

Nabaltec

Germany - Chemicals/ Specialty Chemicals



HAUCK & AUFHÄUSER
PRIVATBANKIERS SEIT 1796

Buy (old: Buy)

Price target: EUR 15.00 (old: EUR 15.00)

Price:	EUR 11.64	Next result:	Q3 25.11.14
Bloomberg:	NTG GR	Market cap:	EUR 93.1 m
Reuters:	NTGG.DE	Enterprise Value:	EUR 153.5 m

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Strong Q3 – confirmed outlook

Nabaltec reported very sound **Q3 results which came in above expectations**. Also, **management confirmed its outlook** of mid single digit organic growth and to achieve an EBIT margin at least on last year's level (8%). Given the strong 9m results and considering that the company currently sees a stable qoq development in Q4, the guidance looks conservative.

- **Sales increased soundly by 8% yoy to € 36.5m (eH&A € 36.2m)**. Growth was driven by Functional Fillers (+8.2% yoy to € 24.9m) underlining the structurally growing demand for environmental friendly flame retardants where Nabaltec holds a leading global position. Technical Ceramics also increased sales by 8.0% yoy to € 11.7m.
- **EBIT was up disproportionately by 19% yoy to € 3.8m (eH&A € 3.5m) with the EBIT margin again arriving at a healthy level of 10.4%**. EBIT growth was however biased as the company has to digest an increase in personnel expenses by 12.5% yoy due to the compensation of a wage sacrifice of employees in 2012/2013. EBIT growth was carried by Functional Fillers showing a strong dynamic of +60% yoy thanks to an improving product mix and economies of scale (EBIT margin up > 4pp yoy to 13%).
- **CFO arrived at € 19.2m after 9M somewhat supported by an improvement in w/c** and was more than sufficient to cover capex (€ 8.4m) and interest costs (€ 2.1m). On the back of a FCF of c. € 9m, **net debt declined to € 43.5m** (€ 51m at Y/E 2013).
- Management flagged that the order momentum, especially for Functional Fillers, has remained very healthy in Q3&Q4. This bodes well for Q4 where the company faces a very undemanding comparable base. **The order book increased by > 25% yoy to € 20.6m at the end of September.**

Conclusion: 9m results, showing 7% yoy sales, 15% yoy EBIT and > 30% yoy EPS growth underpin our investment case of structural growth translating into strong earnings growth on the back of a high operational and financial leverage. Also, the cash flow profile is improving and allows Nabaltec to continuously reduce its debt burden (€ 8m redemption p.a.) stemming from the huge capex programme over the last 10 years. Importantly, in Q4 the comparable base is becoming less challenging while a large new customer in the US, the expansion in Asia (driven by Sumitomo Chemical cooperation) and the ramp up of new products (stabiliser for PVC, boemite for PCBs and separation foils in lithium ions batteries) support the positive growth momentum. **BUY. PT is € 15 based on FCFY'15E.** - continued -

Y/E 31.12 (EUR m)	2010	2011	2012	2013	2014E	2015E	2016E
Sales	112.7	129.0	129.2	132.9	144.5	156.0	167.0
Sales growth	54 %	14 %	0 %	3 %	9 %	8 %	7 %
EBITDA	14.3	20.6	18.8	19.8	22.5	26.1	29.2
EBIT	6.5	12.5	10.0	10.5	12.9	16.5	19.5
Net income	1.8	3.6	2.1	2.6	5.7	8.3	10.3
Net debt	52.9	60.7	55.2	50.8	41.5	32.7	25.8
Net gearing	115.0 %	121.4 %	111.7 %	99.4 %	72.3 %	50.0 %	34.6 %
Net Debt/EBITDA	3.7	2.9	2.9	2.6	1.8	1.3	0.9
EPS pro forma	0.22	0.45	0.26	0.33	0.71	1.04	1.28
CPS	0.40	0.27	1.31	0.17	1.48	1.39	1.22
DPS	0.00	0.00	0.00	0.06	0.17	0.29	0.43
Dividend yield	0.0 %	0.0 %	0.0 %	0.5 %	1.4 %	2.5 %	3.7 %
Gross profit margin	46.0 %	48.8 %	48.0 %	48.7 %	47.9 %	48.3 %	48.4 %
EBITDA margin	12.7 %	15.9 %	14.6 %	14.9 %	15.6 %	16.7 %	17.5 %
EBIT margin	5.8 %	9.7 %	7.8 %	7.9 %	8.9 %	10.6 %	11.7 %
ROCE	5.3 %	9.1 %	7.3 %	7.3 %	8.7 %	11.3 %	13.5 %
EV/sales	1.4	1.3	1.3	1.2	1.1	0.9	0.8
EV/EBITDA	11.1	8.1	8.8	8.2	6.8	5.5	4.7
EV/EBIT	24.3	13.4	16.6	15.5	11.9	8.8	7.1
PER	52.3	25.6	45.2	35.2	16.3	11.2	9.1
Adjusted FCF yield	5.4 %	6.9 %	6.2 %	6.6 %	7.7 %	9.4 %	10.9 %

