

# Nabaltec

## Germany - Chemicals/ Specialty Chemicals



**HAUCK & AUFHÄUSER**  
INSTITUTIONAL RESEARCH GMBH

**Buy** (old: Buy)

**Price target: EUR 15.00** (old: EUR 20.00)

**Price:** EUR 8.00      **Next result:** Q3 29.11.11  
**Bloomberg:** NTG GR      **Market cap:** EUR 64.0 m  
**Reuters:** NTGG.DE      **Enterprise Value:** EUR 133.5 m

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### Adjustment of est. / PT due to significantly increased macro uncertainty

After the turmoil in financial markets and the likely spill over into the real economy, economic research institutes slashed GDP growth forecasts significantly. In such an environment Nabaltec is not seen to achieve double digit growth anymore. **Still, the company should reach its guidance of at least € 12m EBIT** thanks to a very strong H1 with € 8.4m in EBIT and the fundamentally improved pricing structure.

Moreover, **Nabaltec should still be able to deliver growth driven by the substitution of hazardous and toxic flame retardants** in cables by environmental friendly flame retardants, and due to the ramp up of sales with **new products** which find use in different customer applications such as printed circuit boards, window frames or foils:

- Its **boemite** which was recently introduced into the market for printed circuit boards not only allows to substitute brominated flame retardants and lead free brazing, it also offers a lower cost of ownership in contrast to using only phosphor as a flame retardant. **The plant has a capacity of 5-6k tpa and could add up to € 12m in annual revenues.** For 2011E we expect a contribution of just € 5m.
- Its **stabiliser** is used as a substitute for lead in plastic window frames and after having passed approval processes it is likely to be increasingly used in new formulas of customers. Also, Nabaltec is exploring new fields of applications and received approval from the American Food and Drug Association (FDA) for using it in foils for packaging. **The plant has a capacity of 10k tpa and could add up to € 16m in sales.** For 2011E a contribution of only € 3m is expected.

Despite these sound prospects, sales estimates are adjusted to reflect the sluggish macro picture. Due to the high operating and financial leverage earnings estimates are cut disproportionately by 21% for '11E, 36% for '12E and 32% for '13E.

**Even in the absence of growth Nabaltec should be able to increase the value for equity holders by redeeming bank debt** if it were to cut expansion capex and focus on maintenance capex (according to management only € 3m vis-à-vis € 8m D&A). Bank debt stood at € 43.2m. It is important to note that Nabaltec is in a much better financial shape than 2009 after the issuance of a bond at the end of 2010 and a sound performance in the last 6 quarters. The issuance led to a cash inflow of € 29m

Y/E 31.12 (EUR m)	2007	2008	2009	2010	2011E	2012E	2013E
Sales	88.1	96.3	73.1	112.7	132.5	142.2	157.4
Sales growth	23 %	9 %	-24 %	54 %	18 %	7 %	11 %
EBITDA	8.4	9.3	3.7	14.3	21.4	25.3	30.4
EBIT	4.0	4.1	-2.7	6.5	13.3	16.2	20.6
Net income	2.4	1.1	-5.0	1.8	4.8	7.4	10.9
Net debt	33.8	42.9	57.6	52.9	56.4	51.1	40.4
Net gearing	68.4 %	87.5 %	128.4 %	115.0 %	119.3 %	87.3 %	58.7 %
Net Debt/EBITDA	4.0	4.6	15.4	3.7	2.6	2.0	1.3
EPS fully diluted	0.29	0.14	-0.63	0.22	0.60	0.92	1.36
CPS	2.06	0.63	0.02	0.40	0.62	1.13	1.54
DPS	0.00	0.00	0.00	0.00	0.09	0.15	0.23
Dividend yield	1.3 %	0.0 %	0.0 %	0.0 %	1.1 %	1.9 %	2.9 %
Gross profit margin	44.5 %	44.8 %	45.6 %	46.0 %	48.9 %	50.4 %	51.6 %
EBITDA margin	9.5 %	9.7 %	5.1 %	12.7 %	16.2 %	17.8 %	19.3 %
EBIT margin	4.5 %	4.3 %	-3.7 %	5.8 %	10.1 %	11.4 %	13.1 %
ROCE	4.6 %	4.2 %	-2.5 %	5.3 %	9.9 %	12.1 %	15.1 %
EV/sales	1.2	1.2	1.8	1.2	1.0	0.9	0.7
EV/EBITDA	12.9	12.5	35.5	9.1	6.2	5.1	3.9
EV/EBIT	27.0	28.3	-49.1	19.9	10.0	7.9	5.7
PER	18.5	57.6	-12.8	36.0	13.3	8.7	5.9
Adjusted FCF yield	4.8 %	3.6 %	0.2 %	6.7 %	9.0 %	11.3 %	14.9 %

