

**Buy** (old: Buy)

**Price target: EUR 12.00** (old: EUR 12.00)

<b>Price:</b>	EUR 6.67	<b>Next result:</b>	Q2 21.08.12
<b>Bloomberg:</b>	NTG GR	<b>Market cap:</b>	EUR 53.4 m
<b>Reuters:</b>	NTGG.DE	<b>Enterprise Value:</b>	EUR 119.5 m

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### Roadshow Feedback Frankfurt – positive outlook confirmed

Discussions provided confidence about the mid term growth prospects based on:

**New products.** The company has set up 5k tpa capacity for its boehmite which can be used as a flame retardant for PCBs. Moreover, it has a development partnership with a global company in the field of for lithium ion batteries where its products can be used in separation foils to store energy. Also, it has set up 10k tpa capacity for its stabiliser which can replace lead in PVC. Both products are just in the introduction phase but should add c. € 30m sales p.a. in the mid term (eH&A € 19m by 2014E).

**New regions.** The distribution partnership with Sumitomo Chemical for its high performance mineral based flame retardant (CD fine precipitated ATH) should allow developing the markets in South East Asia where Sumitomo has very strong business relationships. According to management, the partnership has started to bear fruits.

**Substitution.** Broadly used brominated flame retardants are under increasing regulatory pressure. With phase out plans of OEMs on the way, Nabaltec should continue to grow with its environmental alternatives for which it just installed another production line with around 13k tpa capacity lifting its total capacity by 10%.

**Sales growth should drive strong disproportionate earnings growth** thanks to:

**Favourable shift in the product mix.** Products such as the patented constant density ATH, the boehmite and the stabiliser achieve gross margins > 60%.

**High operation leverage.** Production is highly automated and runs 24h/7days. As such, the workforce should grow less than sales and hence the personnel cost ratio is seen to decline by 1pp to 16% by '14E. Also, D&A should decline by 1pp by '14E.

**High financial leverage.** Interest expenses are on a high level (50% of EBIT) and are seen to have reached the peak. As Nabaltec enters the de-leverage mode interest expenses are expected to decline to € 3.9m by '14E (€ 5.5m in '12E).

Finally, the **cash generation should improve strongly** as major capex are stemmed (€ 140m between '05-'12). This should allow paying down debt which is scheduled at € 8m in '12, € 13m in '13 and € 8m in '14. Conclusively, the returns potential for equity investors looks highly attractive. **Remains a BUY, PT € 12.00 conservatively based on FCFY '12E** not factoring in any growth or debt redemption beyond 2012.

Y/E 31.12 (EUR m)	2008	2009	2010	2011	2012E	2013E	2014E
Sales	96.3	73.1	112.7	129.0	135.0	150.2	165.6
Sales growth	9 %	-24 %	54 %	14 %	5 %	11 %	10 %
EBITDA	9.3	3.7	14.3	20.6	22.4	27.8	33.7
EBIT	4.1	-2.7	6.5	12.5	13.2	18.0	23.8
Net income	1.1	-5.0	1.8	3.6	5.0	8.6	13.0
Net debt	42.9	57.6	52.9	60.7	52.5	43.9	28.3
Net gearing	87.5 %	128.4 %	115.0 %	121.4 %	92.2 %	65.7 %	29.6 %
Net Debt/EBITDA	4.6	15.4	3.7	2.9	2.3	1.6	0.8
EPS fully diluted	0.14	-0.63	0.22	0.45	0.63	1.08	1.62
CPS	0.63	0.02	0.40	0.27	1.36	1.24	1.53
DPS	0.00	0.00	0.00	0.00	0.10	0.18	0.52
Dividend yield	0.0 %	0.0 %	0.0 %	0.0 %	1.6 %	2.8 %	7.9 %
Gross profit margin	44.8 %	45.6 %	46.0 %	48.8 %	50.3 %	51.1 %	51.8 %
EBITDA margin	9.7 %	5.1 %	12.7 %	15.9 %	16.6 %	18.5 %	20.3 %
EBIT margin	4.3 %	-3.7 %	5.8 %	9.7 %	9.8 %	12.0 %	14.4 %
ROCE	4.2 %	-2.5 %	5.3 %	9.1 %	9.5 %	13.0 %	16.8 %
EV/sales	1.1	1.7	1.1	1.0	0.9	0.7	0.6
EV/EBITDA	11.4	32.7	8.3	6.2	5.3	4.0	2.8
EV/EBIT	25.7	-45.1	18.2	10.2	9.0	6.2	4.0
PER	48.0	-10.7	30.0	14.7	10.6	6.2	4.1
Adjusted FCF yield	4.0 %	0.2 %	7.3 %	9.0 %	10.4 %	14.3 %	17.9 %