Source: Company data, Hauck & Aufhäuser Close price as of: 25.11.2014



Source: Company data, Hauck & Aufhäuser

High/low 52 weeks:	12.00 / 8.25
Price/Book Ratio:	1.6
Relative performance (SDAX):	
3 months	8.0 %
6 months	7.9 %
12 months	34.3 %

Changes in estimates

		Sales	EBIT	EPS
2014	old:	144.5	12.9	0.71
	Δ	-	-	-
2015	old:	156.0	16.5	1.04
	Δ	-	-	-
2016	old:	167.0	19.5	1.28
	Δ	-	-	-

Key share data:

Number of shares: (in m pcs)	8.0
Authorised capital: (in € m)	4.0
Book value per share: (in €)	7.2
Ø trading volume: (12 months)	20,000

Major shareholders:

Free Float	38.4 %
Family Heckmann	31.7 %
Family Witzany	29.9 %

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.

	Q3 2014	Q3 2014 est	Q3 2013	yoy	Q2 2014	qoq	9M 2014	9M 2013	yoy
Sales	36.5	36.2	33.8	8.1%	36.2	0.9%	109.6	102.6	6.8%
Functional Fillers	24.9		23.0	8.2%	25.3	-1.6%	75.3	69.5	8.4%
Technical Ceramics	11.7		10.8	8.0%	10.9	6.6%	34.2	33.1	3.5%
EBIT	3.8	3.5	3.2	18.6%	3.6	4.7%	10.4	9.1	14.9%
<i>EBIT margin</i>	<i>10.4%</i>	<i>9.6%</i>	<i>9.5%</i>	<i>+ 0.9 pp</i>	<i>10.0%</i>	<i>+ 0.4 pp</i>	<i>9.5%</i>	<i>8.8%</i>	<i>+ 0.7 pp</i>
Functional Fillers	13.0%		8.6%	<i>+ 4.4 pp</i>	11.8%	<i>+ 1.2 pp</i>	11.5%	7.9%	<i>+ 3.6 pp</i>
Technical Ceramics	4.8%		12.9%	<i>- 8.0 pp</i>	6.0%	<i>- 1.2 pp</i>	5.1%	10.7%	<i>- 5.6 pp</i>
Net Profit	1.6	1.3	1.4	16.9%	1.8	-11.4%	4.7	3.5	34.1%
<i>Net margin</i>	<i>4.3%</i>	<i>3.7%</i>	<i>4.0%</i>	<i>+ 0.3 pp</i>	<i>4.9%</i>	<i>- 0.6 pp</i>	<i>4.3%</i>	<i>3.4%</i>	<i>+ 0.9 pp</i>
EPS	0.20	0.17	0.17	16.9%	0.22	-11.4%	0.59	0.44	34.1%

