

Buy (old: Buy)

Price target: EUR 12.00 (old: EUR 12.00)

Price:	EUR 6.86	Next result:	Q3/9M 27.11.12
Bloomberg:	NTG GR	Market cap:	EUR 54.9 m
Reuters:	NTGG.DE	Enterprise Value:	EUR 121.1 m

22-August-12

Sascha Berresch, CFA
Analyst

sascha.berresch@ha-research.de
Tel.: +49 40 4143885 85

Final Q2/H1 results in-line / sound outlook for 2012 confirmed

Q2 sales of € 34m (down 1.9% yoy) and an EBIT of € 3.9m (EBIT margin of 11.5%) were in-line with preliminary figures reported on 1 August. Importantly, Q2 '11 (H1 '11) set a high comparable base with record results partly driven by a built up of inventories at customers. In the aftermath, this led to a steep decline of sales and earnings in H2 '11 as the sovereign debt crisis intensified.

Cash generation was very sound in H1 with the operating cash flow (before interest) arriving at € 16m (€ 12 m). This was supported by a good control over w/c which declined by € 3.5m in H1. CFO was more than sufficient to meet capex spending of € 7m, interest payments of € 1m and scheduled debt redemption of € 3m. As a result, **liquid assets arrived at € 20m** (€ 16m at the end of 2011) **with net debt declining to € 54m** (€ 61m at the end of 2011).

According to management, order activity is currently aligned with the apparent demand and **hence customers do not seem to sit on inventories**. Moreover, **demand seems to remain sound as customers from different industries substitute brominated** (so called halogenated) flame retardants with environmental friendly flame retardants such as Nabaltec's fine precipitated aluminium hydroxide.

On this basis, **management confirmed its guidance for 2012 to increase sales by a mid single digit rate** (eH&A +4.6% yoy) despite macro uncertainties. At the same time it expects the **EBIT margin to arrive at a healthy ratio of around 10%** (eH&A 9.8%). Our estimates imply sales of € 33m p.q. for H2 '12 (€ 34m in Q1 and Q2).

The underperformance of the stock of 43% (SDAX) in the last 12 months looks not justified given the growth outlook and the substantial potential to leverage the investments of € 140m of the last 8 years. The **stock is just trading on book value**. However, capacities should allow increasing sales to c. € 180m, i.e. by >30% excl. price increases, and EBITDA to c. € 35m (EBITDA margin of 20%). This combined with low capex needs (seen on D&A level) should **significantly improve cash generation, hence allowing to redeem a significant amount of debt** (eH&A € 32m between '11-'14E). Ultimately, this should translate into an increase in the equity value. **Remains a BUY, PT € 12 conservatively based on FCFY '12E**.



Source: Company data, Hauck & Aufhäuser

High/low 52 weeks: 9.30 / 6.15
Price/Book Ratio: 1.0
Relative performance (SDAX):
3 months -0.7 %
6 months -10.8 %
12 months -42.9 %

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.

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 %	1.5 %	2.7 %	7.6 %
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	11.5	33.1	8.4	6.3	5.4	4.0	2.9
EV/EBIT	26.1	-45.7	18.5	10.3	9.1	6.3	4.1
PER	49.4	-11.0	30.8	15.1	10.9	6.4	4.2
Adjusted FCF yield	3.9 %	0.2 %	7.2 %	8.9 %	10.2 %	14.1 %	17.6 %

Source: Company data, Hauck & Aufhäuser Close price as of: 21.08.2012

EURm	Q2 12	Q2 12 est	Q2 11	yoy	Q1 12	qoq	H1 12	H1 11	yoy
Sales	34.2	33.9	34.8	-1.9%	34.1	0.0%	68.3	70.1	-2.6%
Functional fillers	23.8	23.4	23.5	1.2%	23.2	2.2%	47.0	47.6	-1.3%
Technical Ceramics	10.3	10.5	11.3	-9.1%	10.9	-5.6%	21.2	22.5	-5.8%
Gross profit	16.9	17.0	17.8	-5.0%	15.7	7.3%	32.6	34.9	-6.4%
Gross margin (%)	49.5%	50.1%	51.1%	- 1.6 pp	46.1%	+ 3.4 pp	47.8%	49.7%	- 1.9 pp
EBITDA	6.1	5.9	6.5	-6.4%	4.9	24.4%	11.0	12.4	-11.4%
EBITDA margin (%)	17.9%	17.3%	18.8%	- 0.9 pp	14.4%	+ 3.5 pp	16.1%	17.7%	- 1.6 pp
EBIT	3.9	3.8	4.5	-13.6%	2.8	38.8%	6.7	8.4	-20.3%
EBIT margin (%)	11.5%	11.1%	13.0%	- 1.6 pp	8.3%	+ 3.2 pp	9.9%	12.1%	- 2.2 pp
Net profit	1.3	1.2	1.9	-30.0%	0.8	65.0%	2.1	3.5	-39.3%
Net margin (%)	3.8%	5.3%	5.4%	- 1.5 pp	2.3%	+ 1.5 pp	3.1%	4.9%	- 1.9 pp
EPS	0.16	0.15	0.23	-30.0%	0.10	65.0%	0.26	0.43	-39.3%