Source: Company data, Hauck & Aufhäuser Close price as of: 03.08.2012



Source: Company data, Hauck & Aufhäuser

**High/low 52 weeks:** 9.80 / 6.15

**Price/Book Ratio:** 0.9

**Relative performance (SDAX):**

3 months -2.6 %

6 months -20.2 %

12 months -33.3 %

### Changes in estimates

		Sales	EBIT	EPS
2012	old:	135.0	13.2	0.63
	Δ	-	-	-
2013	old:	150.2	18.0	1.08
	Δ	-	-	-
2014	old:	165.6	23.8	1.62
	Δ	-	-	-

### Key share data:

Number of shares: (in m pcs) 8.0  
 Authorised capital: (in € m) 4.0  
 Book value per share: (in €) 7.1  
 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.

## 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>135.0</b>	<b>150.2</b>	<b>165.6</b>
<i>Sales growth</i>	9.3 %	-24.1 %	54.3 %	14.5 %	4.6 %	11.3 %	10.3 %
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>135.0</b>	<b>150.2</b>	<b>165.6</b>
Other operating income	1.9	1.0	2.2	1.4	1.2	1.2	1.3
Material expenses	57.5	38.1	60.8	69.8	67.1	73.5	79.8
Personnel expenses	17.1	15.6	19.0	21.0	22.9	24.2	25.3
Other operating expenses	18.6	15.0	20.7	22.9	23.8	25.9	28.1
Total operating expenses	91.3	67.6	98.3	112.2	112.6	122.4	131.9
<b>EBITDA</b>	<b>9.3</b>	<b>3.7</b>	<b>14.3</b>	<b>20.6</b>	<b>22.4</b>	<b>27.8</b>	<b>33.7</b>
Depreciation	5.2	6.4	7.8	8.0	9.1	9.9	9.9
<b>EBITA</b>	<b>4.1</b>	<b>-2.7</b>	<b>6.5</b>	<b>12.5</b>	<b>13.2</b>	<b>18.0</b>	<b>23.8</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>13.2</b>	<b>18.0</b>	<b>23.8</b>
Interest income	0.6	0.1	0.2	0.6	0.3	0.1	0.1
Interest expenses	3.7	4.4	5.3	6.9	5.5	4.8	3.9
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	-5.3	-4.7	-3.8
<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>8.0</b>	<b>13.2</b>	<b>20.0</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>8.0</b>	<b>13.2</b>	<b>20.0</b>
Taxes	1.2	-1.7	-0.7	1.6	2.4	4.0	6.0
<b>Net income from continuing operations</b>	<b>-0.2</b>	<b>-5.3</b>	<b>2.1</b>	<b>4.5</b>	<b>5.6</b>	<b>9.2</b>	<b>14.0</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>5.6</b>	<b>9.2</b>	<b>14.0</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>5.0</b>	<b>8.6</b>	<b>13.0</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>0.63</b>	<b>1.08</b>	<b>1.62</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 %	0.9 %	0.8 %	0.8 %
Material expenses	59.8 %	52.1 %	54.0 %	54.1 %	49.7 %	48.9 %	48.2 %
Personnel expenses	17.8 %	21.3 %	16.9 %	16.3 %	17.0 %	16.1 %	15.3 %
Other operating expenses	19.3 %	20.5 %	18.3 %	17.7 %	17.6 %	17.2 %	17.0 %
Total operating expenses	94.9 %	92.6 %	87.2 %	87.0 %	83.4 %	81.5 %	79.7 %
<b>EBITDA</b>	<b>9.7 %</b>	<b>5.1 %</b>	<b>12.7 %</b>	<b>15.9 %</b>	<b>16.6 %</b>	<b>18.5 %</b>	<b>20.3 %</b>
Depreciation	5.4 %	8.8 %	6.9 %	6.2 %	6.8 %	6.6 %	6.0 %
<b>EBITA</b>	<b>4.3 %</b>	<b>-3.7 %</b>	<b>5.8 %</b>	<b>9.7 %</b>	<b>9.8 %</b>	<b>12.0 %</b>	<b>14.4 %</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>4.3 %</b>	<b>-3.7 %</b>	<b>5.8 %</b>	<b>9.7 %</b>	<b>9.8 %</b>	<b>12.0 %</b>	<b>14.4 %</b>
Interest income	0.6 %	0.2 %	0.2 %	0.4 %	0.2 %	0.1 %	0.1 %
Interest expenses	3.8 %	6.1 %	4.7 %	5.4 %	4.1 %	3.2 %	2.4 %
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 %	-3.9 %	-3.2 %	-2.3 %
<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>5.9 %</b>	<b>8.8 %</b>	<b>12.1 %</b>
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Earnings before taxes</b>	<b>1.1 %</b>	<b>-9.6 %</b>	<b>1.3 %</b>	<b>4.8 %</b>	<b>5.9 %</b>	<b>8.8 %</b>	<b>12.1 %</b>
