

**Buy** (old: Buy)

**Price target: EUR 14.00** (old: EUR 14.00)

<b>Price:</b>	EUR 10.85	<b>Next result:</b>	Q4 30.04.14
<b>Bloomberg:</b>	NTG GR	<b>Market cap:</b>	EUR 86.8 m
<b>Reuters:</b>	NTGG.DE	<b>Enterprise Value:</b>	EUR 152.1 m

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## Statements of management provide confidence in growth

Board member Mr Heckmann gave an upbeat interview last week. While he stated that Nabaltec should have reached its targets for 2013 (mid single digit sales growth and an EBIT margin at least on last year's level of around 8%; eH&A 4% yoy growth and 8.9% EBIT margin), he pointed out the **growth opportunities for the company**.

First of all, the **trend of stricter fire protection rules and the substitution of hazardous and toxic flame retardants** remain the key growth driver for the company which has established a global market leading position in the niche market of mineral based flame retardants (accounting for 2/3rd of group sales). As a result the market is expected to grow stronger than GDP by 6-7% p.a. in volume terms. Moreover, Nabaltec has recently signed a **distribution agreement with leading Japanese company Sumitomo Chemical** to exploit the Asian markets. According to the management halogen free flame retardants look set to become a global standard and **demand in Asia looks set to increase strongly**.

In addition, management remains **optimistic that new product innovations** (all based on the same raw material) such as its boemite used in separation foils in high temperature batteries, in the catalysis in oil refining and as flame retardant in PCBs as well as its CAHC used as stabiliser in PVC (as a substitute of lead), **will increasingly add to sales in the coming years**.

Importantly, **growth should come at high incremental EBIT margins of c. 30%** given 1) higher gross margins generated with high performance flame retardants (fine precipitated ATH) and new products as well as 2) economies of scale in personnel (17% of sales) and D&A (7% of sales) emerging from a subpar utilisation.

At the same time management stressed that the **company should stem future growth with significantly lower capex than seen in the past** (note: Nabaltec spent € 150m between '05-13) and that capex should be rather below € 10m in future. Combined with an improved profitability, this is seen to **substantially increase the cash generation of the company which should allow Nabaltec to continue to pay down debt**. The de-leverage alone looks set to translate into an increasing value of the equity. Our **PT of € 14 is conservatively based on 2014E** only partially reflecting the de-leverage and growth potential of the company. **Remains a BUY**.



Source: Company data, Hauck & Aufhäuser

<b>High/low 52 weeks:</b>	11.82 / 6.25
<b>Price/Book Ratio:</b>	1.6
<b>Relative performance (SDAX):</b>	
3 months	14.6 %
6 months	37.4 %
12 months	43.8 %

### Changes in estimates

		Sales	EBIT	EPS
2013	old:	134.9	12.0	0.52
	Δ	-	-	-
2014	old:	147.8	16.4	0.93
	Δ	-	-	-
2015	old:	159.7	19.4	1.22
	Δ	-	-	-

### Key share data:

Number of shares: (in m pcs)	8.0
Authorised capital: (in € m)	4.0
Book value per share: (in €)	6.7
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)	2009	2010	2011	2012	2013E	2014E	2015E
Sales	73.1	112.7	129.0	129.2	134.9	147.8	159.7
Sales growth	-24 %	54 %	14 %	0 %	4 %	10 %	8 %
EBITDA	3.7	14.3	20.6	18.8	21.0	25.4	28.4
EBIT	-2.7	6.5	12.5	10.0	12.0	16.4	19.4
Net income	-5.0	1.8	3.6	2.1	4.2	7.4	9.8
Net debt	57.6	52.9	60.7	55.2	47.5	40.4	32.0
Net gearing	128.4 %	115.0 %	121.4 %	111.7 %	88.9 %	66.2 %	46.2 %
Net Debt/EBITDA	15.4	3.7	2.9	2.9	2.3	1.6	1.1
EPS pro forma	-0.63	0.22	0.45	0.26	0.52	0.93	1.22
CPS	0.02	0.40	0.27	1.31	1.05	1.05	1.38
DPS	0.00	0.00	0.00	0.00	0.10	0.21	0.34
Dividend yield	0.0 %	0.0 %	0.0 %	0.0 %	1.0 %	1.9 %	3.2 %
Gross profit margin	45.6 %	46.0 %	48.8 %	48.0 %	49.3 %	49.6 %	49.8 %
EBITDA margin	5.1 %	12.7 %	15.9 %	14.6 %	15.6 %	17.1 %	17.8 %
EBIT margin	-3.7 %	5.8 %	9.7 %	7.8 %	8.9 %	11.1 %	12.2 %
ROCE	-2.5 %	5.3 %	9.1 %	7.3 %	9.1 %	12.7 %	15.0 %
EV/sales	2.1	1.4	1.2	1.2	1.1	1.0	0.9
EV/EBITDA	41.6	10.7	7.8	8.5	7.2	5.7	4.8
EV/EBIT	-57.5	23.3	12.9	15.9	12.7	8.9	7.0
PER	-17.3	48.8	23.9	42.2	20.7	11.7	8.9
Adjusted FCF yield	0.2 %	5.7 %	7.2 %	6.4 %	7.3 %	9.2 %	10.8 %