Source: Company data; Hauck & Aufhäuser

Financials

Profit and loss (EUR m)	2010	2011	2012	2013	2014E	2015E	2016E
Net sales	112.7	129.0	129.2	132.9	144.5	156.0	167.0
<i>Sales growth</i>	54.3 %	14.5 %	0.1 %	2.9 %	8.7 %	8.0 %	7.0 %
Increase/decrease in finished goods and work-in-process	-0.1	3.7	0.1	1.4	0.1	0.0	0.0
Total sales	112.6	132.8	129.4	134.3	144.6	156.0	167.0
Other operating income	2.2	1.4	1.7	1.3	1.3	1.2	1.3
Material expenses	60.8	69.8	67.3	69.6	75.4	80.7	86.2
Personnel expenses	19.0	21.0	21.8	22.5	25.3	26.2	27.1
Other operating expenses	20.7	22.9	23.2	23.8	22.7	24.3	25.9
Total operating expenses	98.3	112.2	110.5	114.6	122.1	130.0	137.8
EBITDA	14.3	20.6	18.8	19.8	22.5	26.1	29.2
Depreciation	7.8	8.0	8.8	9.2	9.6	9.6	9.7
EBITA	6.5	12.5	10.0	10.5	12.9	16.5	19.5
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	6.5	12.5	10.0	10.5	12.9	16.5	19.5
Interest income	0.2	0.6	0.4	0.3	0.1	0.1	0.0
Interest expenses	5.3	6.9	6.3	6.2	4.1	3.7	3.3
Other financial result	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial result	-5.1	-6.4	-5.9	-5.9	-4.0	-3.6	-3.3
Recurring pretax income from continuing operations	1.4	6.2	4.1	4.7	8.9	12.9	16.2
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	1.4	6.2	4.1	4.7	8.9	12.9	16.2
Taxes	-0.7	1.6	1.1	0.9	2.3	3.5	4.6
Net income from continuing operations	2.1	4.5	3.0	3.7	6.6	9.4	11.6
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	2.1	4.5	3.0	3.7	6.6	9.4	11.6
Minority interest	0.3	0.9	1.0	1.1	0.9	1.1	1.3
Net income (net of minority interest)	1.8	3.6	2.1	2.6	5.7	8.3	10.3
Average number of shares	8.0	8.0	8.0	8.0	8.0	8.0	8.0
EPS reported	0.22	0.44	0.26	0.33	0.71	1.04	1.28

Profit and loss (common size)	2010	2011	2012	2013	2014E	2015E	2016E
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	0.0 %	2.9 %	0.1 %	1.0 %	0.1 %	0.0 %	0.0 %
Total sales	100.0 %	102.9 %	100.1 %	101.0 %	100.1 %	100.0 %	100.0 %
Other operating income	1.9 %	1.1 %	1.3 %	1.0 %	0.9 %	0.8 %	0.8 %
Material expenses	54.0 %	54.1 %	52.1 %	52.4 %	52.2 %	51.7 %	51.6 %
Personnel expenses	16.9 %	16.3 %	16.8 %	16.9 %	17.5 %	16.8 %	16.2 %
Other operating expenses	18.3 %	17.7 %	17.9 %	17.9 %	15.7 %	15.6 %	15.5 %
Total operating expenses	87.2 %	87.0 %	85.5 %	86.2 %	84.5 %	83.3 %	82.5 %
EBITDA	12.7 %	15.9 %	14.6 %	14.9 %	15.6 %	16.7 %	17.5 %
Depreciation	6.9 %	6.2 %	6.8 %	6.9 %	6.6 %	6.2 %	5.8 %
EBITA	5.8 %	9.7 %	7.8 %	7.9 %	8.9 %	10.6 %	11.7 %
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	5.8 %	9.7 %	7.8 %	7.9 %	8.9 %	10.6 %	11.7 %
Interest income	0.2 %	0.4 %	0.3 %	0.2 %	0.1 %	0.1 %	0.0 %
Interest expenses	4.7 %	5.4 %	4.9 %	4.6 %	2.8 %	2.4 %	2.0 %
Other financial result	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Financial result	-4.5 %	-4.9 %	-4.6 %	-4.4 %	-2.8 %	-2.3 %	-2.0 %
Recurring pretax income from continuing operations	1.3 %	4.8 %	3.2 %	3.5 %	6.2 %	8.3 %	9.7 %
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Earnings before taxes	1.3 %	4.8 %	3.2 %	3.5 %	6.2 %	8.3 %	9.7 %
Tax rate	-45.5 %	26.7 %	26.8 %	20.2 %	26.0 %	27.0 %	28.5 %
Net income from continuing operations	1.9 %	3.5 %	2.3 %	2.8 %	4.6 %	6.0 %	6.9 %
Income from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income	1.9 %	3.5 %	2.3 %	2.8 %	4.6 %	6.0 %	6.9 %
Minority interest	0.3 %	0.7 %	0.7 %	0.8 %	0.6 %	0.7 %	0.8 %
Net income (net of minority interest)	1.6 %	2.8 %	1.6 %	2.0 %	3.9 %	5.3 %	6.1 %

