



**Buy** (old: Buy)

**Price target: EUR 12.50** (old: EUR 12.50)

<b>Price:</b>	EUR 6.39	<b>Next result:</b>	FY 2012 30.04.13
<b>Bloomberg:</b>	NTG GR	<b>Market cap:</b>	EUR 51.1 m
<b>Reuters:</b>	NTGG.DE	<b>Enterprise Value:</b>	EUR 119.2 m

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### Final Q3/9m results – reveal strong cash generation

Q3 sales of € 32.1m (up 4.5% yoy) and an EBIT of € 2.1m (EBIT margin of 6.5%) were in-line with prel. figures (November 20). Importantly, **Functional Fillers mainly including the environmental friendly flame retardants increased sales by 4.6% yoy in the first 9 months to a new record of € 69.8m**. In contrast Technical Ceramics suffered a set back of 10.0% yoy to € 30.6m due to the weak European Steel industry to which this division is exposed as it supplies refractory producers such as RHI and Vesuvius (50% of divisional sales). **Despite adverse market conditions Nabaltec achieved a sound profitability with an EBIT margin of 8.8%** (9 months) underpinning 1) the favourable change of the competitive landscape after 2008/2009 when raw material subsidies of competitors ended AND 2) a better scale of the overall business carried by the structural growth in flame retardants.

**Cash generation was very strong with the operating cash flow (before interest) arriving at € 19.9m** (€ 13.1m) after 9 months. This was supported by good control over w/c which declined by € 1.7m. CFO was more than sufficient to meet capex spending of € 8.9m, interest payments of € 1.8m and scheduled debt redemption of € 6.0m. As a result, **liquid assets arrived at € 19.5m** (€ 16.3m at the end of 2011) **with net debt declining to € 53.1m** (€ 60.7m at the end of 2011).

According to management, order activity remains aligned with the apparent demand and hence customers do not seem to sit on inventories. Moreover, **demand for halogen free flame retardants remain sound as customers from different industries substitute brominated** (so called halogenated) flame retardants. Nevertheless, Nabaltec suffers from its exposure to the European steel industry which is the main reason why management adjusted its guidance for 2012 with the release of prel. Q3 results now expecting a slight increase in sales (old: mid single digit growth) and the EBIT margin between 7.0%-9.7% (old: around 10%).

The **stock is just trading on book value** while capacities are sufficient to stem sales of c. € 180m with incremental sales seen to come at a high profitability given a highly automated production. Growth should be carried by the Functional Fillers division by entering new markets (e.g. Asia through the partnership with Sumitomo) and the ramp up of new higher priced products such as the boehmite and the stabiliser for PVC. **Remains a BUY, PT € 12.50 based on FCFY '13E.**



Source: Company data, Hauck & Aufhäuser

<b>High/low 52 weeks:</b>	8.70 / 6.12
<b>Price/Book Ratio:</b>	1.0
<b>Relative performance (SDAX):</b>	
3 months	-10.8 %
6 months	-8.6 %
12 months	-22.5 %

### Changes in estimates

		Sales	EBIT	EPS
2012	old:	130.5	10.9	0.38
	Δ	-	-	-
2013	old:	143.1	15.5	0.85
	Δ	-	-	-
2014	old:	154.2	20.4	1.28
	Δ	-	-	-

### Key share data:

Number of shares: (in m pcs)	8.0
Authorised capital: (in € m)	4.0
Book value per share: (in €)	6.2
Ø trading volume: (12 months)	20,000

### Major shareholders:

Free Float	38.2 %
Family Heckmann	32.0 %
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.

