

# Nabaltec

## Germany - Chemicals/ Specialty Chemicals



**HAUCK & AUFHÄUSER**  
INSTITUTIONAL RESEARCH AG

**Buy** (old: Buy)

**Price target: EUR 10.20** (old: EUR 10.20)

<b>Price:</b>	EUR 7.07	<b>Next result:</b>	Q2 27.08.13
<b>Bloomberg:</b>	NTG GR	<b>Market cap:</b>	EUR 56.4 m
<b>Reuters:</b>	NTGG.DE	<b>Enterprise Value:</b>	EUR 125.2 m

21-August-13

**Sascha Berresch, CFA**  
Analyst

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

### Preview Q2 – strong sequential improvement expected

Nabaltec will release Q2 results next Tuesday. The company still has to perform **against a relatively high base of Q2/H1 2012, which is why sales are seen only flat yoy at € 34.5m in Q2** given a subdued macro environment. Moreover a somewhat higher cost base explains the expected decline of the EBITDA by 11% yoy to € 5.5m and EBIT by 17% yoy to € 3.3m. (quarterly table on next page).

Nevertheless, the **bottom-line is expected to improve strongly sequentially with EBITDA seen up 19% qoq** supported by an improved product mix and cost saving measures. Moreover, **EBIT is seen up >40% qoq** reflecting the high operational leverage fuelled by a relatively high D&A level (6.5% of sales). Hence, **Nabaltec is seen to approach a healthy EBIT margin of 10% in Q2** despite 1) operating under a subpar utilisation of around 75% in a subdued macro environment and 2) showing a high D&A level due to the significant capex cycle (€ 140m between '05-12) Nabaltec underwent during the last 8 years (to put this into perspective: a company such as RHI has a D&A ratio of 3.5%; SKW of 2.5%).

Most importantly, we **expect management to confirm its outlook for 2013 achieving mid single digit sales growth** and an EBIT margin on at least last year's level. As economic indicators are improving and the structural increasing demand for halogen free flame retardants remain in tact a drop in demand as seen last year in H2 is not expected. This **implies a very strong yoy performance in H2. In fact H2 '13 sales are seen up 13.5% yoy and EBIT up > 100% yoy** respectively.

Tighter regulations limiting the use of toxic halogenated flame retardants and comments from OEMs as well as cable producers provide confidence in the mid term growth for halogen free flame retardants. Moreover, the increasing usage of lithium ions batteries (volume seen to explode by 100x by 2017) where Nabaltec's boemite is used in the separation foils to prevent heating and explosion should add growth impulses (so far Nabaltec sells a few hundred tonnes into this field). Trading at **1.0x book value the structural growth potential and the expected de-leverage is not reflected in the valuation**. Moreover given the relatively high leverage the returns potential for equity holders looks significant (also reflected by peer group analysis). Remains a **BUY, PT €10.20 conservatively based on FCFY '13E. -continued-**

Y/E 31.12 (EUR m)	2009	2010	2011	2012	2013E	2014E	2015E
Sales	73.1	112.7	129.0	129.2	138.5	152.1	167.4
Sales growth	-24 %	54 %	14 %	0 %	7 %	10 %	10 %
EBITDA	3.7	14.3	20.6	18.8	22.3	26.9	30.6
EBIT	-2.7	6.5	12.5	10.0	13.3	17.9	21.6
Net income	-5.0	1.8	3.6	2.1	5.1	8.5	11.3
Net debt	57.6	52.9	60.7	55.2	51.0	45.2	36.0
Net gearing	128.4 %	115.0 %	121.4 %	111.7 %	93.9 %	72.0 %	48.4 %
Net Debt/EBITDA	15.4	3.7	2.9	2.9	2.3	1.7	1.2
EPS fully diluted	-0.63	0.22	0.45	0.26	0.63	1.06	1.41
CPS	0.02	0.40	0.27	1.25	0.80	1.10	1.45
DPS	0.00	0.00	0.00	0.00	0.12	0.24	0.39
Dividend yield	0.0 %	0.0 %	0.0 %	0.0 %	1.7 %	3.4 %	5.5 %
Gross profit margin	45.6 %	46.0 %	48.8 %	48.0 %	49.3 %	49.7 %	50.0 %
EBITDA margin	5.1 %	12.7 %	15.9 %	14.6 %	16.1 %	17.7 %	18.3 %
EBIT margin	-3.7 %	5.8 %	9.7 %	7.8 %	9.6 %	11.7 %	12.9 %
ROCE	-2.5 %	5.3 %	9.1 %	7.3 %	10.0 %	13.7 %	16.2 %
EV/sales	1.7	1.1	1.0	1.0	0.9	0.8	0.7
EV/EBITDA	33.5	8.5	6.4	6.9	5.6	4.4	3.6
EV/EBIT	-46.3	18.7	10.4	12.9	9.5	6.7	5.1
PER	-11.3	31.7	15.5	27.4	11.1	6.7	5.0
Adjusted FCF yield	0.2 %	7.1 %	8.8 %	7.5 %	9.2 %	11.7 %	14.4 %