Tax rate	118.3 %	24.2 %	-45.5 %	26.7 %	30.0 %	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>4.1 %</b>	<b>6.2 %</b>	<b>8.4 %</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>4.1 %</b>	<b>6.2 %</b>	<b>8.4 %</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>3.7 %</b>	<b>5.7 %</b>	<b>7.8 %</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	122.3	120.4	118.5
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>122.5</b>	<b>120.6</b>	<b>118.8</b>
Inventories	28.4	19.2	21.4	26.3	26.0	28.9	31.8
Accounts receivable	1.3	0.5	1.6	2.2	2.4	2.6	2.9
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	17.4	10.0	11.7
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>48.7</b>	<b>41.5</b>	<b>46.4</b>
<b>TOTAL ASSETS</b>	<b>132.2</b>	<b>131.8</b>	<b>166.0</b>	<b>165.4</b>	<b>171.2</b>	<b>162.1</b>	<b>165.2</b>
SHAREHOLDERS EQUITY	49.0	44.9	46.0	50.0	56.9	66.9	95.6
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	35.0
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>48.7</b>
short-term liabilities to banks	10.2	4.7	8.3	8.1	8.0	5.0	5.0
Accounts payable	9.5	6.1	11.2	10.0	12.9	14.4	15.9
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>37.9</b>	<b>32.6</b>	<b>20.9</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>171.2</b>	<b>162.1</b>	<b>165.2</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 %	71.4 %	74.3 %	71.8 %
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>71.6 %</b>	<b>74.4 %</b>	<b>71.9 %</b>
Inventories	21.5 %	14.5 %	12.9 %	15.9 %	15.2 %	17.8 %	19.3 %
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 %	1.7 %	0.0 %	0.0 %
Liquid assets	1.5 %	0.4 %	17.4 %	9.9 %	10.2 %	6.2 %	7.1 %
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>28.4 %</b>	<b>25.6 %</b>	<b>28.1 %</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 %	33.2 %	41.3 %	57.9 %
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 %	36.2 %	30.2 %	21.2 %
Provisions for pensions and similar obligations	7.3 %	8.4 %	7.9 %	8.3 %	8.0 %	8.4 %	8.3 %
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>44.6 %</b>	<b>38.6 %</b>	<b>29.5 %</b>
short-term liabilities to banks	7.7 %	3.6 %	5.0 %	4.9 %	4.7 %	3.1 %	3.0 %
Accounts payable	7.2 %	4.6 %	6.8 %	6.1 %	7.6 %	8.9 %	9.6 %
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 %	7.7 %	8.2 %	0.0 %
Deferred taxes	3.0 %	1.6 %	1.6 %	2.3 %	2.2 %	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>22.2 %</b>	<b>20.1 %</b>	<b>12.6 %</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	5.6	9.2	14.0
Depreciation of fixed assets (incl. leases)	5.2	6.4	7.8	8.0	9.1	9.9	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	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	14.7	19.1	23.8
Increase/decrease in inventory	-10.6	9.2	-2.2	-4.9	0.4	-2.9	-3.0
Increase/decrease in accounts receivable	1.5	1.4	-1.7	-0.6	-0.1	-0.3	-0.3
Increase/decrease in accounts payable	-1.9	-10.5	4.1	-1.2	2.9	1.5	1.5
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	3.2	-1.7	-1.8
<b>Cash flow from operating activities</b>	<b>0.6</b>	<b>0.2</b>	<b>9.2</b>	<b>8.6</b>	<b>17.9</b>	<b>17.4</b>	<b>22.1</b>
CAPEX	21.5	20.4	7.5	15.4	10.0	8.0	5.0
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>-8.0</b>	<b>-5.0</b>
Cash flow before financing	-15.8	-20.2	1.7	-6.8	7.9	9.4	17.1
Increase/decrease in debt position	9.9	18.8	28.7	-5.6	-7.1	-16.0	-13.9
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	0.8	1.5
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>-16.8</b>	<b>-15.4</b>
Increase/decrease in liquid assets	0.2	-1.4	28.4	-12.4	0.8	-7.4	1.7
<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>17.4</b>	<b>10.0</b>	<b>11.7</b>