Source: Company data, Hauck & Aufhäuser Close price as of: 27.09.2011



Source: Company data, Hauck & Aufhäuser

**High/low 52 weeks:** 13.00 / 5.81  
**Price/Book Ratio:** 1.4  
**Relative performance (SDAX):**  
 3 months -7.2 %  
 6 months 25.2 %  
 12 months 34.1 %

### Changes in estimates

		Sales	EBIT	EPS
2011	old:	140.7	15.2	0.77
	Δ	-5.8%	-12.3%	-21.4%
2012	old:	163.0	22.2	1.44
	Δ	-12.7%	-27.0%	-36.1%
2013	old:	183.0	27.8	2.00
	Δ	-14.0%	-26.0%	-31.6%

### Key share data:

Number of shares: (in m pcs) 8.0  
 Authorised capital: (in € m) 3.0  
 Book value per share: (in €) 5.9  
 Ø trading volume: (12 months) 20,000

### Major shareholders:

Free Float 37.7 %  
 Family Heckmann 32.5 %  
 Family Witzany 29.8 %

### 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)	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>132.5</b>	<b>142.2</b>	<b>157.4</b>
<i>Sales growth</i>	23.1 %	9.3 %	-24.1 %	54.3 %	17.6 %	7.3 %	10.6 %
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>132.5</b>	<b>142.2</b>	<b>157.4</b>
Other operating income	2.4	1.9	1.0	2.2	1.3	1.3	1.3
Material expenses	50.2	57.5	38.1	60.8	67.7	70.5	76.1
Personnel expenses	15.6	17.1	15.6	19.0	21.3	22.9	24.7
Other operating expenses	17.6	18.6	15.0	20.7	23.4	24.8	27.4
Total operating expenses	81.1	91.3	67.6	98.3	111.1	116.9	126.9
<b>EBITDA</b>	<b>8.4</b>	<b>9.3</b>	<b>3.7</b>	<b>14.3</b>	<b>21.4</b>	<b>25.3</b>	<b>30.4</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>13.3</b>	<b>16.2</b>	<b>20.6</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>13.3</b>	<b>16.2</b>	<b>20.6</b>
Interest income	0.5	0.6	0.1	0.2	0.2	0.3	0.1
Interest expenses	3.3	3.7	4.4	5.3	5.8	5.2	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	-5.5	-4.9	-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>7.8</b>	<b>11.3</b>	<b>16.5</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>7.8</b>	<b>11.3</b>	<b>16.5</b>
Taxes	0.5	1.2	-1.7	-0.7	2.3	3.4	5.0
<b>Net income from continuing operations</b>	<b>0.7</b>	<b>-0.2</b>	<b>-5.3</b>	<b>2.1</b>	<b>5.5</b>	<b>7.9</b>	<b>11.6</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>5.5</b>	<b>7.9</b>	<b>11.6</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>4.8</b>	<b>7.4</b>	<b>10.9</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>0.60</b>	<b>0.92</b>	<b>1.36</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 %	51.1 %	49.6 %	48.4 %
Personnel expenses	17.8 %	17.8 %	21.3 %	16.9 %	16.1 %	16.1 %	15.7 %
Other operating expenses	20.0 %	19.3 %	20.5 %	18.3 %	17.7 %	17.4 %	17.4 %
Total operating expenses	92.0 %	94.9 %	92.6 %	87.2 %	83.8 %	82.2 %	80.7 %
<b>EBITDA</b>	<b>9.5 %</b>	<b>9.7 %</b>	<b>5.1 %</b>	<b>12.7 %</b>	<b>16.2 %</b>	<b>17.8 %</b>	<b>19.3 %</b>
Depreciation	5.0 %	5.4 %	8.8 %	6.9 %	6.1 %	6.4 %	6.3 %
<b>EBITA</b>	<b>4.5 %</b>	<b>4.3 %</b>	<b>-3.7 %</b>	<b>5.8 %</b>	<b>10.1 %</b>	<b>11.4 %</b>	<b>13.1 %</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>10.1 %</b>	<b>11.4 %</b>	<b>13.1 %</b>
Interest income	0.5 %	0.6 %	0.2 %	0.2 %	0.2 %	0.2 %	0.1 %
Interest expenses	3.7 %	3.8 %	6.1 %	4.7 %	4.4 %	3.7 %	2.6 %
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 %	-4.2 %	-3.4 %	-2.6 %
<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>5.9 %</b>	<b>8.0 %</b>	<b>10.5 %</b>
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Earnings before taxes</b>	<b>1.3 %</b>	<b>1.1 %</b>	<b>-9.6 %</b>	<b>1.3 %</b>	<b>5.9 %</b>	<b>8.0 %</b>	<b>10.5 %</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>4.1 %</b>	<b>5.6 %</b>	<b>7.3 %</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>4.1 %</b>	<b>5.6 %</b>	<b>7.3 %</b>