Source: Company data, Hauck & Aufhäuser Close price as of: 20.08.2013



Source: Company data, Hauck & Aufhäuser

**High/low 52 weeks:** 7.25 / 6.12

**Price/Book Ratio:** 1.0

**Relative performance (SDAX):**

3 months 8.3 %

6 months -1.6 %

12 months -19.2 %

### Changes in estimates

		Sales	EBIT	EPS
2013	old:	138.5	13.3	0.63
	Δ	-	-	-
2014	old:	152.1	17.9	1.06
	Δ	-	-	-
2015	old:	167.4	21.6	1.41
	Δ	-	-	-

### Key share data:

Number of shares: (in m pcs) 8.0

Authorised capital: (in € m) 4.0

Book value per share: (in €) 6.8

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.

## Quarterly table

EURm	Q2 13 est	Q2 12	yoy	Q1 13	qoq	H1 13E	H 12	yoy
<b>Sales</b>	<b>34.5</b>	<b>34.2</b>	1.1%	<b>34.8</b>	-0.8%	<b>69.3</b>	<b>68.2</b>	1.6%
<b>EBITDA</b>	<b>5.5</b>	<b>6.1</b>	-10.7%	<b>4.6</b>	18.8%	<b>10.1</b>	<b>11.0</b>	-8.8%
EBITDA margin (%)	15.8%	17.9%	-2.1 pp	13.2%	+2.6 pp	14.5%	16.2%	-1.7 pp
<b>EBIT</b>	<b>3.3</b>	<b>3.9</b>	-16.6%	<b>2.3</b>	42.2%	<b>5.6</b>	<b>6.7</b>	-17.4%
EBIT margin (%)	9.5%	11.5%	-2.0 pp	6.6%	+2.9 pp	8.0%	9.9%	-1.8 pp
<b>EPS</b>	<b>0.14</b>	<b>0.16</b>	-15.4%	<b>0.06</b>	130.8%	<b>0.20</b>	<b>0.26</b>	-24.5%

Source: Company data; Hauck&Aufhäuser Institutional Research

## Implied H2 '13E

	implied H2'13E	H2'12	yoy	avg quarter '12	avg quarter H2 '13
Sales	69.2	61.0	13.5%	32.3	34.6
EBITDA	12.2	7.8	56.8%	4.7	6.1
EBITDA margin	17.7%	12.8%		14.6%	17.7%
EBIT	7.7	3.3	133.6%	2.5	3.8
EBIT margin	11.1%	5.4%		7.8%	11.1%

Source: Hauck&Aufhäuser Institutional Research

## Peer group

Nabaltec AG	FX	Price	MC (€m)	EPS CAGR 12-15E	EBITDA margin 13E	Dividend yield 13E
RHI AG	(EUR)	24.8	981	5%	15.9%	3.3%
ALBEMARLE CORPORATION	(USD)	62.4	5,483	6%	22.5%	1.5%
SKW STAHL-METAL.HLDG.N	(EUR)	10.5	68	20%	5.2%	4.8%
<b>Nabaltec AG</b>	<b>(EUR)</b>	<b>7.1</b>	<b>56.5</b>	<b>76%</b>	<b>16.1%</b>	<b>0.0%</b>