Source: Company data; Hauck&Aufhäuser Institutional Research

Financials

Profit and loss (EUR m)	2008	2009	2010	2011	2012E	2013E	2014E
Net sales	96.3	73.1	112.7	129.0	135.0	150.2	165.6
<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
Total sales	100.6	71.4	112.6	132.8	135.0	150.2	165.6
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
EBITDA	9.3	3.7	14.3	20.6	22.4	27.8	33.7
Depreciation	5.2	6.4	7.8	8.0	9.1	9.9	9.9
EBITA	4.1	-2.7	6.5	12.5	13.2	18.0	23.8
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
EBIT	4.1	-2.7	6.5	12.5	13.2	18.0	23.8
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
Recurring pretax income from continuing operations	1.0	-7.0	1.4	6.2	8.0	13.2	20.0
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	1.0	-7.0	1.4	6.2	8.0	13.2	20.0
Taxes	1.2	-1.7	-0.7	1.6	2.4	4.0	6.0
Net income from continuing operations	-0.2	-5.3	2.1	4.5	5.6	9.2	14.0
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	-0.2	-5.3	2.1	4.5	5.6	9.2	14.0
Minority interest	-1.3	-0.3	0.3	0.9	0.6	0.6	1.0
Net income (net of minority interest)	1.1	-5.0	1.8	3.6	5.0	8.6	13.0
Average number of shares	8.0	8.0	8.0	8.0	8.0	8.0	8.0
EPS reported	0.14	-0.63	0.22	0.45	0.63	1.08	1.62

Profit and loss (common size)	2008	2009	2010	2011	2012E	2013E	2014E
Net sales	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Increase/decrease in finished goods and work-in-process	4.5 %	-2.3 %	0.0 %	2.9 %	0.0 %	0.0 %	0.0 %
Total sales	104.5 %	97.7 %	100.0 %	102.9 %	100.0 %	100.0 %	100.0 %
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 %
EBITDA	9.7 %	5.1 %	12.7 %	15.9 %	16.6 %	18.5 %	20.3 %
Depreciation	5.4 %	8.8 %	6.9 %	6.2 %	6.8 %	6.6 %	6.0 %
EBITA	4.3 %	-3.7 %	5.8 %	9.7 %	9.8 %	12.0 %	14.4 %
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 %
EBIT	4.3 %	-3.7 %	5.8 %	9.7 %	9.8 %	12.0 %	14.4 %
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 %
Recurring pretax income from continuing operations	1.1 %	-9.6 %	1.3 %	4.8 %	5.9 %	8.8 %	12.1 %
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Earnings before taxes	1.1 %	-9.6 %	1.3 %	4.8 %	5.9 %	8.8 %	12.1 %
Tax rate	118.3 %	24.2 %	-45.5 %	26.7 %	30.0 %	30.0 %	30.0 %
Net income from continuing operations	-0.2 %	-7.3 %	1.9 %	3.5 %	4.1 %	6.2 %	8.4 %
Income from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income	-0.2 %	-7.3 %	1.9 %	3.5 %	4.1 %	6.2 %	8.4 %
Minority interest	-1.4 %	-0.4 %	0.3 %	0.7 %	0.4 %	0.4 %	0.6 %
Net income (net of minority interest)	1.2 %	-6.9 %	1.6 %	2.8 %	3.7 %	5.7 %	7.8 %

