

Nabaltec

Germany - Chemicals/ Specialty Chemicals



HAUCK & AUFHÄUSER
INSTITUTIONAL RESEARCH AG

Buy (old: Buy)

Price target: EUR 10.70 (old: EUR 10.20)

Price:	EUR 7.05	Next result:	Q3 26.11.13
Bloomberg:	NTG GR	Market cap:	EUR 56.4 m
Reuters:	NTGG.DE	Enterprise Value:	EUR 121.2 m

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Q2 results in-line /positive outlook points to strong H2

Q2 results were broadly in-line with sales of € 34.0m (eH&A € 34.5m) and an EBIT of € 3.6m (eH&A € 3.3m) showing a **strong qoq improvement of the EBIT margin by 3.8pp to 10.4%** while still performing against a strong Q2 '12 (11.5% EBIT margin). Most importantly, **management confirmed its positive outlook for FY '13** to achieve mid single digit sales growth and an EBIT margin on last year's level. This **suggests a strong yoy performance in H2** against a much less challenging base.

- Functional Fillers sales mainly including the environmental friendly flame retardants declined by 3.8% yoy in Q2 to € 22.8m due to somewhat lower avg. prices given a subpar utilisation in the industry (-1.0% yoy in H1 to € 46.5m).
- Technical Ceramics showed a sound rebound in sales up 8.4% yoy to € 11.2m in Q2 (+4.9% yoy in H1 to € 22.2m) benefiting from a moderate recovery in the European Steel production (50% of divisional sales with refractory producers).

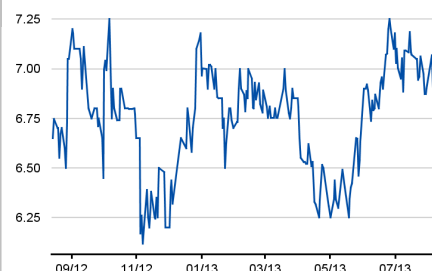
Despite adverse market conditions explaining a subpar **utilisation of only c. 75% and a high D&A level (6.7% of sales)** Nabaltec achieved a sound profitability with an **EBIT margin of 10.4%** in Q2 (8.5% in H1). Also, high margin products such as the boemite used as a flame retardant synergist with phosphorus in PCBs and in separation foils in lithium ions batteries are still in the ramp up phase.

Cash generation was very sound with the CFO (before interest) arriving at € 15.2m in H1. This was supported by good control over w/c which declined by € 2.8m. CFO was more than sufficient to meet capex spending of € 2.3m and interest payments of € 1.1m. As a result, liquid assets increased to € 21.4m (€ 16.3m at the end of 2012) with **net debt declining stronger than expected to € 44m.**

Giving improving economic indicators and the structurally growing demand for environmental friendly flame retardants, Nabaltec looks on track to achieve our FY '13 estimates. **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. **Our estimates and PT are adjusted to reflect the better than expected cash generation. BUY, new PT € 10.70** (old € 10.20) conservatively based on FCFY '13E not yet accounting for the growth potential and the expected de-leverage (FCFY '14E points to a fair value of € 15.00). – 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	47.0	41.0	32.4
Net gearing	128.4 %	115.0 %	121.4 %	111.7 %	86.5 %	65.2 %	43.4 %
Net Debt/EBITDA	15.4	3.7	2.9	2.9	2.1	1.5	1.1
EPS pro forma	-0.63	0.22	0.45	0.26	0.64	1.07	1.41
CPS	0.02	0.40	0.27	1.25	1.05	1.12	1.38
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 %	11.8 %	12.9 %
ROCE	-2.5 %	5.3 %	9.1 %	7.3 %	10.0 %	13.8 %	16.3 %
EV/sales	1.7	1.1	1.0	1.0	0.9	0.8	0.6
EV/EBITDA	33.5	8.5	6.4	6.9	5.4	4.3	3.5
EV/EBIT	-46.3	18.7	10.4	12.9	9.1	6.4	4.9
PER	-11.3	31.7	15.5	27.4	11.0	6.6	5.0
Adjusted FCF yield	0.2 %	7.1 %	8.8 %	7.5 %	9.5 %	12.1 %	14.9 %