Nabaltec AG	EV/Sales 13E (x)	EV/Sales 14E (x)	EV/Sales 15E (x)	EV/EBITDA 13E (x)	EV/EBITDA 14E (x)	EV/EBITDA 15E (x)	EV/EBIT 13E (x)	EV/EBIT 14E (x)	EV/EBIT 15E (x)
RHI AG	1.0	1.0	1.0	6.5	7.4	6.9	9.4	10.0	9.5
ALBEMARLE CORPORATION	2.3	2.1	2.0	10.0	8.9	8.3	12.2	10.7	10.0
SKW STAHL-METAL.HLDG.N	0.4	0.4	0.4	8.6	7.1	6.8	21.4	13.2	11.4
<b>Nabaltec AG</b>	<b>0.9</b>	<b>0.9</b>	<b>0.8</b>	<b>6.9</b>	<b>5.8</b>	<b>4.8</b>	<b>9.8</b>	<b>7.3</b>	<b>6.0</b>
<b>Average (peer group)</b>	<b>1.2</b>	<b>1.2</b>	<b>1.1</b>	<b>8.4</b>	<b>7.8</b>	<b>7.3</b>	<b>14.3</b>	<b>11.3</b>	<b>10.3</b>
<b>Premium+/discount- in (%)</b>	<b>-25%</b>	<b>-28%</b>	<b>-32%</b>	<b>-18%</b>	<b>-26%</b>	<b>-34%</b>	<b>-32%</b>	<b>-36%</b>	<b>-42%</b>

Source: H&A estimates, CapitalIQ, company filings

Implied FV	EV/EBITDA 13E (x)	EV/EBITDA 14E (x)	EV/EBITDA 15E (x)	EV/EBIT 13E (x)	EV/EBIT 14E (x)	EV/EBIT 15E (x)
Fair EV	186.8	210.3	225.0	190.1	201.8	222.5
Net debt	55.2	50.0	45.0	55.2	50.0	45.0
Pensions	17.8	17.8	17.8	17.8	17.8	17.8
Market Cap	113.7	142.4	162.2	117.0	134.0	159.6
Nosh	8.0	8.0	8.0	8.0	8.0	8.0
<b>implied FV</b>	<b>14.2</b>	<b>17.8</b>	<b>20.3</b>	<b>14.6</b>	<b>16.7</b>	<b>20.0</b>

Source: H&A estimates

Financials

Profit and loss (EUR m)	2009	2010	2011	2012	2013E	2014E	2015E
<b>Net sales</b>	<b>73.1</b>	<b>112.7</b>	<b>129.0</b>	<b>129.2</b>	<b>138.5</b>	<b>152.1</b>	<b>167.4</b>
<i>Sales growth</i>	-24.1 %	54.3 %	14.5 %	0.1 %	7.2 %	9.8 %	10.0 %
Increase/decrease in finished goods and work-in-process	-1.7	-0.1	3.7	0.1	0.0	0.0	0.0
<b>Total sales</b>	<b>71.4</b>	<b>112.6</b>	<b>132.8</b>	<b>129.4</b>	<b>138.5</b>	<b>152.1</b>	<b>167.4</b>
Other operating income	1.0	2.2	1.4	1.7	1.2	1.4	1.3
Material expenses	38.1	60.8	69.8	67.3	70.2	76.6	83.7
Personnel expenses	15.6	19.0	21.0	21.8	23.2	24.0	25.9
Other operating expenses	15.0	20.7	22.9	23.2	24.1	26.0	28.5
Total operating expenses	67.6	98.3	112.2	110.5	116.2	125.2	136.7
<b>EBITDA</b>	<b>3.7</b>	<b>14.3</b>	<b>20.6</b>	<b>18.8</b>	<b>22.3</b>	<b>26.9</b>	<b>30.6</b>
Depreciation	6.4	7.8	8.0	8.8	9.0	9.0	9.0
<b>EBITA</b>	<b>-2.7</b>	<b>6.5</b>	<b>12.5</b>	<b>10.0</b>	<b>13.3</b>	<b>17.9</b>	<b>21.6</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>-2.7</b>	<b>6.5</b>	<b>12.5</b>	<b>10.0</b>	<b>13.3</b>	<b>17.9</b>	<b>21.6</b>
Interest income	0.1	0.2	0.6	0.4	0.1	0.1	0.1
Interest expenses	4.4	5.3	6.9	6.3	5.0	4.4	3.9
Other financial result	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial result	-4.3	-5.1	-6.4	-5.9	-4.9	-4.3	-3.8
<b>Recurring pretax income from continuing operations</b>	<b>-7.0</b>	<b>1.4</b>	<b>6.2</b>	<b>4.1</b>	<b>8.4</b>	<b>13.5</b>	<b>17.8</b>
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Earnings before taxes</b>	<b>-7.0</b>	<b>1.4</b>	<b>6.2</b>	<b>4.1</b>	<b>8.4</b>	<b>13.5</b>	<b>17.8</b>
Taxes	-1.7	-0.7	1.6	1.1	2.4	4.1	5.3
<b>Net income from continuing operations</b>	<b>-5.3</b>	<b>2.1</b>	<b>4.5</b>	<b>3.0</b>	<b>6.0</b>	<b>9.5</b>	<b>12.5</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>-5.3</b>	<b>2.1</b>	<b>4.5</b>	<b>3.0</b>	<b>6.0</b>	<b>9.5</b>	<b>12.5</b>
Minority interest	-0.3	0.3	0.9	1.0	1.0	1.0	1.2
<b>Net income (net of minority interest)</b>	<b>-5.0</b>	<b>1.8</b>	<b>3.6</b>	<b>2.1</b>	<b>5.1</b>	<b>8.5</b>	<b>11.3</b>
Average number of shares	8.0	8.0	8.0	8.0	8.0	8.0	8.0
<b>EPS reported</b>	<b>-0.63</b>	<b>0.22</b>	<b>0.44</b>	<b>0.26</b>	<b>0.63</b>	<b>1.06</b>	<b>1.41</b>