Y/E 31.12 (EUR m)	2008	2009	2010	2011	2012E	2013E	2014E
Sales	96.3	73.1	112.7	129.0	130.5	143.1	154.2
Sales growth	9 %	-24 %	54 %	14 %	1 %	10 %	8 %
EBITDA	9.3	3.7	14.3	20.6	19.6	24.6	29.4
EBIT	4.1	-2.7	6.5	12.5	10.9	15.5	20.4
Net income	1.1	-5.0	1.8	3.6	3.0	6.8	10.2
Net debt	42.9	57.6	52.9	60.7	54.4	50.2	42.4
Net gearing	87.5 %	128.4 %	115.0 %	121.4 %	108.9 %	86.4 %	52.1 %
Net Debt/EBITDA	4.6	15.4	3.7	2.9	2.8	2.0	1.4
EPS fully diluted	0.14	-0.63	0.22	0.45	0.38	0.85	1.28
CPS	0.63	0.02	0.40	0.27	1.12	0.88	1.25
DPS	0.00	0.00	0.00	0.00	0.11	0.15	0.42
Dividend yield	0.0 %	0.0 %	0.0 %	0.0 %	1.8 %	2.3 %	6.6 %
Gross profit margin	44.8 %	45.6 %	46.0 %	48.8 %	48.4 %	49.8 %	50.8 %
EBITDA margin	9.7 %	5.1 %	12.7 %	15.9 %	15.0 %	17.2 %	19.1 %
EBIT margin	4.3 %	-3.7 %	5.8 %	9.7 %	8.4 %	10.9 %	13.2 %
ROCE	4.2 %	-2.5 %	5.3 %	9.1 %	8.0 %	11.8 %	14.9 %
EV/sales	1.1	1.6	1.0	1.0	0.9	0.8	0.7
EV/EBITDA	11.1	32.1	8.2	6.1	6.1	4.7	3.6
EV/EBIT	25.2	-44.3	17.9	10.0	10.9	7.4	5.3
PER	46.0	-10.2	28.7	14.1	16.8	7.5	5.0
Adjusted FCF yield	4.1 %	0.2 %	7.4 %	9.2 %	9.0 %	11.1 %	13.7 %

Source: Company data, Hauck & Aufhäuser Close price as of: 26.11.2012

Financials

Profit and loss (EUR m)	2008	2009	2010	2011	2012E	2013E	2014E
<b>Net sales</b>	<b>96.3</b>	<b>73.1</b>	<b>112.7</b>	<b>129.0</b>	<b>130.5</b>	<b>143.1</b>	<b>154.2</b>
<i>Sales growth</i>	9.3 %	-24.1 %	54.3 %	14.5 %	1.1 %	9.7 %	7.8 %
Increase/decrease in finished goods and work-in-process	4.4	-1.7	-0.1	3.7	0.0	0.0	0.0
<b>Total sales</b>	<b>100.6</b>	<b>71.4</b>	<b>112.6</b>	<b>132.8</b>	<b>130.5</b>	<b>143.1</b>	<b>154.2</b>
Other operating income	1.9	1.0	2.2	1.4	1.4	1.3	1.4
Material expenses	57.5	38.1	60.8	69.8	67.3	71.8	75.9
Personnel expenses	17.1	15.6	19.0	21.0	22.0	23.2	24.0
Other operating expenses	18.6	15.0	20.7	22.9	23.0	24.8	26.4
Total operating expenses	91.3	67.6	98.3	112.2	110.9	118.6	124.8
<b>EBITDA</b>	<b>9.3</b>	<b>3.7</b>	<b>14.3</b>	<b>20.6</b>	<b>19.6</b>	<b>24.6</b>	<b>29.4</b>
Depreciation	5.2	6.4	7.8	8.0	8.7	9.0	9.0
<b>EBITA</b>	<b>4.1</b>	<b>-2.7</b>	<b>6.5</b>	<b>12.5</b>	<b>10.9</b>	<b>15.5</b>	<b>20.4</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>4.1</b>	<b>-2.7</b>	<b>6.5</b>	<b>12.5</b>	<b>10.9</b>	<b>15.5</b>	<b>20.4</b>
Interest income	0.6	0.1	0.2	0.6	0.0	0.1	0.1
Interest expenses	3.7	4.4	5.3	6.9	6.0	5.0	4.4
Other financial result	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial result	-3.1	-4.3	-5.1	-6.4	-6.0	-4.9	-4.3
<b>Recurring pretax income from continuing operations</b>	<b>1.0</b>	<b>-7.0</b>	<b>1.4</b>	<b>6.2</b>	<b>4.9</b>	<b>10.7</b>	<b>16.1</b>
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Earnings before taxes</b>	<b>1.0</b>	<b>-7.0</b>	<b>1.4</b>	<b>6.2</b>	<b>4.9</b>	<b>10.7</b>	<b>16.1</b>
Taxes	1.2	-1.7	-0.7	1.6	1.3	3.2	4.8
<b>Net income from continuing operations</b>	<b>-0.2</b>	<b>-5.3</b>	<b>2.1</b>	<b>4.5</b>	<b>3.6</b>	<b>7.5</b>	<b>11.2</b>
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income</b>	<b>-0.2</b>	<b>-5.3</b>	<b>2.1</b>	<b>4.5</b>	<b>3.6</b>	<b>7.5</b>	<b>11.2</b>
Minority interest	-1.3	-0.3	0.3	0.9	0.6	0.6	1.0
<b>Net income (net of minority interest)</b>	<b>1.1</b>	<b>-5.0</b>	<b>1.8</b>	<b>3.6</b>	<b>3.0</b>	<b>6.8</b>	<b>10.2</b>
Average number of shares	8.0	8.0	8.0	8.0	8.0	8.0	8.0
<b>EPS reported</b>	<b>0.14</b>	<b>-0.63</b>	<b>0.22</b>	<b>0.45</b>	<b>0.38</b>	<b>0.85</b>	<b>1.28</b>