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2008	2009	2010	2011	2012E	2013E	2014E
Intangible assets	0.4	0.2	0.2	0.2	0.2	0.2	0.2
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
FIXED ASSETS	97.3	108.7	109.2	116.6	122.5	120.6	118.8
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
CURRENT ASSETS	34.9	23.1	56.8	48.8	48.7	41.5	46.4
TOTAL ASSETS	132.2	131.8	166.0	165.4	171.2	162.1	165.2
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
Non-current liabilities	45.8	65.8	87.4	83.3	76.4	62.6	48.7
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
Current liabilities	41.3	25.9	36.5	35.2	37.9	32.6	20.9
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	132.2	132.7	166.0	165.4	171.2	162.1	165.2

Balance sheet (common size)	2008	2009	2010	2011	2012E	2013E	2014E
Intangible assets	0.3 %	0.2 %	0.1 %	0.1 %	0.1 %	0.1 %	0.1 %
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 %
FIXED ASSETS	73.6 %	81.9 %	65.8 %	70.5 %	71.6 %	74.4 %	71.9 %
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 %
CURRENT ASSETS	26.4 %	17.4 %	34.2 %	29.5 %	28.4 %	25.6 %	28.1 %
TOTAL ASSETS	100.0 %	99.4 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
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 %
Non-current liabilities	34.7 %	49.6 %	52.7 %	50.4 %	44.6 %	38.6 %	29.5 %
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 %
Current liabilities	31.2 %	19.6 %	22.0 %	21.3 %	22.2 %	20.1 %	12.6 %
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

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
Cash flow from operating activities	0.6	0.2	9.2	8.6	17.9	17.4	22.1
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
Cash flow from investing activities	-16.3	-20.4	-7.5	-15.4	-10.0	-8.0	-5.0
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
Cash flow from financing activities	15.9	18.8	26.7	-5.6	-7.1	-16.8	-15.4
Increase/decrease in liquid assets	0.2	-1.4	28.4	-12.4	0.8	-7.4	1.7
Liquid assets at end of period	2.0	0.6	29.0	16.7	17.4	10.0	11.7

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 %
TTL	96.3	73.1	112.7	129.0	140.0	153.6	168.9
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
P&L growth analysis							
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 %
Efficiency							
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
Balance sheet analysis							
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
Cash flow analysis							
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	-38.1 %	-36.8 %	3.2 %	-12.3 %	14.3 %	17.1 %	31.1 %
Capex / deprec	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
Security							
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 %
Asset utilisation							
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
Returns							
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 %
Other							
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
Valuation ratios							
P/BV	1.1	1.2	1.2	1.1	1.0	0.8	0.6
EV/sales	1.1	1.7	1.1	1.0	0.9	0.7	0.6
EV/EBITDA	11.5	33.1	8.4	6.3	5.4	4.0	2.9
EV/EBITA	26.1	-45.7	18.5	10.3	9.1	6.3	4.1
EV/EBIT	26.1	-45.7	18.5	10.3	9.1	6.3	4.1
EV/FCF	-5.1	-6.1	69.7	-19.1	15.4	12.0	5.7
Dividend yield	0.0 %	0.0 %	0.0 %	0.0 %	1.5 %	2.7 %	7.6 %

Source: Company data, Hauck & Aufhäuser

Disclosure in respect of section 34b of the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG)