Source: Company data, Hauck & Aufhäuser Close price as of: 07.02.2014

## 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>134.9</b>	<b>147.8</b>	<b>159.7</b>
<i>Sales growth</i>	-24.1 %	54.3 %	14.5 %	0.1 %	4.4 %	9.6 %	8.0 %
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>134.9</b>	<b>147.8</b>	<b>159.7</b>
Other operating income	1.0	2.2	1.4	1.7	1.2	1.3	1.3
Material expenses	38.1	60.8	69.8	67.3	68.4	74.5	80.2
Personnel expenses	15.6	19.0	21.0	21.8	23.0	23.8	25.2
Other operating expenses	15.0	20.7	22.9	23.2	23.7	25.5	27.1
Total operating expenses	67.6	98.3	112.2	110.5	113.9	122.5	131.3
<b>EBITDA</b>	<b>3.7</b>	<b>14.3</b>	<b>20.6</b>	<b>18.8</b>	<b>21.0</b>	<b>25.4</b>	<b>28.4</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>12.0</b>	<b>16.4</b>	<b>19.4</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>-2.7</b>	<b>6.5</b>	<b>12.5</b>	<b>10.0</b>	<b>12.0</b>	<b>16.4</b>	<b>19.4</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>7.2</b>	<b>12.0</b>	<b>15.7</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>7.2</b>	<b>12.0</b>	<b>15.7</b>
Taxes	-1.7	-0.7	1.6	1.1	2.0	3.6	4.7
<b>Net income from continuing operations</b>	<b>-5.3</b>	<b>2.1</b>	<b>4.5</b>	<b>3.0</b>	<b>5.2</b>	<b>8.4</b>	<b>11.0</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>-5.3</b>	<b>2.1</b>	<b>4.5</b>	<b>3.0</b>	<b>5.2</b>	<b>8.4</b>	<b>11.0</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>4.2</b>	<b>7.4</b>	<b>9.8</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>0.52</b>	<b>0.93</b>	<b>1.22</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 %	50.4 %	50.2 %
Personnel expenses	21.3 %	16.9 %	16.3 %	16.8 %	17.0 %	16.1 %	15.8 %
Other operating expenses	20.5 %	18.3 %	17.7 %	17.9 %	17.6 %	17.2 %	17.0 %
Total operating expenses	92.6 %	87.2 %	87.0 %	85.5 %	84.4 %	82.9 %	82.2 %
<b>EBITDA</b>	<b>5.1 %</b>	<b>12.7 %</b>	<b>15.9 %</b>	<b>14.6 %</b>	<b>15.6 %</b>	<b>17.1 %</b>	<b>17.8 %</b>
Depreciation	8.8 %	6.9 %	6.2 %	6.8 %	6.7 %	6.1 %	5.6 %
<b>EBITA</b>	<b>-3.7 %</b>	<b>5.8 %</b>	<b>9.7 %</b>	<b>7.8 %</b>	<b>8.9 %</b>	<b>11.1 %</b>	<b>12.2 %</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>-3.7 %</b>	<b>5.8 %</b>	<b>9.7 %</b>	<b>7.8 %</b>	<b>8.9 %</b>	<b>11.1 %</b>	<b>12.2 %</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 %	3.7 %	3.0 %	2.4 %
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 %	-3.6 %	-2.9 %	-2.4 %
<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>5.3 %</b>	<b>8.1 %</b>	<b>9.8 %</b>
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Earnings before taxes</b>	<b>-9.6 %</b>	<b>1.3 %</b>	<b>4.8 %</b>	<b>3.2 %</b>	<b>5.3 %</b>	<b>8.1 %</b>	<b>9.8 %</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>3.8 %</b>	<b>5.7 %</b>	<b>6.9 %</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>3.8 %</b>	<b>5.7 %</b>	<b>6.9 %</b>
Minority interest	-0.4 %	0.3 %	0.7 %	0.7 %	0.7 %	0.7 %	0.8 %
<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>3.1 %</b>	<b>5.0 %</b>	<b>6.1 %</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	115.0	114.0	113.0