Profit and loss (common size)	2008	2009	2010	2011	2012E	2013E	2014E
<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	4.5 %	-2.3 %	0.0 %	2.9 %	0.0 %	0.0 %	0.0 %
<b>Total sales</b>	<b>104.5 %</b>	<b>97.7 %</b>	<b>100.0 %</b>	<b>102.9 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>
Other operating income	2.0 %	1.4 %	1.9 %	1.1 %	1.1 %	0.9 %	0.9 %
Material expenses	59.8 %	52.1 %	54.0 %	54.1 %	51.6 %	50.2 %	49.2 %
Personnel expenses	17.8 %	21.3 %	16.9 %	16.3 %	16.9 %	16.2 %	15.6 %
Other operating expenses	19.3 %	20.5 %	18.3 %	17.7 %	17.6 %	17.3 %	17.1 %
Total operating expenses	94.9 %	92.6 %	87.2 %	87.0 %	85.0 %	82.8 %	80.9 %
<b>EBITDA</b>	<b>9.7 %</b>	<b>5.1 %</b>	<b>12.7 %</b>	<b>15.9 %</b>	<b>15.0 %</b>	<b>17.2 %</b>	<b>19.1 %</b>
Depreciation	5.4 %	8.8 %	6.9 %	6.2 %	6.7 %	6.3 %	5.8 %
<b>EBITA</b>	<b>4.3 %</b>	<b>-3.7 %</b>	<b>5.8 %</b>	<b>9.7 %</b>	<b>8.4 %</b>	<b>10.9 %</b>	<b>13.2 %</b>
Amortisation of goodwill	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Amortisation of intangible assets	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Impairment charges	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>EBIT</b>	<b>4.3 %</b>	<b>-3.7 %</b>	<b>5.8 %</b>	<b>9.7 %</b>	<b>8.4 %</b>	<b>10.9 %</b>	<b>13.2 %</b>
Interest income	0.6 %	0.2 %	0.2 %	0.4 %	0.0 %	0.1 %	0.1 %
Interest expenses	3.8 %	6.1 %	4.7 %	5.4 %	4.6 %	3.5 %	2.9 %
Other financial result	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Financial result	-3.2 %	-5.9 %	-4.5 %	-4.9 %	-4.6 %	-3.4 %	-2.8 %
<b>Recurring pretax income from continuing operations</b>	<b>1.1 %</b>	<b>-9.6 %</b>	<b>1.3 %</b>	<b>4.8 %</b>	<b>3.8 %</b>	<b>7.5 %</b>	<b>10.4 %</b>
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Earnings before taxes</b>	<b>1.1 %</b>	<b>-9.6 %</b>	<b>1.3 %</b>	<b>4.8 %</b>	<b>3.8 %</b>	<b>7.5 %</b>	<b>10.4 %</b>
Tax rate	118.3 %	24.2 %	-45.5 %	26.7 %	27.0 %	30.0 %	30.0 %
<b>Net income from continuing operations</b>	<b>-0.2 %</b>	<b>-7.3 %</b>	<b>1.9 %</b>	<b>3.5 %</b>	<b>2.8 %</b>	<b>5.2 %</b>	<b>7.3 %</b>
Income from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Net income</b>	<b>-0.2 %</b>	<b>-7.3 %</b>	<b>1.9 %</b>	<b>3.5 %</b>	<b>2.8 %</b>	<b>5.2 %</b>	<b>7.3 %</b>
Minority interest	-1.4 %	-0.4 %	0.3 %	0.7 %	0.4 %	0.4 %	0.6 %
<b>Net income (net of minority interest)</b>	<b>1.2 %</b>	<b>-6.9 %</b>	<b>1.6 %</b>	<b>2.8 %</b>	<b>2.3 %</b>	<b>4.8 %</b>	<b>6.6 %</b>