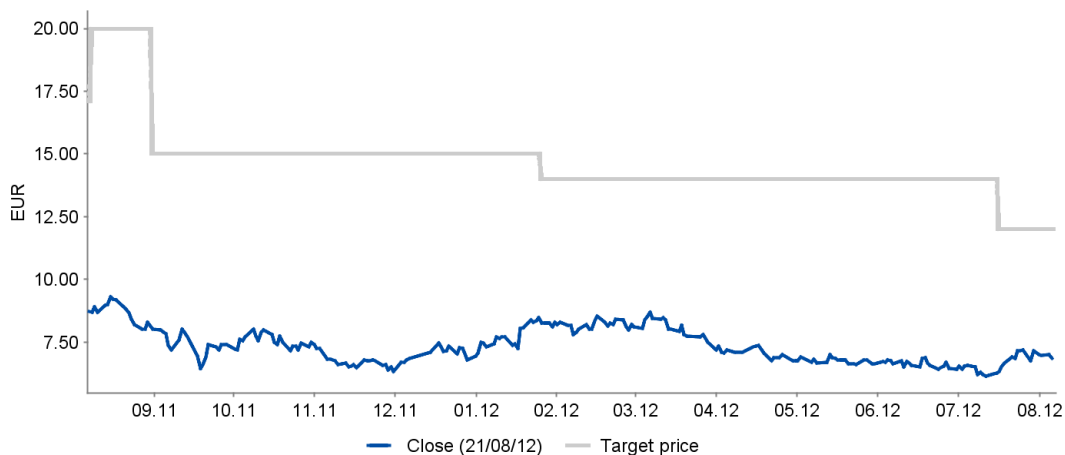
Company	Disclosure
Nabaltec AG	2, 5

- (1) Hauck & Aufhäuser or its affiliate(s) was Lead Manager or Co-Lead Manager over the previous 12 months of a public offering of this company.
- (2) Hauck & Aufhäuser offers Equity Advisory Services.
- (3) Over the previous 12 months, Hauck & Aufhäuser and/or its affiliate(s) has effected an agreement with this company for investment banking services or received compensation or a promise to pay from this company for investment banking services.
- (4) Hauck & Aufhäuser and/or its affiliate(s) hold 5 % or more of the share capital of this company.
- (5) Hauck & Aufhäuser holds a trading position in shares of this company.
- (6) Hauck & Aufhäuser and/or its affiliate(s) holds a net short position of 1 % or more of the share capital of this company, calculated by methods required by German law as of the last trading day of the past month.
- (7) Within the last five years Hauck & Aufhäuser was a member of the issuing syndicate of this company.
- (8) The research report has been made available to the company prior to its publication / dissemination. Thereafter, only factual changes have been made to the report

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

**Price and Rating History
Nabaltec AG as of 22/08/12**

Initiation coverage
14-April-11



Hauck & Aufhäuser distribution of ratings and in proportion to investment banking services

Buy	78.82 %	100.00 %
Sell	7.06 %	0.00 %
Hold	14.12 %	0.00 %

Valuation basis/rating key

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

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

Hold: Upside/downside potential limited. No immediate catalyst visible.

Competent supervisory authority

Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin – (Federal Financial Supervisory Authority), Graurheindorfer Straße 108, 53117 Bonn and Lurgiallee 12, 60439 Frankfurt am Main, Germany

Important Disclosures

This research report has been prepared by Hauck & Aufhäuser Institutional Research AG, Hamburg, or one of its affiliates (“**Hauck & Aufhäuser**”).

Hauck & Aufhäuser has made every effort to carefully research all information contained in this financial analysis. The information on which the financial analysis is based has been obtained from sources which we believe to be reliable such as, for example, Reuters, Bloomberg and the relevant specialised press as well as the company which is the subject of this financial analysis.

Only that part of the research note is made available to the issuer, who is the subject of this analysis, which is necessary to properly reconcile with the facts. Should this result change considerably, a reference is made in the research note.

Opinions expressed in this financial analysis are the current, personal opinions of the analyst responsible for the document as of the issuing date indicated on this document and are subject to change without notice. Hauck & Aufhäuser does not commit itself in advance to whether and in which intervals an update is made. Also, the opinions in this document do not necessarily correspond to the opinions of Hauck & Aufhäuser.

The document and the recommendations and estimations contained therein are not linked - whether directly or indirectly - to the compensation of the analyst responsible for the document.

No representation, guarantees or warranties are made by Hauck & Aufhäuser with regard to the accuracy, completeness or suitability regarding all the information on the stocks, stock markets or developments referred to in it.

On no account should the document be regarded as a substitute for the recipient's procuring information for himself or exercising his own judgements.

The document has been produced for information purposes only, and only for institutional clients or market professionals. In particular, it is not intended to be distributed to private investors or private customers. Private investors or private customers, into whose possession this document comes, should discuss possible investment decisions with their customer service officer as differing views and opinions may exist with regard to the stocks referred to in this document.

This document is not a recommendation, offer or solicitation to buy or sell the mentioned stock and will not form the basis or a part of any contract.

The document may include certain descriptions, statements, estimates, and conclusions underlining potential market and company development. These reflect assumptions, which may turn out to be incorrect. Past performance is not a guide to future results. The price of securities may decrease or increase and as a result investors may lose the amount originally invested. Changes in exchange rates may also cause the value of investments to decrease or increase. Hauck & Aufhäuser and/or its directors, officers and employees accept no responsibility or liability whatsoever for any direct or consequential loss or damages of any kind arising out of the use of this document or any part of its content. To the extent this research report is being transmitted in connection with an existing contractual relationship, e.g. financial advisory or similar services, the liability of Hauck & Aufhäuser shall be restricted to gross negligence and wilful misconduct. In any case, the liability of Hauck & Aufhäuser is limited to typical, foreseeable damages and liability for any indirect damages is excluded.