Profit and loss (common size)	2009	2010	2011	2012	2013E	2014E	2015E
<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	-2.3 %	0.0 %	2.9 %	0.1 %	0.0 %	0.0 %	0.0 %
<b>Total sales</b>	<b>97.7 %</b>	<b>100.0 %</b>	<b>102.9 %</b>	<b>100.1 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>
Other operating income	1.4 %	1.9 %	1.1 %	1.3 %	0.9 %	0.9 %	0.8 %
Material expenses	52.1 %	54.0 %	54.1 %	52.1 %	50.7 %	50.3 %	50.0 %
Personnel expenses	21.3 %	16.9 %	16.3 %	16.8 %	16.8 %	15.8 %	15.5 %
Other operating expenses	20.5 %	18.3 %	17.7 %	17.9 %	17.4 %	17.1 %	17.0 %
Total operating expenses	92.6 %	87.2 %	87.0 %	85.5 %	83.9 %	82.3 %	81.7 %
<b>EBITDA</b>	<b>5.1 %</b>	<b>12.7 %</b>	<b>15.9 %</b>	<b>14.6 %</b>	<b>16.1 %</b>	<b>17.7 %</b>	<b>18.3 %</b>
Depreciation	8.8 %	6.9 %	6.2 %	6.8 %	6.5 %	5.9 %	5.4 %
<b>EBITA</b>	<b>-3.7 %</b>	<b>5.8 %</b>	<b>9.7 %</b>	<b>7.8 %</b>	<b>9.6 %</b>	<b>11.7 %</b>	<b>12.9 %</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>-3.7 %</b>	<b>5.8 %</b>	<b>9.7 %</b>	<b>7.8 %</b>	<b>9.6 %</b>	<b>11.7 %</b>	<b>12.9 %</b>
Interest income	0.2 %	0.2 %	0.4 %	0.3 %	0.1 %	0.1 %	0.1 %
Interest expenses	6.1 %	4.7 %	5.4 %	4.9 %	3.6 %	2.9 %	2.3 %
Other financial result	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Financial result	-5.9 %	-4.5 %	-4.9 %	-4.6 %	-3.5 %	-2.8 %	-2.3 %
<b>Recurring pretax income from continuing operations</b>	<b>-9.6 %</b>	<b>1.3 %</b>	<b>4.8 %</b>	<b>3.2 %</b>	<b>6.1 %</b>	<b>8.9 %</b>	<b>10.6 %</b>
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Earnings before taxes</b>	<b>-9.6 %</b>	<b>1.3 %</b>	<b>4.8 %</b>	<b>3.2 %</b>	<b>6.1 %</b>	<b>8.9 %</b>	<b>10.6 %</b>
Tax rate	24.2 %	-45.5 %	26.7 %	26.8 %	28.0 %	30.0 %	30.0 %
<b>Net income from continuing operations</b>	<b>-7.3 %</b>	<b>1.9 %</b>	<b>3.5 %</b>	<b>2.3 %</b>	<b>4.4 %</b>	<b>6.2 %</b>	<b>7.4 %</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>-7.3 %</b>	<b>1.9 %</b>	<b>3.5 %</b>	<b>2.3 %</b>	<b>4.4 %</b>	<b>6.2 %</b>	<b>7.4 %</b>
Minority interest	-0.4 %	0.3 %	0.7 %	0.7 %	0.7 %	0.7 %	0.7 %
<b>Net income (net of minority interest)</b>	<b>-6.9 %</b>	<b>1.6 %</b>	<b>2.8 %</b>	<b>1.6 %</b>	<b>3.7 %</b>	<b>5.6 %</b>	<b>6.7 %</b>