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2008	2009	2010	2011	2012E	2013E	2014E
<b>Intangible assets</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>	<b>0.2</b>
Property, plant and equipment	96.9	108.5	109.0	116.4	117.7	118.7	119.7
Financial assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>FIXED ASSETS</b>	<b>97.3</b>	<b>108.7</b>	<b>109.2</b>	<b>116.6</b>	<b>117.9</b>	<b>118.9</b>	<b>119.9</b>
Inventories	28.4	19.2	21.4	26.3	25.1	27.5	29.7
Accounts receivable	1.3	0.5	1.6	2.2	2.3	2.5	2.7
Other current assets	3.2	3.0	3.5	2.9	2.9	0.0	0.0
Liquid assets	1.9	0.5	29.0	16.3	15.6	6.7	7.6
Deferred taxes	0.0	0.0	1.3	0.9	0.0	0.0	0.0
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>CURRENT ASSETS</b>	<b>34.9</b>	<b>23.1</b>	<b>56.8</b>	<b>48.8</b>	<b>45.9</b>	<b>36.7</b>	<b>39.9</b>
<b>TOTAL ASSETS</b>	<b>132.2</b>	<b>131.8</b>	<b>166.0</b>	<b>165.4</b>	<b>163.8</b>	<b>155.7</b>	<b>159.8</b>
SHAREHOLDERS EQUITY	49.0	44.9	46.0	50.0	49.9	58.1	81.4
MINORITY INTEREST	-4.0	-4.0	-4.0	-3.1	0.0	0.0	0.0
Long-term debt	34.6	53.4	73.6	68.9	61.9	48.9	42.0
Provisions for pensions and similar obligations	9.6	11.1	13.1	13.7	13.7	13.7	13.7
Other provisions	1.5	1.3	0.8	0.7	0.7	0.0	0.0
<b>Non-current liabilities</b>	<b>45.8</b>	<b>65.8</b>	<b>87.4</b>	<b>83.3</b>	<b>76.4</b>	<b>62.6</b>	<b>55.7</b>
short-term liabilities to banks	10.2	4.7	8.3	8.1	8.0	8.0	8.0
Accounts payable	9.5	6.1	11.2	10.0	12.5	13.7	14.8
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)	17.6	13.1	14.2	13.2	13.2	13.2	0.0
Deferred taxes	3.9	2.1	2.7	3.8	3.8	0.0	0.0
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Current liabilities</b>	<b>41.3</b>	<b>25.9</b>	<b>36.5</b>	<b>35.2</b>	<b>37.5</b>	<b>35.0</b>	<b>22.8</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>132.2</b>	<b>132.7</b>	<b>166.0</b>	<b>165.4</b>	<b>163.8</b>	<b>155.7</b>	<b>159.8</b>