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>115.2</b>	<b>114.3</b>	<b>113.3</b>
Inventories	19.2	21.4	26.3	23.6	23.7	25.9	28.0
Accounts receivable	0.5	1.6	2.2	3.4	3.1	3.4	3.7
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	9.7	9.6	11.0
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>36.5</b>	<b>39.0</b>	<b>42.7</b>
<b>TOTAL ASSETS</b>	<b>131.8</b>	<b>166.0</b>	<b>165.4</b>	<b>161.5</b>	<b>151.7</b>	<b>153.2</b>	<b>156.0</b>
SHAREHOLDERS EQUITY	44.9	46.0	50.0	49.4	53.4	61.0	69.3
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	11.5	12.6	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>31.3</b>	<b>32.4</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>151.7</b>	<b>153.2</b>	<b>156.0</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>0.2 %</b>	<b>0.1 %</b>
Property, plant and equipment	81.8 %	65.7 %	70.4 %	71.8 %	75.8 %	74.4 %	72.5 %
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>75.9 %</b>	<b>74.6 %</b>	<b>72.6 %</b>
Inventories	14.5 %	12.9 %	15.9 %	14.6 %	15.6 %	16.9 %	18.0 %
Accounts receivable	0.4 %	1.0 %	1.4 %	2.1 %	2.1 %	2.2 %	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 %	6.4 %	6.3 %	7.0 %
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>24.1 %</b>	<b>25.4 %</b>	<b>27.4 %</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 %	35.2 %	39.8 %	44.4 %
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 %	32.4 %	27.4 %	22.4 %
Provisions for pensions and similar obligations	8.4 %	7.9 %	8.3 %	11.0 %	11.8 %	11.6 %	11.4 %
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>44.2 %</b>	<b>39.0 %</b>	<b>33.9 %</b>
short-term liabilities to banks	3.6 %	5.0 %	4.9 %	6.0 %	5.3 %	5.2 %	5.1 %
Accounts payable	4.6 %	6.8 %	6.1 %	6.4 %	7.6 %	8.2 %	9.0 %
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)	9.8 %	8.6 %	8.0 %	7.3 %	7.8 %	7.7 %	7.6 %
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>20.6 %</b>	<b>21.1 %</b>	<b>21.7 %</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	5.2	8.4	11.0
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	14.1	17.4	20.0
Increase/decrease in inventory	9.2	-2.2	-4.9	2.7	-0.1	-2.3	-2.1
Increase/decrease in accounts receivable	1.4	-1.7	-0.6	-1.6	0.3	-0.3	-0.3
Increase/decrease in accounts payable	-10.5	4.1	-1.2	1.6	1.1	1.1	1.4
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	1.3	-1.5	-0.9
<b>Cash flow from operating activities</b>	<b>0.2</b>	<b>9.2</b>	<b>8.6</b>	<b>17.0</b>	<b>15.4</b>	<b>15.9</b>	<b>19.0</b>
CAPEX	20.4	7.5	15.4	10.6	8.0	8.0	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>-8.0</b>	<b>-8.0</b>	<b>-9.0</b>
Cash flow before financing	-20.2	1.7	-6.8	6.4	7.4	7.9	10.0
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	0.8	1.7
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>-8.0</b>	<b>-8.7</b>
Increase/decrease in liquid assets	-1.4	28.4	-12.4	-2.0	-5.0	-0.1	1.4
<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>9.7</b>	<b>9.6</b>	<b>11.0</b>