Minority interest	-1.9 %	-1.4 %	-0.4 %	0.3 %	0.5 %	0.4 %	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>3.6 %</b>	<b>5.2 %</b>	<b>6.9 %</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	25.2	27.0	29.9
Accounts receivable	2.8	1.3	0.5	1.6	1.9	2.0	2.2
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	16.1	12.8	13.2
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>46.7</b>	<b>45.3</b>	<b>45.4</b>
<b>TOTAL ASSETS</b>	<b>116.9</b>	<b>132.2</b>	<b>131.8</b>	<b>166.0</b>	<b>162.8</b>	<b>167.4</b>	<b>165.6</b>
SHAREHOLDERS EQUITY	49.3	49.0	44.9	46.0	47.3	58.5	68.9
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	13.2	14.2	15.7
Advance payments received on orders	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities (incl. from lease and rental contracts)	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>38.2</b>	<b>39.2</b>	<b>34.9</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>162.8</b>	<b>167.4</b>	<b>165.6</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 %	71.2 %	72.8 %	72.5 %
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>71.3 %</b>	<b>72.9 %</b>	<b>72.6 %</b>
Inventories	15.3 %	21.5 %	14.5 %	12.9 %	15.5 %	16.1 %	18.1 %
Accounts receivable	2.4 %	1.0 %	0.4 %	1.0 %	1.2 %	1.2 %	1.3 %
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 %	9.9 %	7.6 %	8.0 %
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>28.7 %</b>	<b>27.1 %</b>	<b>27.4 %</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 %	29.0 %	35.0 %	41.6 %
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 %	39.6 %	33.4 %	29.4 %
Provisions for pensions and similar obligations	8.2 %	7.3 %	8.4 %	7.9 %	8.0 %	7.8 %	7.9 %
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>48.1 %</b>	<b>41.7 %</b>	<b>37.3 %</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 %	8.1 %	8.5 %	9.5 %
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 %	8.8 %	8.5 %	8.6 %
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>23.5 %</b>	<b>23.4 %</b>	<b>21.1 %</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	5.5	7.9	11.6
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	13.5	17.0	21.4
Increase/decrease in inventory	-3.5	-10.6	9.2	-2.2	-3.8	-1.8	-2.9
Increase/decrease in accounts receivable	-0.4	1.5	1.4	-1.7	-0.3	-0.1	-0.2
Increase/decrease in accounts payable	1.5	-1.9	-10.5	4.1	2.0	1.0	1.5
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	-2.1	-1.0	-1.6
<b>Cash flow from operating activities</b>	<b>16.4</b>	<b>0.6</b>	<b>0.2</b>	<b>9.2</b>	<b>11.5</b>	<b>16.0</b>	<b>19.8</b>
CAPEX	27.0	21.5	20.4	7.5	15.0	10.0	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>-10.0</b>	<b>-8.0</b>
Cash flow before financing	-10.8	-15.8	-20.2	1.7	-3.5	6.0	11.8
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	0.7	1.2
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>-9.3</b>	<b>-11.4</b>
Increase/decrease in liquid assets	-9.4	0.2	-1.4	28.4	-12.9	-3.3	0.4
<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>16.1</b>	<b>12.8</b>	<b>13.2</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	38.0	39.0	42.8
yoy change	13.8 %	19.5 %	-34.8 %	59.4 %	8.4 %	2.6 %	9.7 %
Rest of Europe	48.5	48.9	37.3	50.2	60.0	62.0	66.0
yoy change	25.4 %	0.7 %	-23.7 %	34.6 %	19.6 %	3.3 %	6.5 %
NAFTA	6.2	7.8	7.8	17.1	20.0	24.0	28.0
yoy change	44.8 %	26.0 %	0.6 %	119.5 %	16.8 %	20.0 %	16.7 %
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	14.5	17.2	20.6
yoy change	33.3 %	4.6 %	0.9 %	72.8 %	39.9 %	18.6 %	19.8 %
<b>TTL</b>	<b>88.6</b>	<b>96.3</b>	<b>73.1</b>	<b>112.7</b>	<b>132.5</b>	<b>142.2</b>	<b>157.4</b>
yoy change	23.0 %	8.7 %	-24.1 %	54.3 %	17.6 %	7.3 %	10.7 %