Balance sheet (common size)	2008	2009	2010	2011	2012E	2013E	2014E
<b>Intangible assets</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>	<b>0.1 %</b>
Property, plant and equipment	73.3 %	81.8 %	65.7 %	70.4 %	71.8 %	76.2 %	74.9 %
Financial assets	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>FIXED ASSETS</b>	<b>73.6 %</b>	<b>81.9 %</b>	<b>65.8 %</b>	<b>70.5 %</b>	<b>72.0 %</b>	<b>76.4 %</b>	<b>75.0 %</b>
Inventories	21.5 %	14.5 %	12.9 %	15.9 %	15.3 %	17.7 %	18.6 %
Accounts receivable	1.0 %	0.4 %	1.0 %	1.4 %	1.4 %	1.6 %	1.7 %
Other current assets	2.4 %	2.2 %	2.1 %	1.8 %	1.8 %	0.0 %	0.0 %
Liquid assets	1.5 %	0.4 %	17.4 %	9.9 %	9.5 %	4.3 %	4.7 %
Deferred taxes	0.0 %	0.0 %	0.8 %	0.6 %	0.0 %	0.0 %	0.0 %
Deferred charges and prepaid expenses	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>CURRENT ASSETS</b>	<b>26.4 %</b>	<b>17.4 %</b>	<b>34.2 %</b>	<b>29.5 %</b>	<b>28.0 %</b>	<b>23.6 %</b>	<b>25.0 %</b>
<b>TOTAL ASSETS</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>	<b>100.0 %</b>
SHAREHOLDERS EQUITY	37.1 %	33.8 %	27.7 %	30.2 %	30.5 %	37.3 %	50.9 %
MINORITY INTEREST	-3.0 %	-3.0 %	-2.4 %	-1.9 %	0.0 %	0.0 %	0.0 %
Long-term debt	26.2 %	40.3 %	44.3 %	41.7 %	37.8 %	31.4 %	26.3 %
Provisions for pensions and similar obligations	7.3 %	8.4 %	7.9 %	8.3 %	8.4 %	8.8 %	8.6 %
Other provisions	1.2 %	1.0 %	0.5 %	0.4 %	0.4 %	0.0 %	0.0 %
<b>Non-current liabilities</b>	<b>34.7 %</b>	<b>49.6 %</b>	<b>52.7 %</b>	<b>50.4 %</b>	<b>46.6 %</b>	<b>40.2 %</b>	<b>34.8 %</b>
short-term liabilities to banks	7.7 %	3.6 %	5.0 %	4.9 %	4.9 %	5.1 %	5.0 %
Accounts payable	7.2 %	4.6 %	6.8 %	6.1 %	7.6 %	8.8 %	9.3 %
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)	13.3 %	9.8 %	8.6 %	8.0 %	8.1 %	8.5 %	0.0 %
Deferred taxes	3.0 %	1.6 %	1.6 %	2.3 %	2.3 %	0.0 %	0.0 %
Deferred income	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Current liabilities</b>	<b>31.2 %</b>	<b>19.6 %</b>	<b>22.0 %</b>	<b>21.3 %</b>	<b>22.9 %</b>	<b>22.5 %</b>	<b>14.3 %</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)	2008	2009	2010	2011	2012E	2013E	2014E
Net profit/loss	-0.2	-5.3	2.1	4.5	3.6	7.5	11.2
Depreciation of fixed assets (incl. leases)	5.2	6.4	7.8	8.0	8.7	9.0	9.0
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	0.0	-0.9	-0.8	2.8	0.0	0.0	0.0
Cash flow from operations before changes in w/c	5.0	0.2	9.1	15.4	12.3	16.5	20.3
Increase/decrease in inventory	-10.6	9.2	-2.2	-4.9	1.2	-2.4	-2.1
Increase/decrease in accounts receivable	1.5	1.4	-1.7	-0.6	0.0	-0.2	-0.2
Increase/decrease in accounts payable	-1.9	-10.5	4.1	-1.2	2.5	1.2	1.1
Increase/decrease in other working capital positions	6.5	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in working capital	-4.5	0.0	0.1	-6.8	3.7	-1.4	-1.3
<b>Cash flow from operating activities</b>	<b>0.6</b>	<b>0.2</b>	<b>9.2</b>	<b>8.6</b>	<b>16.0</b>	<b>15.1</b>	<b>19.0</b>
CAPEX	21.5	20.4	7.5	15.4	10.0	10.0	10.0
Payments for acquisitions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	5.2	0.0	0.0	0.0	0.0	0.0	0.0
<b>Cash flow from investing activities</b>	<b>-16.3</b>	<b>-20.4</b>	<b>-7.5</b>	<b>-15.4</b>	<b>-10.0</b>	<b>-10.0</b>	<b>-10.0</b>
Cash flow before financing	-15.8	-20.2	1.7	-6.8	6.0	5.1	9.0
Increase/decrease in debt position	9.9	18.8	28.7	-5.6	-7.1	-13.0	-6.9
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	0.0	0.0	0.0	0.0	0.9	1.2
Others	6.8	0.0	-2.0	0.0	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.1	0.0	0.0	0.0	0.0	0.0	0.0
<b>Cash flow from financing activities</b>	<b>15.9</b>	<b>18.8</b>	<b>26.7</b>	<b>-5.6</b>	<b>-7.1</b>	<b>-13.9</b>	<b>-8.1</b>
Increase/decrease in liquid assets	0.2	-1.4	28.4	-12.4	-1.1	-8.8	0.9
<b>Liquid assets at end of period</b>	<b>2.0</b>	<b>0.6</b>	<b>29.0</b>	<b>16.7</b>	<b>15.6</b>	<b>6.7</b>	<b>7.6</b>