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2009	2010	2011	2012	2013E	2014E	2015E
<b>Intangible assets</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>	<b>0.2</b>
Property, plant and equipment	108.5	109.0	116.4	116.0	116.9	117.9	118.8
Financial assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>FIXED ASSETS</b>	<b>108.7</b>	<b>109.2</b>	<b>116.6</b>	<b>116.2</b>	<b>117.2</b>	<b>118.1</b>	<b>119.1</b>
Inventories	19.2	21.4	26.3	23.6	25.3	27.8	30.6
Accounts receivable	0.5	1.6	2.2	3.4	3.7	4.0	4.4
Other current assets	3.0	3.5	2.9	3.4	0.0	0.0	0.0
Liquid assets	0.5	29.0	16.3	14.3	6.2	4.8	7.0
Deferred taxes	0.0	1.3	0.9	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>23.1</b>	<b>56.8</b>	<b>48.8</b>	<b>45.3</b>	<b>35.1</b>	<b>36.6</b>	<b>42.0</b>
<b>TOTAL ASSETS</b>	<b>131.8</b>	<b>166.0</b>	<b>165.4</b>	<b>161.5</b>	<b>152.3</b>	<b>154.7</b>	<b>161.1</b>
SHAREHOLDERS EQUITY	44.9	46.0	50.0	49.4	54.3	62.8	74.4
MINORITY INTEREST	-4.0	-4.0	-3.1	-2.0	0.0	0.0	0.0
Long-term debt	53.4	73.6	68.9	59.9	49.2	42.0	35.0
Provisions for pensions and similar obligations	11.1	13.1	13.7	17.8	17.8	17.8	17.8
Other provisions	1.3	0.8	0.7	1.3	0.0	0.0	0.0
<b>Non-current liabilities</b>	<b>65.8</b>	<b>87.4</b>	<b>83.3</b>	<b>79.0</b>	<b>67.0</b>	<b>59.8</b>	<b>52.8</b>
short-term liabilities to banks	4.7	8.3	8.1	9.7	8.0	8.0	8.0
Accounts payable	6.1	11.2	10.0	10.4	11.2	12.2	14.0
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)	13.1	14.2	13.2	11.9	11.9	11.9	11.9
Deferred taxes	2.1	2.7	3.8	3.1	0.0	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>25.9</b>	<b>36.5</b>	<b>35.2</b>	<b>35.0</b>	<b>31.0</b>	<b>32.1</b>	<b>33.9</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>132.7</b>	<b>166.0</b>	<b>165.4</b>	<b>161.5</b>	<b>152.3</b>	<b>154.7</b>	<b>161.1</b>