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 %	4.4 %	9.6 %	8.0 %
EBITDA growth	-59.9 %	283.5 %	43.6 %	-8.5 %	11.5 %	20.7 %	12.1 %
EBIT growth	-165.6 %	-342.1 %	91.3 %	-20.0 %	19.9 %	36.2 %	18.8 %
EPS growth	-550.9 %	-135.5 %	97.9 %	-41.5 %	103.7 %	77.1 %	31.5 %
<b>Efficiency</b>							
Total operating costs / sales	92.6 %	87.2 %	87.0 %	85.5 %	84.4 %	82.9 %	82.2 %
Sales per employee	210.5	312.2	328.3	317.5	316.0	346.2	389.4
EBITDA per employee	10.8	39.7	52.3	46.3	49.2	59.4	69.3
<b>Balance sheet analysis</b>							
Avg. working capital / sales	23.2 %	11.3 %	11.7 %	13.6 %	11.8 %	10.9 %	10.8 %
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	73.6	74.0	72.3
<b>Cash flow analysis</b>							
Free cash flow	-20.2	1.7	-6.8	6.4	7.4	7.9	10.0
Free cash flow/sales	-27.6 %	1.5 %	-5.2 %	5.0 %	5.5 %	5.4 %	6.3 %
FCF / net profit	402.6 %	97.5 %	-186.4 %	311.1 %	176.3 %	106.9 %	102.8 %
FCF yield	-23.2 %	2.0 %	-7.8 %	7.4 %	8.5 %	9.1 %	11.6 %
Capex / depn	316.8 %	96.5 %	191.5 %	120.4 %	89.1 %	89.1 %	100.2 %
Capex / maintenance capex	370.9 %	125.0 %	237.2 %	161.5 %	114.3 %	106.7 %	100.0 %
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	47.5	40.4	32.0
Net Debt/EBITDA	15.4	3.7	2.9	2.9	2.3	1.6	1.1
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	2.4	3.7	5.0
Dividend payout ratio	0.0 %	0.0 %	0.0 %	0.0 %	19.7 %	22.7 %	28.1 %
<b>Asset utilisation</b>							
Capital employed turnover	0.7	0.8	0.9	0.9	1.1	1.1	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	5.7	5.7	5.7
<b>Returns</b>							
ROCE	-2.5 %	5.3 %	9.1 %	7.3 %	9.1 %	12.7 %	15.0 %
ROE	-11.2 %	3.9 %	7.3 %	4.2 %	7.9 %	12.2 %	14.1 %
<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	407	427	427	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	0.3
EPS reported	-0.63	0.22	0.44	0.26	0.52	0.93	1.22
<b>Valuation ratios</b>							
P/BV	1.9	1.9	1.7	1.8	1.6	1.4	1.3
EV/sales	2.1	1.4	1.2	1.2	1.1	1.0	0.9
EV/EBITDA	41.6	10.7	7.8	8.5	7.2	5.7	4.8
EV/EBITA	-57.5	23.3	12.9	15.9	12.7	8.9	7.0
EV/EBIT	-57.5	23.3	12.9	15.9	12.7	8.9	7.0
EV/FCF	-7.7	88.1	-23.8	25.0	20.6	18.3	13.6
Dividend yield	0.0 %	0.0 %	0.0 %	0.0 %	1.0 %	1.9 %	3.2 %

Source: Company data, Hauck & Aufhäuser

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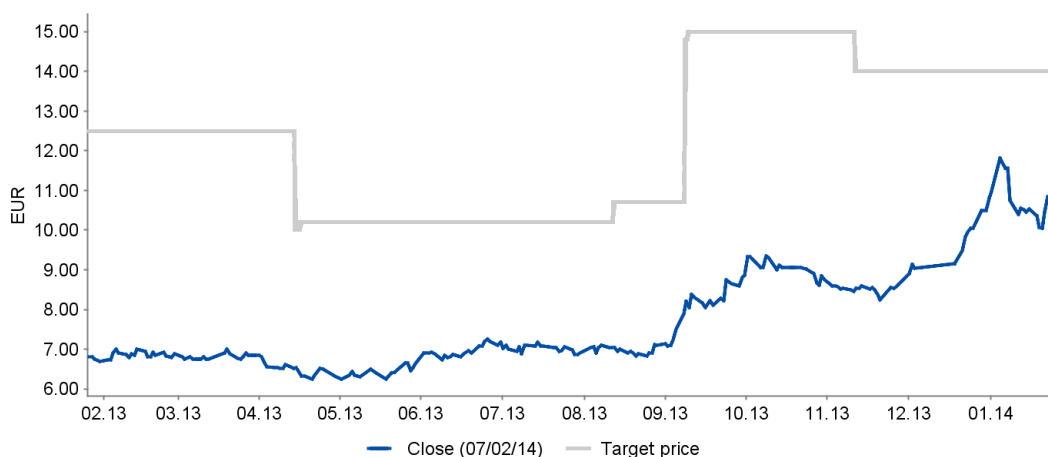
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Company	Disclosure
Nabaltec AG	2, 5

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

**Price and Rating History  
Nabaltec AG as of 10/02/14**

**Initiation coverage**  
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