Source: Company data, Hauck & Aufhäuser Close price as of: 27.08.2013



Source: Company data, Hauck & Aufhäuser

High/low 52 weeks: 7.25 / 6.12
Price/Book Ratio: 1.0
Relative performance (SDAX):
 3 months 8.4 %
 6 months 1.1 %
 12 months -22.6 %

Changes in estimates

		Sales	EBIT	EPS
2013	old:	138.5	13.3	0.63
	Δ	-	-	0.9%
2014	old:	152.1	17.9	1.06
	Δ	-	-	0.6%
2015	old:	167.4	21.6	1.41
	Δ	-	-	0.4%

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	Q2 13 est	Q2 12	yoy	Q1 13	qoq	H1 13	H 12	yoy
Sales	34.0	34.5	34.2	-0.4%	34.8	-2.2%	68.8	68.2	0.9%
Functional Fillers	22.8	23.3	23.8	-3.8%	23.7	-3.6%	46.5	47.0	-1.0%
Technical Ceramics	11.2	11.2	10.3	8.4%	11.1	0.7%	22.2	21.2	4.9%
Gross profit	17.2	16.8	16.9	1.6%	16.0	7.1%	47.7	49.5	-3.6%
Gross margin (%)	50.5%	48.7%	49.5%	+ 1.0 pp	46.1%	+ 4.4 pp	69.4%	72.6%	- 3.2 pp
EBITDA	5.8	5.5	6.1	-4.5%	4.6	27.0%	10.4	11.0	-5.4%
EBITDA margin (%)	17.2%	15.8%	17.9%	- 0.7 pp	13.2%	+ 4.0 pp	15.2%	16.2%	- 1.0 pp
EBIT	3.6	3.3	3.9	-9.2%	2.3	54.8%	5.8	6.7	-13.1%
EBIT margin (%)	10.4%	9.5%	11.5%	- 1.0 pp	6.6%	+ 3.8 pp	8.5%	9.9%	- 1.4 pp
Net profit	1.7	1.4	1.3	30.3%	0.4	283.6%	2.2	2.1	2.3%
Net margin (%)	5.0%	3.3%	3.8%	+ 1.2 pp	1.3%	+ 3.7 pp	3.1%	3.1%	+ 0.0 pp
EPS	0.21	0.18	0.16	27.6%	0.06	248.3%	0.27	0.26	2.3%

Source: Company data; Hauck&Aufhäuser Institutional Research

Implied H2 performance

	implied H2'13E	H2'12	yoy	avg quarter H2 '13
Sales	69.7	61.0	14.3%	34.9
EBITDA	11.9	7.8	52.0%	5.9
EBITDA margin	17.0%	12.8%		17.0%
EBIT	7.5	3.3	126.8%	3.7
EBIT margin	10.7%	5.4%		10.7%

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)	24.3	952	5%	15.9%	3.4%
ALBEMARLE CORPORATION	(USD)	62.6	5,498	6%	22.5%	1.5%
SKW STAHL-METAL.HLDG.N	(EUR)	10.9	71	20%	5.1%	2.8%
Nabaltec AG	(EUR)	7.1	56.4	76%	16.1%	0.0%

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	6.4	7.3	6.8	9.2	9.8	9.3
ALBEMARLE CORPORATION	2.3	2.1	2.0	10.1	9.0	8.3	12.3	10.8	10.1
SKW STAHL-METAL.HLDG.N	0.5	0.5	0.4	9.2	7.6	7.0	24.9	13.4	12.4
Nabaltec AG	0.9	0.9	0.8	6.9	5.8	4.8	9.7	7.2	6.0
Average (peer group)	1.3	1.2	1.1	8.6	7.9	7.4	15.5	11.3	10.6
Premium+/discount- in (%)	-25%	-29%	-33%	-20%	-27%	-35%	-37%	-36%	-44%