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2008	2009	2010	2011	2012E	2013E	2014E
Domestic	33.7	22.0	35.1	40.7	42.8	45.0	47.5
yoy change	19.5 %	-34.8 %	59.4 %	16.2 %	5.1 %	5.1 %	5.6 %
Rest of Europe	48.9	37.3	50.2	58.3	62.0	66.0	69.5
yoy change	0.7 %	-23.7 %	34.6 %	16.2 %	6.4 %	6.5 %	5.3 %
NAFTA	7.8	7.8	17.1	16.8	18.0	20.0	22.0
yoy change	26.0 %	0.6 %	119.5 %	-2.1 %	7.4 %	11.1 %	10.0 %
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	5.9	6.0	10.4	13.3	17.2	22.6	29.9
yoy change	4.6 %	0.9 %	72.8 %	27.8 %	29.8 %	31.4 %	32.3 %
<b>TTL</b>	<b>96.3</b>	<b>73.1</b>	<b>112.7</b>	<b>129.0</b>	<b>140.0</b>	<b>153.6</b>	<b>168.9</b>
yoy change	8.7 %	-24.1 %	54.3 %	14.5 %	8.5 %	9.7 %	10.0 %

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 %	4.6 %	11.3 %	10.3 %
EBITDA growth	11.5 %	-59.9 %	283.5 %	43.6 %	8.7 %	24.5 %	21.0 %
EBIT growth	3.6 %	-165.6 %	-342.1 %	91.3 %	5.7 %	35.6 %	32.5 %
EPS growth	-52.9 %	-550.9 %	-135.5 %	102.4 %	39.3 %	71.5 %	50.8 %
<b>Efficiency</b>							
Total operating costs / sales	94.9 %	92.6 %	87.2 %	87.0 %	83.4 %	81.5 %	79.7 %
Sales per employee	285.7	210.5	312.2	328.3	341.7	370.8	408.9
EBITDA per employee	27.6	10.8	39.7	52.3	56.6	68.7	83.2
<b>Balance sheet analysis</b>							
Avg. working capital / sales	15.3 %	23.2 %	11.3 %	11.7 %	12.6 %	10.8 %	10.9 %
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	77.2	78.3	79.4
<b>Cash flow analysis</b>							
Free cash flow	-20.9	-20.2	1.7	-6.8	7.9	9.4	17.1
Free cash flow/sales	-21.7 %	-27.6 %	1.5 %	-5.2 %	5.8 %	6.3 %	10.3 %
FCF / net profit	-1882.6	402.6 %	97.5 %	-186.4 %	156.7 %	109.2 %	131.8 %
FCF yield	-39.2 %	-37.8 %	3.2 %	-12.7 %	14.7 %	17.6 %	32.0 %