Balance sheet (common size)	2009	2010	2011	2012	2013E	2014E	2015E
<b>Intangible assets</b>	<b>0.2 %</b>	<b>0.1 %</b>	<b>0.1 %</b>	<b>0.1 %</b>	<b>0.2 %</b>	<b>0.1 %</b>	<b>0.1 %</b>
Property, plant and equipment	81.8 %	65.7 %	70.4 %	71.8 %	76.8 %	76.2 %	73.8 %
Financial assets	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>FIXED ASSETS</b>	<b>81.9 %</b>	<b>65.8 %</b>	<b>70.5 %</b>	<b>72.0 %</b>	<b>76.9 %</b>	<b>76.3 %</b>	<b>73.9 %</b>
Inventories	14.5 %	12.9 %	15.9 %	14.6 %	16.6 %	18.0 %	19.0 %
Accounts receivable	0.4 %	1.0 %	1.4 %	2.1 %	2.4 %	2.6 %	2.7 %
Other current assets	2.2 %	2.1 %	1.8 %	2.1 %	0.0 %	0.0 %	0.0 %
Liquid assets	0.4 %	17.4 %	9.9 %	8.9 %	4.1 %	3.1 %	4.3 %
Deferred taxes	0.0 %	0.8 %	0.6 %	0.3 %	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>17.4 %</b>	<b>34.2 %</b>	<b>29.5 %</b>	<b>28.0 %</b>	<b>23.1 %</b>	<b>23.7 %</b>	<b>26.1 %</b>
<b>TOTAL ASSETS</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>	<b>100.0 %</b>
SHAREHOLDERS EQUITY	33.8 %	27.7 %	30.2 %	30.6 %	35.6 %	40.6 %	46.2 %
MINORITY INTEREST	-3.0 %	-2.4 %	-1.9 %	-1.2 %	0.0 %	0.0 %	0.0 %
Long-term debt	40.3 %	44.3 %	41.7 %	37.1 %	32.3 %	27.1 %	21.7 %
Provisions for pensions and similar obligations	8.4 %	7.9 %	8.3 %	11.0 %	11.7 %	11.5 %	11.1 %
Other provisions	1.0 %	0.5 %	0.4 %	0.8 %	0.0 %	0.0 %	0.0 %
<b>Non-current liabilities</b>	<b>49.6 %</b>	<b>52.7 %</b>	<b>50.4 %</b>	<b>48.9 %</b>	<b>44.0 %</b>	<b>38.7 %</b>	<b>32.8 %</b>
short-term liabilities to banks	3.6 %	5.0 %	4.9 %	6.0 %	5.3 %	5.2 %	5.0 %
Accounts payable	4.6 %	6.8 %	6.1 %	6.4 %	7.3 %	7.9 %	8.7 %
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)	9.8 %	8.6 %	8.0 %	7.3 %	7.8 %	7.7 %	7.4 %
Deferred taxes	1.6 %	1.6 %	2.3 %	1.9 %	0.0 %	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>19.6 %</b>	<b>22.0 %</b>	<b>21.3 %</b>	<b>21.7 %</b>	<b>20.4 %</b>	<b>20.7 %</b>	<b>21.0 %</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)	2009	2010	2011	2012	2013E	2014E	2015E
Net profit/loss	-5.3	2.1	4.5	3.0	6.0	9.5	12.5
Depreciation of fixed assets (incl. leases)	6.4	7.8	8.0	8.8	9.0	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	-0.9	-0.8	2.8	2.5	0.0	0.0	0.0
Cash flow from operations before changes in w/c	0.2	9.1	15.4	14.3	15.1	18.5	21.5
Increase/decrease in inventory	9.2	-2.2	-4.9	2.7	-1.7	-2.5	-2.8
Increase/decrease in accounts receivable	1.4	-1.7	-0.6	-1.6	-0.2	-0.4	-0.4
Increase/decrease in accounts payable	-10.5	4.1	-1.2	1.6	0.8	1.1	1.8
Increase/decrease in other working capital positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in working capital	0.0	0.1	-6.8	2.7	-1.2	-1.7	-1.4
<b>Cash flow from operating activities</b>	<b>0.2</b>	<b>9.2</b>	<b>8.6</b>	<b>17.0</b>	<b>13.9</b>	<b>16.8</b>	<b>20.1</b>
CAPEX	20.4	7.5	15.4	10.6	10.0	10.0	9.0
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	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Cash flow from investing activities</b>	<b>-20.4</b>	<b>-7.5</b>	<b>-15.4</b>	<b>-10.6</b>	<b>-10.0</b>	<b>-10.0</b>	<b>-9.0</b>
Cash flow before financing	-20.2	1.7	-6.8	6.4	3.9	6.8	11.1
Increase/decrease in debt position	18.8	28.7	-5.6	-8.4	-12.4	-7.2	-7.0
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	0.0	0.0	0.0	0.0	0.0	1.0	1.9
Others	0.0	-2.0	0.0	0.0	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Cash flow from financing activities</b>	<b>18.8</b>	<b>26.7</b>	<b>-5.6</b>	<b>-8.4</b>	<b>-12.4</b>	<b>-8.1</b>	<b>-8.9</b>
Increase/decrease in liquid assets	-1.4	28.4	-12.4	-2.0	-8.5	-1.4	2.2
<b>Liquid assets at end of period</b>	<b>0.6</b>	<b>29.0</b>	<b>16.7</b>	<b>14.7</b>	<b>6.2</b>	<b>4.8</b>	<b>7.0</b>

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2009	2010	2011	2012	2013E	2014E	2015E
Domestic	22.0	35.1	40.7	40.0	42.0	45.0	49.0
yoy change	-34.8 %	59.4 %	16.2 %	-1.7 %	4.9 %	7.1 %	8.9 %
Rest of Europe	37.3	50.2	58.3	59.9	63.0	68.0	73.0
yoy change	-23.7 %	34.6 %	16.2 %	2.7 %	5.2 %	7.9 %	7.4 %
NAFTA	7.8	17.1	16.8	14.8	16.5	19.0	21.0
yoy change	0.6 %	119.5 %	-2.1 %	-11.9 %	11.7 %	15.2 %	10.5 %
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	6.0	10.4	13.3	14.4	17.0	20.1	24.4
yoy change	0.9 %	72.8 %	27.8 %	8.9 %	17.8 %	18.5 %	20.9 %
<b>TTL</b>	<b>73.1</b>	<b>112.7</b>	<b>129.0</b>	<b>129.1</b>	<b>138.5</b>	<b>152.1</b>	<b>167.4</b>
yoy change	-24.1 %	54.3 %	14.5 %	0.1 %	7.3 %	9.9 %	10.0 %