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	190.7	213.3	225.3	205.9	203.1	229.6
Net debt	47.0	41.0	32.4	47.0	41.0	32.4
Pensions	17.8	17.8	17.8	17.8	17.8	17.8
Market Cap	125.9	154.5	175.1	141.0	144.3	179.4
Nosh	8.0	8.0	8.0	8.0	8.0	8.0
implied FV	15.7	19.3	21.9	17.6	18.0	22.4

Source: H&A estimates

Financials

Profit and loss (EUR m)	2009	2010	2011	2012	2013E	2014E	2015E
Net sales	73.1	112.7	129.0	129.2	138.5	152.1	167.4
<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
Total sales	71.4	112.6	132.8	129.4	138.5	152.1	167.4
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
EBITDA	3.7	14.3	20.6	18.8	22.3	26.9	30.6
Depreciation	6.4	7.8	8.0	8.8	9.0	9.0	9.0
EBITA	-2.7	6.5	12.5	10.0	13.3	17.9	21.6
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	-2.7	6.5	12.5	10.0	13.3	17.9	21.6
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
Recurring pretax income from continuing operations	-7.0	1.4	6.2	4.1	8.5	13.6	17.9
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	-7.0	1.4	6.2	4.1	8.5	13.6	17.9
Taxes	-1.7	-0.7	1.6	1.1	2.4	4.1	5.4
Net income from continuing operations	-5.3	2.1	4.5	3.0	6.1	9.5	12.5
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	-5.3	2.1	4.5	3.0	6.1	9.5	12.5
Minority interest	-0.3	0.3	0.9	1.0	1.0	1.0	1.2
Net income (net of minority interest)	-5.0	1.8	3.6	2.1	5.1	8.5	11.3
Average number of shares	8.0	8.0	8.0	8.0	8.0	8.0	8.0
EPS reported	-0.63	0.22	0.44	0.26	0.64	1.07	1.41

Profit and loss (common size)	2009	2010	2011	2012	2013E	2014E	2015E
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	-2.3 %	0.0 %	2.9 %	0.1 %	0.0 %	0.0 %	0.0 %
Total sales	97.7 %	100.0 %	102.9 %	100.1 %	100.0 %	100.0 %	100.0 %
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 %
EBITDA	5.1 %	12.7 %	15.9 %	14.6 %	16.1 %	17.7 %	18.3 %
Depreciation	8.8 %	6.9 %	6.2 %	6.8 %	6.5 %	5.9 %	5.4 %
EBITA	-3.7 %	5.8 %	9.7 %	7.8 %	9.6 %	11.8 %	12.9 %
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 %
Impairment charges	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBIT	-3.7 %	5.8 %	9.7 %	7.8 %	9.6 %	11.8 %	12.9 %
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 %
Recurring pretax income from continuing operations	-9.6 %	1.3 %	4.8 %	3.2 %	6.1 %	8.9 %	10.7 %
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Earnings before taxes	-9.6 %	1.3 %	4.8 %	3.2 %	6.1 %	8.9 %	10.7 %
Tax rate	24.2 %	-45.5 %	26.7 %	26.8 %	28.0 %	30.0 %	30.0 %
Net income from continuing operations	-7.3 %	1.9 %	3.5 %	2.3 %	4.4 %	6.3 %	7.5 %
Income from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income	-7.3 %	1.9 %	3.5 %	2.3 %	4.4 %	6.3 %	7.5 %
Minority interest	-0.4 %	0.3 %	0.7 %	0.7 %	0.7 %	0.7 %	0.7 %
Net income (net of minority interest)	-6.9 %	1.6 %	2.8 %	1.6 %	3.7 %	5.6 %	6.8 %