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2008	2009	2010	2011	2012E	2013E	2014E
<b>P&amp;L growth analysis</b>							
Sales growth	9.3 %	-24.1 %	54.3 %	14.5 %	1.1 %	9.7 %	7.8 %
EBITDA growth	11.5 %	-59.9 %	283.5 %	43.6 %	-4.6 %	25.1 %	19.7 %
EBIT growth	3.6 %	-165.6 %	-342.1 %	91.3 %	-12.7 %	42.2 %	31.1 %
EPS growth	-52.9 %	-550.9 %	-135.5 %	102.4 %	-15.6 %	125.1 %	49.8 %
<b>Efficiency</b>							
Total operating costs / sales	94.9 %	92.6 %	87.2 %	87.0 %	85.0 %	82.8 %	80.9 %
Sales per employee	285.7	210.5	312.2	328.3	330.4	357.8	385.6
EBITDA per employee	27.6	10.8	39.7	52.3	49.7	61.4	73.5
<b>Balance sheet analysis</b>							
Avg. working capital / sales	15.3 %	23.2 %	11.3 %	11.7 %	12.8 %	10.9 %	11.0 %
Inventory turnover (sales/inventory)	3.4	3.8	5.3	4.9	5.2	5.2	5.2
Trade debtors in days of sales	4.9	2.5	5.2	6.4	6.4	6.4	6.4
A/P turnover [(A/P*365)/sales]	36.0	30.3	36.4	28.4	35.0	35.0	35.0
Cash conversion cycle (days)	124.9	128.4	66.2	91.5	74.6	76.5	77.9
<b>Cash flow analysis</b>							
Free cash flow	-20.9	-20.2	1.7	-6.8	6.0	5.1	9.0
Free cash flow/sales	-21.7 %	-27.6 %	1.5 %	-5.2 %	4.6 %	3.5 %	5.8 %
FCF / net profit	-1882.6	402.6 %	97.5 %	-186.4 %	196.8 %	74.0 %	87.8 %
FCF yield	-40.9 %	-39.5 %	3.4 %	-13.2 %	11.7 %	9.9 %	17.6 %
Capex / deprec	413.9 %	316.8 %	96.5 %	191.5 %	114.9 %	110.9 %	110.9 %
Capex / maintenance capex	413.9 %	370.9 %	125.0 %	237.2 %	142.9 %	125.0 %	110.9 %
Capex / sales	22.3 %	27.9 %	6.7 %	11.9 %	n/a	n/a	n/a
<b>Security</b>							
Net debt	42.9	57.6	52.9	60.7	54.4	50.2	42.4
Net Debt/EBITDA	4.6	15.4	3.7	2.9	2.8	2.0	1.4
Net debt / equity	0.9	1.3	1.1	1.2	1.1	0.9	0.5
Interest cover	1.1	0.0	1.2	1.8	1.8	3.1	4.6
Dividend payout ratio	0.0 %	0.0 %	0.0 %	0.0 %	29.7 %	17.5 %	32.9 %
<b>Asset utilisation</b>							
Capital employed turnover	1.0	0.7	0.8	0.9	1.0	1.1	1.1
Operating assets turnover	0.8	0.6	0.9	1.0	1.0	1.1	1.1
Plant turnover	1.0	0.7	1.0	1.1	1.1	1.2	1.3
Inventory turnover (sales/inventory)	3.4	3.8	5.3	4.9	5.2	5.2	5.2
<b>Returns</b>							
ROCE	4.2 %	-2.5 %	5.3 %	9.1 %	8.0 %	11.8 %	14.9 %
ROE	2.3 %	-11.2 %	3.9 %	7.3 %	6.1 %	11.8 %	12.6 %
<b>Other</b>							
Interest paid / avg. debt	9.1 %	8.6 %	7.6 %	8.7 %	8.2 %	7.8 %	8.3 %
No. employees (average)	337	347	361	393	395	400	400
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	0.4
EPS reported	0.14	-0.63	0.22	0.45	0.38	0.85	1.28
<b>Valuation ratios</b>							
P/BV	1.0	1.1	1.1	1.0	1.0	0.9	0.6
EV/sales	1.1	1.6	1.0	1.0	0.9	0.8	0.7
EV/EBITDA	11.1	32.1	8.2	6.1	6.1	4.7	3.6
EV/EBITA	25.2	-44.3	17.9	10.0	10.9	7.4	5.3
EV/EBIT	25.2	-44.3	17.9	10.0	10.9	7.4	5.3
EV/FCF	-5.0	-5.9	67.5	-18.5	19.9	22.7	11.9
Dividend yield	0.0 %	0.0 %	0.0 %	0.0 %	1.8 %	2.3 %	6.6 %