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2009	2010	2011	2012	2013E	2014E	2015E
<b>P&amp;L growth analysis</b>							
Sales growth	-24.1 %	54.3 %	14.5 %	0.1 %	7.2 %	9.8 %	10.0 %
EBITDA growth	-59.9 %	283.5 %	43.6 %	-8.5 %	18.4 %	20.7 %	13.8 %
EBIT growth	-165.6 %	-342.1 %	91.3 %	-20.0 %	32.2 %	34.8 %	20.8 %
EPS growth	-550.9 %	-135.5 %	97.9 %	-41.5 %	146.6 %	66.9 %	33.0 %
<b>Efficiency</b>							
Total operating costs / sales	92.6 %	87.2 %	87.0 %	85.5 %	83.9 %	82.3 %	81.7 %
Sales per employee	210.5	312.2	328.3	327.1	346.3	380.4	408.2
EBITDA per employee	10.8	39.7	52.3	47.7	55.7	67.3	74.7
<b>Balance sheet analysis</b>							
Avg. working capital / sales	23.2 %	11.3 %	11.7 %	13.6 %	12.4 %	12.3 %	12.1 %
Inventory turnover (sales/inventory)	3.8	5.3	4.9	5.5	5.5	5.5	5.5
Trade debtors in days of sales	2.5	5.2	6.4	9.6	9.6	9.6	9.6
A/P turnover [(A/P*365)/sales]	30.3	36.4	28.4	29.4	29.4	29.4	29.4
Cash conversion cycle (days)	128.4	66.2	91.5	81.2	83.2	83.7	81.9
<b>Cash flow analysis</b>							
Free cash flow	-20.2	1.7	-6.8	6.4	3.9	6.8	11.1
Free cash flow/sales	-27.6 %	1.5 %	-5.2 %	5.0 %	2.8 %	4.5 %	6.6 %
FCF / net profit	402.6 %	97.5 %	-186.4 %	311.1 %	76.7 %	79.9 %	98.4 %
FCF yield	-35.8 %	3.1 %	-12.0 %	11.4 %	6.9 %	12.0 %	19.7 %
Capex / depre	316.8 %	96.5 %	191.5 %	120.4 %	110.5 %	110.5 %	99.5 %
Capex / maintenance capex	370.9 %	125.0 %	237.2 %	150.0 %	133.3 %	125.0 %	117.6 %
Capex / sales	27.9 %	6.7 %	11.9 %	n/a	n/a	n/a	n/a
<b>Security</b>							
Net debt	57.6	52.9	60.7	55.2	51.0	45.2	36.0
Net Debt/EBITDA	15.4	3.7	2.9	2.9	2.3	1.7	1.2
Net debt / equity	1.3	1.1	1.2	1.1	0.9	0.7	0.5
Interest cover	0.0	1.2	1.8	1.6	2.7	4.0	5.6
Dividend payout ratio	0.0 %	0.0 %	0.0 %	0.0 %	19.0 %	22.4 %	27.7 %
<b>Asset utilisation</b>							
Capital employed turnover	0.7	0.8	0.9	0.9	1.1	1.2	1.2
Operating assets turnover	0.6	0.9	1.0	1.0	1.0	1.1	1.2
Plant turnover	0.7	1.0	1.1	1.1	1.2	1.3	1.4
Inventory turnover (sales/inventory)	3.8	5.3	4.9	5.5	5.5	5.5	5.5
<b>Returns</b>							
ROCE	-2.5 %	5.3 %	9.1 %	7.3 %	10.0 %	13.7 %	16.2 %
ROE	-11.2 %	3.9 %	7.3 %	4.2 %	9.4 %	13.5 %	15.2 %
<b>Other</b>							
Interest paid / avg. debt	8.6 %	7.6 %	8.7 %	8.6 %	7.8 %	8.3 %	8.3 %
No. employees (average)	347	361	393	395	400	400	410
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	0.4
EPS reported	-0.63	0.22	0.44	0.26	0.63	1.06	1.41
<b>Valuation ratios</b>							
P/BV	1.3	1.2	1.1	1.1	1.0	0.9	0.8
EV/sales	1.7	1.1	1.0	1.0	0.9	0.8	0.7
EV/EBITDA	33.5	8.5	6.4	6.9	5.6	4.4	3.6
EV/EBITA	-46.3	18.7	10.4	12.9	9.5	6.7	5.1
EV/EBIT	-46.3	18.7	10.4	12.9	9.5	6.7	5.1
EV/FCF	-6.2	70.6	-19.3	20.2	32.2	17.6	9.9
Dividend yield	0.0 %	0.0 %	0.0 %	0.0 %	1.7 %	3.4 %	5.5 %

