	5.9	6.0	10.4	14.0	17.0	20.6
yoy change	33.3 %	4.6 %	0.9 %	72.8 %	35.0 %	21.4 %	21.2 %
<b>TTL</b>	<b>88.6</b>	<b>96.3</b>	<b>73.1</b>	<b>112.7</b>	<b>140.4</b>	<b>162.9</b>	<b>183.6</b>
yoy change	23.0 %	8.7 %	-24.1 %	54.3 %	24.6 %	16.0 %	12.7 %

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2007	2008	2009	2010	2011E	2012E	2013E
<b>P&amp;L growth analysis</b>							
Sales growth	23.1 %	9.3 %	-24.1 %	54.3 %	24.8 %	15.9 %	12.2 %
EBITDA growth	27.0 %	11.5 %	-59.9 %	283.5 %	52.1 %	33.3 %	21.9 %
EBIT growth	-0.7 %	3.6 %	-165.6 %	-342.1 %	109.2 %	45.7 %	28.0 %
EPS growth	-1032.8 %	-52.9 %	-550.9 %	-135.5 %	200.0 %	87.9 %	43.6 %
<b>Efficiency</b>							
Total operating costs / sales	92.0 %	94.9 %	92.6 %	87.2 %	84.5 %	82.2 %	80.7 %
Sales per employee	290.8	285.7	210.5	312.2	369.2	416.9	456.2
EBITDA per employee	27.6	27.6	10.8	39.7	57.2	74.3	88.3
<b>Balance sheet analysis</b>							
Avg. working capital / sales	9.1 %	15.3 %	23.2 %	11.3 %	9.4 %	9.7 %	9.9 %
Inventory turnover (sales/inventory)	4.9	3.4	3.8	5.3	5.3	5.3	5.3
Trade debtors in days of sales	11.5	4.9	2.5	5.2	5.2	5.2	5.2
A/P turnover [(A/P*365)/sales]	47.2	36.0	30.3	36.4	36.4	36.4	36.4
Cash conversion cycle (days)	58.4	124.9	128.4	66.2	67.2	68.4	69.7
<b>Cash flow analysis</b>							
Free cash flow	-10.6	-20.9	-20.2	1.7	-3.9	2.3	14.8
Free cash flow/sales	-12.0 %	-21.7 %	-27.6 %	1.5 %	-2.8 %	1.4 %	8.1 %
FCF / net profit	-448.6 %	-1882.6 %	402.6 %	97.5 %	-72.6 %	23.4 %	102.9 %
FCF yield	-13.5 %	-26.8 %	-25.8 %	2.2 %	-5.0 %	3.0 %	19.0 %
Capex / depn	622.4 %	413.9 %	316.8 %	96.5 %	185.5 %	165.1 %	81.2 %
Capex / maintenance capex	617.4 %	413.9 %	316.8 %	107.1 %	200.0 %	187.5 %	94.1 %
Capex / sales	30.9 %	22.3 %	27.9 %	6.7 %	10.7 %	n/a	n/a
<b>Security</b>							
Net debt	33.8	42.9	57.6	52.9	56.8	55.2	42.0
Net Debt/EBITDA	4.0	4.6	15.4	3.7	2.6	1.9	1.2
Net debt / equity	0.7	0.9	1.3	1.1	1.2	1.0	0.6
Interest cover	1.2	1.1	0.0	1.2	2.5	4.0	6.1
Dividend payout ratio	33.9 %	0.0 %	0.0 %	0.0 %	14.5 %	15.8 %	16.7 %
<b>Asset utilisation</b>							
Capital employed turnover	0.9	1.0	0.7	0.8	1.1	1.2	1.3
Operating assets turnover	1.0	0.8	0.6	0.9	1.1	1.2	1.3
Plant turnover	1.1	1.0	0.7	1.0	1.2	1.3	1.5
Inventory turnover (sales/inventory)	4.9	3.4	3.8	5.3	5.3	5.3	5.3
<b>Returns</b>							
ROCE	4.6 %	4.2 %	-2.5 %	5.3 %	10.1 %	14.9 %	18.8 %
ROE	4.8 %	2.3 %	-11.2 %	3.9 %	11.2 %	17.7 %	20.5 %
<b>Other</b>							
Interest paid / avg. debt	10.1 %	9.1 %	8.6 %	7.6 %	7.2 %	7.4 %	7.1 %
No. employees (average)	303	337	347	361	381	391	401
Number of shares	8.0	8.0	8.0	8.0	8.0	8.0	8.0
DPS	0.0	0.0	0.0	0.0	0.1	0.2	0.3
EPS reported	0.29	0.14	-0.63	0.22	0.67	1.25	1.80
<b>Valuation ratios</b>							
P/BV	1.6	1.6	1.7	1.7	1.6	1.4	1.1
EV/sales	1.4	1.4	2.0	1.3	1.1	0.9	0.7
EV/EBITDA	14.6	14.0	39.3	10.1	6.8	5.0	3.8
EV/EBITA	30.6	31.7	-54.3	22.0	10.8	7.3	5.2
EV/EBIT	30.6	31.7	-54.3	22.0	10.8	7.3	5.2
EV/FCF	-11.5	-6.3	-7.3	83.1	-38.2	62.5	9.0
Dividend yield	1.0 %	0.0 %	0.0 %	0.0 %	1.0 %	2.0 %	3.1 %

Source: Company data, Hauck & Aufhäuser

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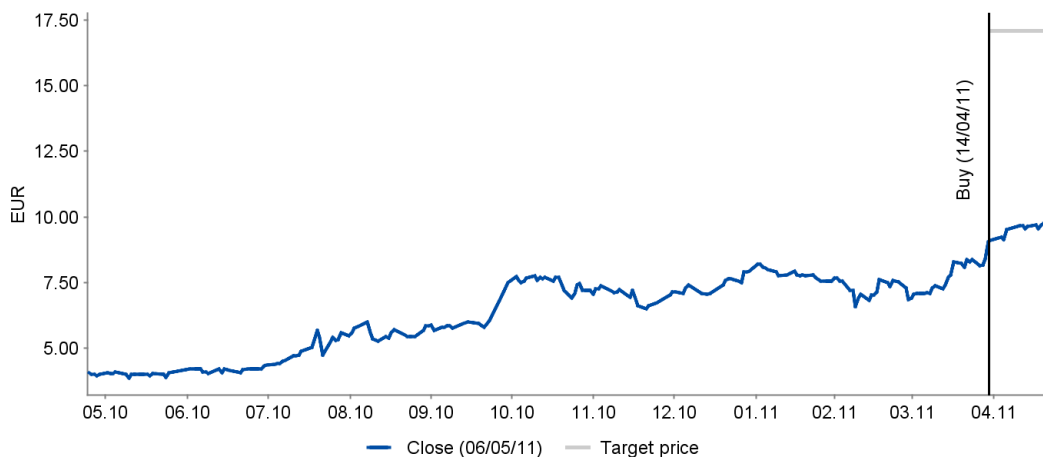
Company	Disclosure
Nabaltec AG	2

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

**Price and Rating History  
Nabaltec AG as of 09/05/11**

**Initiation coverage**  
14-April-11



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