Source: Company data, Hauck & Aufhäuser

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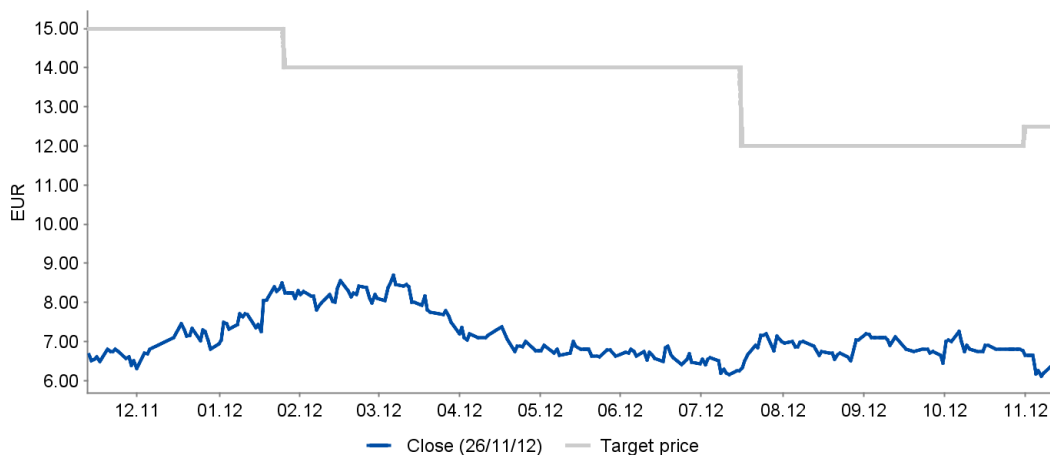
Company	Disclosure
Nabaltec AG	2, 5

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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 27/11/12**

**Initiation coverage**  
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