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2009	2010	2011	2012	2013E	2014E	2015E
Intangible assets	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Property, plant and equipment	108.5	109.0	116.4	116.0	115.0	116.0	117.0
Financial assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FIXED ASSETS	108.7	109.2	116.6	116.2	115.2	116.3	117.3
Inventories	19.2	21.4	26.3	23.6	24.3	26.7	29.4
Accounts receivable	0.5	1.6	2.2	3.4	3.2	3.5	3.9
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	10.2	9.0	10.6
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
CURRENT ASSETS	23.1	56.8	48.8	45.3	37.7	39.2	43.9
TOTAL ASSETS	131.8	166.0	165.4	161.5	153.0	155.5	161.2
SHAREHOLDERS EQUITY	44.9	46.0	50.0	49.4	54.3	62.9	74.5
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
Non-current liabilities	65.8	87.4	83.3	79.0	67.0	59.8	52.8
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	11.8	12.9	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
Current liabilities	25.9	36.5	35.2	35.0	31.6	32.8	33.9
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	132.7	166.0	165.4	161.5	153.0	155.5	161.2

Balance sheet (common size)	2009	2010	2011	2012	2013E	2014E	2015E
Intangible assets	0.2 %	0.1 %	0.1 %	0.1 %	0.2 %	0.1 %	0.1 %
Property, plant and equipment	81.8 %	65.7 %	70.4 %	71.8 %	75.2 %	74.6 %	72.6 %
Financial assets	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
FIXED ASSETS	81.9 %	65.8 %	70.5 %	72.0 %	75.3 %	74.8 %	72.8 %
Inventories	14.5 %	12.9 %	15.9 %	14.6 %	15.9 %	17.2 %	18.2 %
Accounts receivable	0.4 %	1.0 %	1.4 %	2.1 %	2.1 %	2.3 %	2.4 %
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 %	6.7 %	5.8 %	6.6 %
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 %
CURRENT ASSETS	17.4 %	34.2 %	29.5 %	28.0 %	24.7 %	25.2 %	27.2 %
TOTAL ASSETS	99.4 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
SHAREHOLDERS EQUITY	33.8 %	27.7 %	30.2 %	30.6 %	35.5 %	40.4 %	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 %	32.2 %	27.0 %	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 %
Non-current liabilities	49.6 %	52.7 %	50.4 %	48.9 %	43.8 %	38.5 %	32.8 %
short-term liabilities to banks	3.6 %	5.0 %	4.9 %	6.0 %	5.2 %	5.1 %	5.0 %
Accounts payable	4.6 %	6.8 %	6.1 %	6.4 %	7.7 %	8.3 %	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 %	7.7 %	7.6 %	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 %
Current liabilities	19.6 %	22.0 %	21.3 %	21.7 %	20.7 %	21.1 %	21.0 %
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)	2009	2010	2011	2012	2013E	2014E	2015E
Net profit/loss	-5.3	2.1	4.5	3.0	6.1	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	-0.7	-2.4	-2.7
Increase/decrease in accounts receivable	1.4	-1.7	-0.6	-1.6	0.2	-0.3	-0.4
Increase/decrease in accounts payable	-10.5	4.1	-1.2	1.6	1.4	1.2	1.1
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	0.8	-1.5	-1.9
Cash flow from operating activities	0.2	9.2	8.6	17.0	15.9	17.0	19.5
CAPEX	20.4	7.5	15.4	10.6	8.0	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
Cash flow from investing activities	-20.4	-7.5	-15.4	-10.6	-8.0	-10.0	-9.0
Cash flow before financing	-20.2	1.7	-6.8	6.4	7.9	7.0	10.5
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
Cash flow from financing activities	18.8	26.7	-5.6	-8.4	-12.4	-8.2	-8.9
Increase/decrease in liquid assets	-1.4	28.4	-12.4	-2.0	-4.5	-1.2	1.6
Liquid assets at end of period	0.6	29.0	16.7	14.7	10.2	9.0	10.6