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2010	2011	2012	2013	2014E	2015E	2016E
Intangible assets	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Property, plant and equipment	109.0	116.4	116.0	111.8	112.2	111.6	110.9
Financial assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FIXED ASSETS	109.2	116.6	116.2	112.0	112.4	111.8	111.1
Inventories	21.4	26.3	23.6	26.2	26.8	28.9	30.9
Accounts receivable	1.6	2.2	3.4	4.3	3.4	3.6	3.9
Other current assets	3.5	2.9	3.4	3.8	0.0	0.0	0.0
Liquid assets	29.0	16.3	14.3	29.7	28.4	27.2	24.1
Deferred taxes	1.3	0.9	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	56.8	48.8	45.3	64.2	58.6	59.8	58.9
TOTAL ASSETS	166.0	165.4	161.5	176.3	171.0	171.6	170.1
SHAREHOLDERS EQUITY	46.0	50.0	49.4	51.1	57.4	65.5	74.7
MINORITY INTEREST	-4.0	-3.1	-2.0	-0.8	0.0	0.0	0.0
Long-term debt	73.6	68.9	59.9	70.6	60.0	50.0	40.0
Provisions for pensions and similar obligations	13.1	13.7	17.8	18.9	18.9	18.9	18.9
Other provisions	0.8	0.7	1.3	1.6	0.0	0.0	0.0
Non-current liabilities	87.4	83.3	79.0	91.1	78.9	68.9	58.9
short-term liabilities to banks	8.3	8.1	9.7	9.9	9.9	9.9	9.9
Accounts payable	11.2	10.0	10.4	8.7	11.5	14.0	13.3
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)	14.2	13.2	11.9	13.3	13.3	13.3	13.3
Deferred taxes	2.7	3.8	3.1	2.9	0.0	0.0	0.0
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current liabilities	36.5	35.2	35.0	34.8	34.7	37.2	36.5
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	166.0	165.4	161.5	176.2	171.0	171.6	170.1

Balance sheet (common size)	2010	2011	2012	2013	2014E	2015E	2016E
Intangible assets	0.1 %	0.1 %	0.1 %	0.1 %	0.1 %	0.1 %	0.1 %
Property, plant and equipment	65.7 %	70.4 %	71.8 %	63.4 %	65.6 %	65.0 %	65.2 %
Financial assets	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
FIXED ASSETS	65.8 %	70.5 %	72.0 %	63.6 %	65.8 %	65.2 %	65.3 %
Inventories	12.9 %	15.9 %	14.6 %	14.9 %	15.6 %	16.8 %	18.2 %
Accounts receivable	1.0 %	1.4 %	2.1 %	2.4 %	2.0 %	2.1 %	2.3 %
Other current assets	2.1 %	1.8 %	2.1 %	2.1 %	0.0 %	0.0 %	0.0 %
Liquid assets	17.4 %	9.9 %	8.9 %	16.8 %	16.6 %	15.9 %	14.2 %
Deferred taxes	0.8 %	0.6 %	0.3 %	0.2 %	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	34.2 %	29.5 %	28.0 %	36.4 %	34.2 %	34.8 %	34.7 %
TOTAL ASSETS	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
SHAREHOLDERS EQUITY	27.7 %	30.2 %	30.6 %	29.0 %	33.6 %	38.2 %	43.9 %
MINORITY INTEREST	-2.4 %	-1.9 %	-1.2 %	-0.4 %	0.0 %	0.0 %	0.0 %
Long-term debt	44.3 %	41.7 %	37.1 %	40.0 %	35.1 %	29.1 %	23.5 %
Provisions for pensions and similar obligations	7.9 %	8.3 %	11.0 %	10.7 %	11.1 %	11.0 %	11.1 %
Other provisions	0.5 %	0.4 %	0.8 %	0.9 %	0.0 %	0.0 %	0.0 %
Non-current liabilities	52.7 %	50.4 %	48.9 %	51.7 %	46.1 %	40.1 %	34.6 %
short-term liabilities to banks	5.0 %	4.9 %	6.0 %	5.6 %	5.8 %	5.8 %	5.8 %
Accounts payable	6.8 %	6.1 %	6.4 %	4.9 %	6.7 %	8.2 %	7.8 %
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)	8.6 %	8.0 %	7.3 %	7.5 %	7.8 %	7.7 %	7.8 %
Deferred taxes	1.6 %	2.3 %	1.9 %	1.6 %	0.0 %	0.0 %	0.0 %
Deferred income	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Current liabilities	22.0 %	21.3 %	21.7 %	19.7 %	20.3 %	21.7 %	21.5 %
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)	2010	2011	2012	2013	2014E	2015E	2016E
Net profit/loss	2.1	4.5	3.0	3.7	6.6	9.4	11.6
Depreciation of fixed assets (incl. leases)	7.8	8.0	8.8	9.2	9.6	9.6	9.7
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	-0.8	2.8	2.5	2.2	0.0	0.0	0.0
Cash flow from operations before changes in w/c	9.1	15.4	14.3	15.1	16.2	19.0	21.3
Increase/decrease in inventory	-2.2	-4.9	2.7	-2.6	-0.5	-2.1	-2.0
Increase/decrease in accounts receivable	-1.7	-0.6	-1.6	-1.3	0.9	-0.3	-0.3
Increase/decrease in accounts payable	4.1	-1.2	1.6	-2.9	2.8	2.5	-0.7
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	0.1	-6.8	2.7	-6.8	3.2	0.1	-3.0
Cash flow from operating activities	9.2	8.6	17.0	8.3	19.4	19.1	18.2
CAPEX	7.5	15.4	10.6	2.6	10.0	9.0	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	-7.5	-15.4	-10.6	-2.6	-10.0	-9.0	-9.0
Cash flow before financing	1.7	-6.8	6.4	5.8	9.4	10.1	9.2
Increase/decrease in debt position	28.7	-5.6	-8.4	9.7	-10.6	-10.0	-10.0
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	0.5	1.3	2.4
Others	-2.0	0.0	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	26.7	-5.6	-8.4	9.7	-11.1	-11.3	-12.4
Increase/decrease in liquid assets	28.4	-12.4	-2.0	15.5	-1.7	-1.2	-3.1
Liquid assets at end of period	29.0	16.7	14.7	30.1	28.4	27.2	24.1