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 %	17.6 %	7.3 %	10.6 %
EBITDA growth	27.0 %	11.5 %	-59.9 %	283.5 %	49.5 %	18.2 %	20.2 %
EBIT growth	-0.7 %	3.6 %	-165.6 %	-342.1 %	103.5 %	21.8 %	26.8 %
EPS growth	-1032.8 %	-52.9 %	-550.9 %	-135.5 %	171.3 %	52.8 %	48.1 %
<b>Efficiency</b>							
Total operating costs / sales	92.0 %	94.9 %	92.6 %	87.2 %	83.8 %	82.2 %	80.7 %
Sales per employee	290.8	285.7	210.5	312.2	344.2	360.1	388.5
EBITDA per employee	27.6	27.6	10.8	39.7	55.6	64.1	75.1
<b>Balance sheet analysis</b>							
Avg. working capital / sales	9.1 %	15.3 %	23.2 %	11.3 %	9.7 %	10.1 %	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	69.6	71.7	73.3
<b>Cash flow analysis</b>							
Free cash flow	-10.6	-20.9	-20.2	1.7	-3.5	6.0	11.8
Free cash flow/sales	-12.0 %	-21.7 %	-27.6 %	1.5 %	-2.7 %	4.2 %	7.5 %
FCF / net profit	-448.6 %	-1882.6 %	402.6 %	97.5 %	-73.2 %	81.5 %	108.4 %
FCF yield	-16.5 %	-32.7 %	-31.5 %	2.7 %	-5.5 %	9.4 %	18.5 %
Capex / depn	622.4 %	413.9 %	316.8 %	96.5 %	185.5 %	110.1 %	81.2 %
Capex / maintenance capex	617.4 %	413.9 %	370.9 %	125.0 %	230.8 %	214.3 %	106.7 %
Capex / sales	30.9 %	22.3 %	27.9 %	6.7 %	11.3 %	n/a	n/a
<b>Security</b>							
Net debt	33.8	42.9	57.6	52.9	56.4	51.1	40.4
Net Debt/EBITDA	4.0	4.6	15.4	3.7	2.6	2.0	1.3
Net debt / equity	0.7	0.9	1.3	1.1	1.2	0.9	0.6
Interest cover	1.2	1.1	0.0	1.2	2.3	3.1	5.0
Dividend payout ratio	33.9 %	0.0 %	0.0 %	0.0 %	14.7 %	16.1 %	16.9 %
<b>Asset utilisation</b>							
Capital employed turnover	0.9	1.0	0.7	0.8	1.0	1.0	1.2
Operating assets turnover	1.0	0.8	0.6	0.9	1.0	1.0	1.2
Plant turnover	1.1	1.0	0.7	1.0	1.1	1.2	1.3
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 %	9.9 %	12.1 %	15.1 %
ROE	4.8 %	2.3 %	-11.2 %	3.9 %	10.2 %	12.6 %	15.8 %
<b>Other</b>							
Interest paid / avg. debt	10.1 %	9.1 %	8.6 %	7.6 %	7.5 %	7.6 %	7.1 %
No. employees (average)	303	337	347	361	385	395	405
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	0.1	0.2
EPS reported	0.29	0.14	-0.63	0.22	0.60	0.92	1.36
<b>Valuation ratios</b>							
P/BV	1.3	1.3	1.4	1.4	1.4	1.1	0.9
EV/sales	1.2	1.2	1.8	1.2	1.0	0.9	0.7
EV/EBITDA	12.9	12.5	35.5	9.1	6.2	5.1	3.9
EV/EBITA	27.0	28.3	-49.1	19.9	10.0	7.9	5.7
EV/EBIT	27.0	28.3	-49.1	19.9	10.0	7.9	5.7
EV/FCF	-10.1	-5.6	-6.6	75.0	-37.8	21.3	9.9
Dividend yield	1.3 %	0.0 %	0.0 %	0.0 %	1.1 %	1.9 %	2.9 %