Hauck & Aufhäuser may act as market-maker or underwrite issues for any securities mentioned in this document, derivatives thereon or related financial products or perform or seek to perform capital market or underwriting services.

Hauck & Aufhäuser reserves all the rights in this document. No part of the document or its content may be rewritten, copied, photocopied or duplicated in any form by any means or redistributed without Hauck & Aufhäuser's prior written consent.

Please note that our research is only for the personal use of Hauck & Aufhäuser institutional clients. Do not pass on to third parties or make available to third parties. From time to time Hauck & Aufhäuser Institutional Research AG will be compensated for its services using soft dollar compensation arrangements, such as trading commissions.

By accepting this document, a recipient hereof agrees to be bound by the foregoing limitations.

Remarks regarding foreign investors

The preparation of this document is subject to regulation by German law. The distribution of this document in other jurisdictions may be restricted by law, and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions

Contacts: Hauck&Aufhäuser Investment Banking**Hauck & Aufhäuser Research**

Hauck & Aufhäuser
Institutional Research AG
Mittelweg 16/17

20148 Hamburg
Germany

Tel.: +49 (0) 40 414 3885 - 70
Fax: +49 (0) 40 414 3885 - 71
Email: info@ha-research.de
www.ha-research.de

Sascha Berresch, CFA
Analyst

Tel.: +49 (0)40 414 3885 - 85
E-Mail: sascha.berresch@ha-research.de

Philippe Lorrain
Analyst

Tel.: +49 (0)40 414 3885 - 83
E-Mail: philippe.lorrain@ha-research.de

Thomas Wissler
Analyst

Tel.: +49 (0)40 414 3885 - 80
E-Mail: thomas.wissler@ha-research.de

Henning Breiter
Analyst

Tel.: +49 (0)40 414 3885 - 73
E-Mail: henning.breiter@ha-research.de

Christian Schwenkenbecher
Analyst

Tel.: +49 (0)40 414 3885 - 76
E-Mail: christian.schwenkenbecher@ha-research.de

Tim Wunderlich, CFA
Analyst

Tel.: +49 (0)40 414 3885 - 81
E-Mail: tim.wunderlich@ha-research.de

Nils-Peter Fitzl
Analyst

Tel.: +49 (0)40 414 3885 - 86
E-Mail: nils-peter.fitzl@ha-research.de

Torben Teichler
Analyst

Tel.: +49 (0)40 414 3885 - 74
E-Mail: torben.teichler@ha-research.de

Hauck & Aufhäuser Sales

Vincent Bischoff
Sales

Tel.: +49 (0)40 414 3885 - 88
E-Mail: vincent.bischoff@ha-research.de

Hugues Madelin
Sales

Tel.: +33 1 78 41 40 62
E-Mail: hugues.madelin@ha-research.de

Hamish Edsell
Sales

Tel.: +44 207 763 2180
E-Mail: hamish.edsell@ha-research.de

Toby Woods
Sales

Tel.: +44 207 763 7179
E-Mail: toby.woods@ha-research.de

Supervisory Board

Graeme Davies
Chairman

Tel.: +49 (0)40 414 3885 - 72
E-Mail: graeme.davies@ha-research.de

Michael Schramm

Tel.: +49 (0)69 2161 - 1240
E-Mail: michael.schramm@hauck-aufhaeuser.de

Jochen Lucht

Tel.: +49 (0)69 2161 - 1260
E-Mail: jochen.lucht@hauck-aufhaeuser.de

Hauck & Aufhäuser Sales Trading

Hauck & Aufhäuser
Privatbankiers KGaA
Kaiserstraße 24

60311 Frankfurt am Main
Germany

Tel.: +49 (0) 69 2161- 0
Fax: +49 (0) 69 2161- 1340
Email: info@hauck-aufhaeuser.de
www.hauck-aufhaeuser.de

Mirko Brueggemann
Trading

Tel.: +49 (0)69 2161 - 1525
E-Mail: mirko.brueggemann@hauck-aufhaeuser.de

Sebastian Schuett
Trading

Tel.: +49 (0)69 2161 - 1556
E-Mail: sebastian.schuett@hauck-aufhaeuser.de

Thomas Seibert
Trading

Tel.: +49 (0)69 2161 - 1555
E-Mail: thomas.seibert@hauck-aufhaeuser.de