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2010	2011	2012	2013	2014E	2015E	2016E
Domestic	35.1	40.7	40.0	40.9	43.5	46.0	48.0
yoy change	59.4 %	16.2 %	-1.7 %	2.2 %	6.4 %	5.7 %	4.3 %
Rest of Europe	50.2	58.3	59.9	63.6	66.0	70.0	75.0
yoy change	34.6 %	16.2 %	2.7 %	6.2 %	3.8 %	6.1 %	7.1 %
NAFTA	17.1	16.8	14.8	14.4	17.0	19.0	20.0
yoy change	119.5 %	-2.1 %	-11.9 %	-2.3 %	17.8 %	11.8 %	5.3 %
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	10.4	13.3	14.4	14.0	18.0	21.0	24.0
yoy change	72.8 %	27.8 %	8.9 %	-3.1 %	28.6 %	17.0 %	13.9 %
TTL	112.7	129.0	129.1	132.9	144.5	156.0	167.0
yoy change	54.3 %	14.5 %	0.1 %	2.9 %	8.7 %	8.0 %	7.0 %

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2010	2011	2012	2013	2014E	2015E	2016E
P&L growth analysis							
Sales growth	54.3 %	14.5 %	0.1 %	2.9 %	8.7 %	8.0 %	7.0 %
EBITDA growth	283.5 %	43.6 %	-8.5 %	4.9 %	14.0 %	15.8 %	11.8 %
EBIT growth	-342.1 %	91.3 %	-20.0 %	5.0 %	22.7 %	27.6 %	18.1 %
EPS growth	-135.5 %	97.9 %	-41.5 %	28.5 %	115.6 %	45.6 %	23.5 %
Efficiency							
Total operating costs / sales	87.2 %	87.0 %	85.5 %	86.2 %	84.5 %	83.3 %	82.5 %
Sales per employee	312.2	328.3	317.5	320.3	348.1	371.5	392.9
EBITDA per employee	39.7	52.3	46.3	47.6	54.3	62.1	68.6
Balance sheet analysis							
Avg. working capital / sales	11.3 %	11.7 %	13.6 %	14.4 %	14.0 %	11.9 %	12.0 %
Inventory turnover (sales/inventory)	5.3	4.9	5.5	5.1	5.4	5.4	5.4
Trade debtors in days of sales	5.2	6.4	9.6	11.8	8.5	8.5	8.5
A/P turnover [(A/P*365)/sales]	36.4	28.4	29.4	23.9	29.0	29.0	29.0
Cash conversion cycle (days)	66.2	91.5	81.2	103.6	82.5	75.9	83.3
Cash flow analysis							
Free cash flow	1.7	-6.8	6.4	5.8	9.4	10.1	9.2
Free cash flow/sales	1.5 %	-5.2 %	5.0 %	4.4 %	6.5 %	6.5 %	5.5 %
FCF / net profit	97.5 %	-186.4 %	311.1 %	218.6 %	164.1 %	121.8 %	90.1 %
Capex / depre	96.5 %	191.5 %	120.4 %	27.8 %	104.2 %	93.8 %	92.8 %