Source: Company data, Hauck & Aufhäuser

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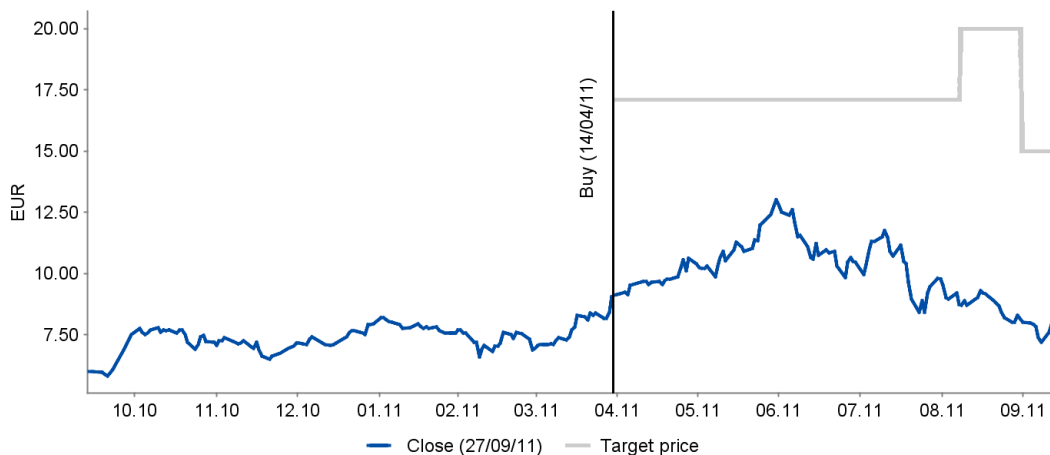
Company	Disclosure
Nabaltec AG	2

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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 28/09/11**

**Initiation coverage**  
14-April-11



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<b>Buy</b>	83.33 %	66.67 %
<b>Sell</b>	5.56 %	0.00 %
<b>Hold</b>	11.11 %	33.33 %

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**Buy:** Sustainable upside potential of more than 10% within 12 months.

**Sell:** Sustainable downside potential of more than 10% within 12 months.

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**Competent supervisory authority**

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