Source: Company data, Hauck & Aufhäuser

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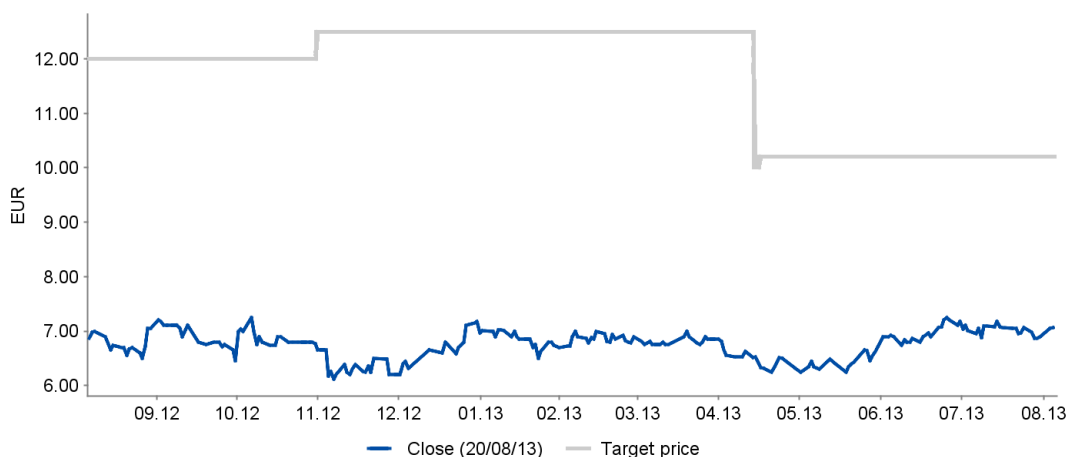
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Company	Disclosure
Nabaltec AG	2, 5

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

**Price and Rating History  
Nabaltec AG as of 21/08/13**

**Initiation coverage**  
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**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

**Leonhard Bayer**  
Analyst

Tel.: +49 (0)40 414 3885 - 79  
E-Mail: leonhard.bayer@ha-research.de

**Sascha Berresch, CFA**  
Head of Research

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

**Henning Breiter**  
Analyst

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

**Lars Dannenberg**  
Analyst

Tel.: +49 (0)40 414 3885 - 92  
E-Mail: lars.dannenberg@ha-research.de

**Nils-Peter Fitzl**  
Analyst

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

**Philippe Lorrain**  
Analyst

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

**Christian Schwenkenbecher**  
Analyst

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

**Torben Teichler**  
Analyst

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

**Thomas Wissler**  
Analyst

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

**Tim Wunderlich, CFA**  
Analyst

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

**Hauck & Aufhäuser Sales**

**Vincent Bischoff**  
Sales

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

**Hamish Edsell**  
Sales

Tel.: +44 207 763 7180  
E-Mail: hamish.edsell@ha-research.de

**Hugues Madelin**  
Sales

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

**Markus Weiss**  
Sales

Tel.: +49 (0)40 414 3885 - 89  
E-Mail: markus.weiss@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 - 70  
E-Mail: graeme.davies@ha-research.de

**Michael Bentlage**

Tel.: +49 (0)69 2161 - 1863  
E-Mail: michael.bentlage@hauck-aufhaeuser.de

**Jeronimo Bremer**

Tel.: +49 (0)40 414 3885 - 70  
E-Mail: jeronimo.bremer@ha-research.de

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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)40 414 3885 75  
E-Mail: mirko.brueggemann@hauck-aufhaeuser.de

**Christian von Schuler**  
Trading

Tel.: +49 (0)40 414 3885 77  
E-Mail: christian.schuler@hauck-aufhaeuser.de

**Carolin Weber**  
Middle-Office

Tel.: +49 (0)40 414 3885 87  
E-Mail: carolin.weber@hauck-aufhaeuser.de