Capex / depn	413.9 %	316.8 %	96.5 %	191.5 %	109.7 %	81.0 %	50.6 %
Capex / maintenance capex	413.9 %	370.9 %	125.0 %	237.2 %	214.3 %	106.7 %	81.0 %
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	52.5	43.9	28.3
Net Debt/EBITDA	4.6	15.4	3.7	2.9	2.3	1.6	0.8
Net debt / equity	0.9	1.3	1.1	1.2	0.9	0.7	0.3
Interest cover	1.1	0.0	1.2	1.8	2.4	3.7	6.0
Dividend payout ratio	0.0 %	0.0 %	0.0 %	0.0 %	16.7 %	17.2 %	32.3 %
<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	1.2
Plant turnover	1.0	0.7	1.0	1.1	1.1	1.2	1.4
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 %	9.5 %	13.0 %	16.8 %
ROE	2.3 %	-11.2 %	3.9 %	7.3 %	8.8 %	12.9 %	13.6 %
<b>Other</b>							
Interest paid / avg. debt	9.1 %	8.6 %	7.6 %	8.7 %	7.5 %	7.8 %	8.4 %
No. employees (average)	337	347	361	393	395	405	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	0.2	0.5
EPS reported	0.14	-0.63	0.22	0.45	0.63	1.08	1.62
<b>Valuation ratios</b>							
P/BV	1.1	1.2	1.2	1.1	0.9	0.8	0.6
EV/sales	1.1	1.7	1.1	1.0	0.9	0.7	0.6
EV/EBITDA	11.4	32.7	8.3	6.2	5.3	4.0	2.8
EV/EBITA	25.7	-45.1	18.2	10.2	9.0	6.2	4.0
EV/EBIT	25.7	-45.1	18.2	10.2	9.0	6.2	4.0
EV/FCF	-5.1	-6.1	68.8	-18.9	15.2	11.8	5.6
Dividend yield	0.0 %	0.0 %	0.0 %	0.0 %	1.6 %	2.8 %	7.9 %

Source: Company data, Hauck & Aufhäuser

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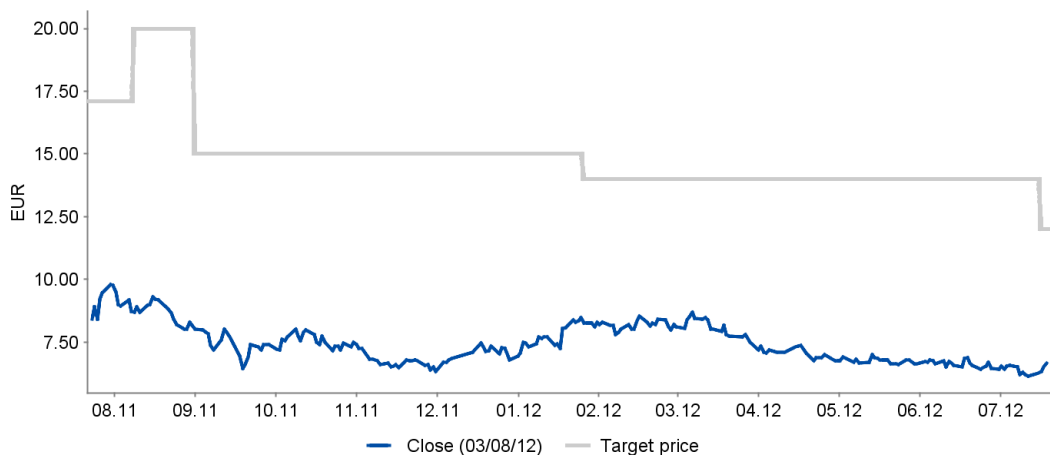
Company	Disclosure
Nabaltec AG	2, 5

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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 06/08/12**

**Initiation coverage**  
14-April-11



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