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 %
TTL	73.1	112.7	129.0	129.1	138.5	152.1	167.4
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
P&L growth analysis							
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 %	32.8 %	34.7 %	20.7 %
EPS growth	-550.9 %	-135.5 %	97.9 %	-41.5 %	149.0 %	66.2 %	32.8 %
Efficiency							
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
Balance sheet analysis							
Avg. working capital / sales	23.2 %	11.3 %	11.7 %	13.6 %	11.7 %	10.9 %	10.9 %
Inventory turnover (sales/inventory)	3.8	5.3	4.9	5.5	5.7	5.7	5.7
Trade debtors in days of sales	2.5	5.2	6.4	9.6	8.5	8.5	8.5
A/P turnover [(A/P*365)/sales]	30.3	36.4	28.4	29.4	31.0	31.0	31.0
Cash conversion cycle (days)	128.4	66.2	91.5	81.2	73.7	74.1	75.5
Cash flow analysis							
Free cash flow	-20.2	1.7	-6.8	6.4	7.9	7.0	10.5
Free cash flow/sales	-27.6 %	1.5 %	-5.2 %	5.0 %	5.7 %	4.6 %	6.3 %
FCF / net profit	402.6 %	97.5 %	-186.4 %	311.1 %	154.4 %	81.6 %	93.2 %
FCF yield	-35.8 %	3.1 %	-12.0 %	11.4 %	14.0 %	12.3 %	18.7 %
Capex / depn	316.8 %	96.5 %	191.5 %	120.4 %	89.1 %	111.4 %	100.2 %
Capex / maintenance capex	370.9 %	125.0 %	237.2 %	150.0 %	106.7 %	125.0 %	117.6 %
Capex / sales	27.9 %	6.7 %	11.9 %	n/a	n/a	n/a	n/a
Security							
Net debt	57.6	52.9	60.7	55.2	47.0	41.0	32.4
Net Debt/EBITDA	15.4	3.7	2.9	2.9	2.1	1.5	1.1
Net debt / equity	1.3	1.1	1.2	1.1	0.9	0.7	0.4
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 %	22.3 %	27.7 %
Asset utilisation							
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	1.1	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	5.7	5.7	5.7
Returns							
ROCE	-2.5 %	5.3 %	9.1 %	7.3 %	10.0 %	13.8 %	16.3 %
ROE	-11.2 %	3.9 %	7.3 %	4.2 %	9.4 %	13.6 %	15.2 %
Other							
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	0.64	1.07	1.41
Valuation ratios							
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	0.6
EV/EBITDA	33.5	8.5	6.4	6.9	5.4	4.3	3.5
EV/EBITA	-46.3	18.7	10.4	12.9	9.1	6.4	4.9
EV/EBIT	-46.3	18.7	10.4	12.9	9.1	6.4	4.9
EV/FCF	-6.2	70.6	-19.3	20.2	15.3	16.6	10.1
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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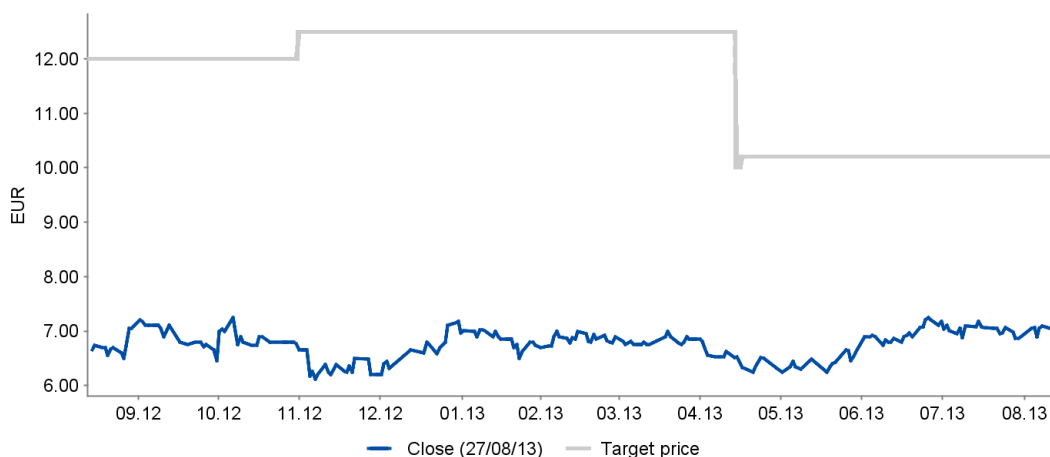
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Company	Disclosure
Nabaltec AG	2, 5

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

**Price and Rating History
Nabaltec AG as of 28/08/13**

Initiation coverage
14-April-11



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