Capex / maintenance capex	125.0 %	237.2 %	133.8 %	81.4 %	133.3 %	112.5 %	105.9 %
Capex / sales	6.7 %	11.9 %	n/a	n/a	n/a	n/a	n/a
Security							
Net debt	52.9	60.7	55.2	50.8	41.5	32.7	25.8
Net Debt/EBITDA	3.7	2.9	2.9	2.6	1.8	1.3	0.9
Net debt / equity	1.1	1.2	1.1	1.0	0.7	0.5	0.3
Interest cover	1.2	1.8	1.6	1.7	3.2	4.5	5.9
Dividend payout ratio	0.0 %	0.0 %	0.0 %	18.1 %	23.2 %	28.3 %	33.8 %
Asset utilisation							
Capital employed turnover	0.8	0.9	0.9	0.9	1.0	1.1	1.2
Operating assets turnover	0.9	1.0	1.0	1.0	1.1	1.2	1.3
Plant turnover	1.0	1.1	1.1	1.2	1.3	1.4	1.5
Inventory turnover (sales/inventory)	5.3	4.9	5.5	5.1	5.4	5.4	5.4
Returns							
ROCE	5.3 %	9.1 %	7.3 %	7.3 %	8.7 %	11.3 %	13.5 %
ROE	3.9 %	7.3 %	4.2 %	5.2 %	9.9 %	12.7 %	13.7 %
Other							
Interest paid / avg. debt	7.6 %	8.7 %	8.6 %	8.2 %	5.4 %	5.7 %	6.0 %
No. employees (average)	361	393	407	415	415	420	425
Number of shares	8.0	8.0	8.0	8.0	8.0	8.0	8.0
DPS	0.0	0.0	0.0	0.1	0.2	0.3	0.4
EPS reported	0.22	0.44	0.26	0.33	0.71	1.04	1.28
Valuation ratios							
P/BV	2.0	1.9	1.9	1.8	1.6	1.4	1.2
EV/sales	1.4	1.3	1.3	1.2	1.1	0.9	0.8
EV/EBITDA	11.1	8.1	8.8	8.2	6.8	5.5	4.7
EV/EBITA	24.3	13.4	16.6	15.5	11.9	8.8	7.1
EV/EBIT	24.3	13.4	16.6	15.5	11.9	8.8	7.1
EV/FCF	91.7	-24.7	25.9	28.1	16.4	14.3	14.9
Adjusted FCF yield	5.4 %	6.9 %	6.2 %	6.6 %	7.7 %	9.4 %	10.9 %
Dividend yield	0.0 %	0.0 %	0.0 %	0.5 %	1.4 %	2.5 %	3.7 %

Source: Company data, Hauck & Aufhäuser

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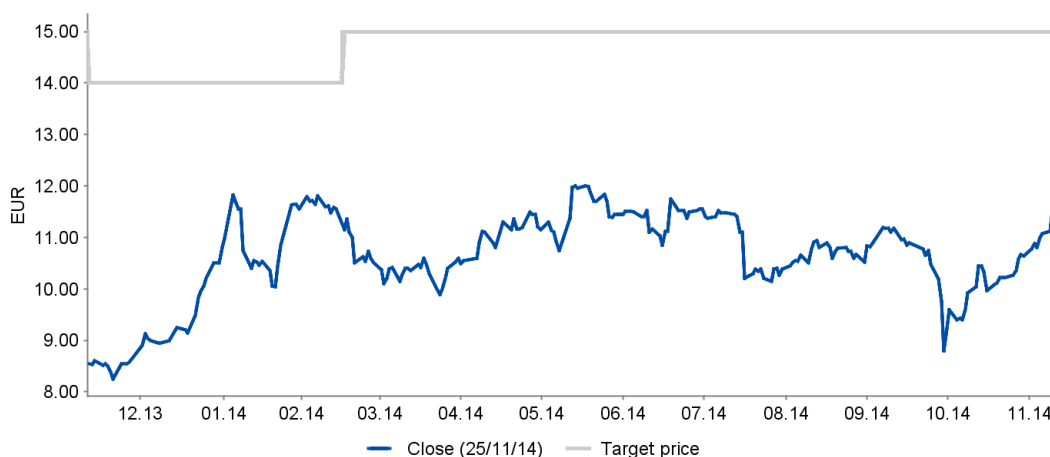
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Company	Disclosure
Nabaltec AG	2, 5

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

**Price and Rating History
Nabaltec AG as of 26/11/14**

Initiation coverage
14-April-11



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