

Nabaltec

Germany - Chemicals/ Specialty Chemicals



HAUCK & AUFHÄUSER
PRIVATBANKIERS SEIT 1796

Buy (old: Buy)

Price target: EUR 17.50 (old: EUR 17.50)

Price:	EUR 14.99	Next result:	Q4 30.04.15
Bloomberg:	NTG GR	Market cap:	EUR 119.9 m
Reuters:	NTGG.DE	Enterprise Value:	EUR 177.6 m

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Strong preliminary Q4 results and sound outlook

Last week Nabaltec released prel. Q4 results reflecting a strong yoy performance albeit somewhat below our estimates. **In Q4 sales increased by 12% yoy to € 34m (eH&A € 35m)** driven by Functional Fillers (+12% yoy to € 24m) where Nabaltec capitalises on its global market leading position and the structurally growing demand for environmental friendly flame retardants. Positively, also Technical Ceramics contributed to growth in Q4 (+11% yoy to € 10m) after only a moderate performance in the first 9m (+3.5% yoy). **On a FY basis sales grew soundly by 8% organically.**

Q4 EBIT came in significantly higher (+46% yoy) at € 2.3m (eH&A € 2.5m) thanks to economies of scale and favourable product mix effects. **On a FY basis EBIT was up 19% yoy with the margin improving by c. 100BP to 8.9%**, driven by a strong improvement in Functional Fillers for which the EBIT margin is seen to have improved by 310 BP to 10.5%. Functional Fillers accounted for more than 80% of group EBIT in FY '14. **EPS doubled in 2014 to € 0.69 (eH&A € 0.71) reflecting a high financial leverage and declining interest expenses** thanks to a favourable refinancing and repayment of debt (note: 2014 also incl. one-off of € 0.8m for the bond redemption).

Management provided a sound outlook for 2015 expecting sales to grow in the mid-single digits (eH&A 8%) and an EBIT margin in-line with the previous year (eH&A 10.6% vs 2014 8.9%). We reckon the outlook as conservative as **1) the structural growth for environmental friendly flame retardants is well intact, 2) Nabaltec gained the largest consumer of environmental friendly flame retardants in the US as a customer in 2014** and should benefit from a ramp up of sales in 2015 (eH&A up to € 5m in 2015 vs € 2m in 2014) and 3) the company had to digest a compensation of wage sacrifice of employees subduing economies of scale in 2014.

Also, **Nabaltec should strongly benefit from the EUR depreciation generating c. USD 40m in sales in 2015** mainly with Functional Fillers (US and Asia). At a FX rate of EUR-USD 1.10, this would translate into € 36.4m sales implying a **FX gain of c. € 7m** (vs € 29.6m at 1.35). Considering that most operating costs (i.e. personnel 40% of total costs excl. raw material and energy) are in EUR, this should also benefit the bottom-line. The **weak € also gives Nabaltec a competitive advantage** as imports into the EU (i.e. by Asian competitor Chalco, China, c. 15% market share) become less attractive and as exports by Nabaltec into Asia become more attractive. This should support the generation of profitable growth with the distribution partnership with Sumitomo Chemical (East Asia). **Buy with a PT of € 17.50 (FCFY 2016E).**

Y/E 31.12 (EUR m)	2011	2012	2013	2014	2015E	2016E	2017E
Sales	129.0	129.2	132.9	143.3	156.0	167.0	177.0
Sales growth	14 %	0 %	3 %	8 %	9 %	7 %	6 %
EBITDA	20.6	18.8	19.8	22.4	26.1	29.2	32.5
EBIT	12.5	10.0	10.5	12.7	16.5	19.5	22.5
Net income	3.6	2.1	2.6	5.5	8.3	10.3	12.4
Net debt	60.7	55.2	50.8	41.4	38.7	31.8	21.7
Net gearing	121.4 %	111.7 %	99.4 %	72.4 %	59.3 %	42.7 %	25.5 %
Net Debt/EBITDA	2.9	2.9	2.6	1.8	1.5	1.1	0.7
EPS pro forma	0.45	0.26	0.33	0.69	1.04	1.28	1.55
CPS	0.27	1.31	0.17	1.49	1.37	1.22	1.70
DPS	0.00	0.00	0.06	0.16	0.29	0.43	0.52
Dividend yield	0.0 %	0.0 %	0.4 %	1.1 %	2.0 %	2.9 %	3.5 %
Gross profit margin	48.8 %	48.0 %	48.7 %	48.3 %	48.3 %	48.4 %	48.8 %
EBITDA margin	15.9 %	14.6 %	14.9 %	15.7 %	16.7 %	17.5 %	18.4 %
EBIT margin	9.7 %	7.8 %	7.9 %	8.9 %	10.6 %	11.7 %	12.7 %
ROCE	9.1 %	7.3 %	7.3 %	8.6 %	11.3 %	13.5 %	15.4 %
EV/sales	1.5	1.5	1.4	1.3	1.1	1.0	0.9
EV/EBITDA	9.4	10.2	9.6	8.0	6.8	5.9	4.9
EV/EBIT	15.5	19.3	18.0	14.2	10.8	8.8	7.1
PER	33.0	58.2	45.3	21.6	14.5	11.7	9.6
Adjusted FCF yield	5.9 %	5.3 %	5.7 %	6.5 %	7.7 %	8.8 %	10.5 %

Source: Company data, Hauck & Aufhäuser Close price as of: 06.03.2015



Source: Company data, Hauck & Aufhäuser

High/low 52 weeks:	15.41 / 8.80
Price/Book Ratio:	1.8
Relative performance (SDAX):	
3 months	9.8 %
6 months	23.1 %
12 months	27.9 %

Changes in estimates

		Sales	EBIT	EPS
2015	old:	156.0	16.5	1.04
	Δ			
2016	old:	167.0	19.5	1.28
	Δ			
2017	old:	178.6	23.5	1.66
	Δ			

Key share data:

Number of shares: (in m pcs)	8.0
Authorised capital: (in € m)	4.0
Book value per share: (in €)	8.2
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.

	Q4 2014	Q4 2014 est	Q4 2013	yoy	FY 2014	FY 2013	yoy
Sales	33.8	34.9	30.3	11.6%	143.3	132.9	7.8%
Functional Fillers	23.6		21.1	11.8%	98.9	90.6	9.2%
Technical Ceramics	10.3		9.2	11.1%	44.5	42.3	5.2%
EBIT	2.3	2.5	1.6	45.6%	12.7	10.6	19.4%
<i>EBIT margin</i>	6.8%	7.2%	5.2%	+ 1.6 pp	8.9%	8.0%	+ 0.9 pp
Net Profit	0.8	1.0	-0.7	n.a.	5.5	2.8	98.3%
<i>Net margin</i>	2.4%	2.9%	-2.4%	+ 4.8 pp	3.9%	2.1%	+ 1.8 pp
EPS	0.10	0.13	-0.09	n.a.	0.69	0.35	98.3%

Source: Company data; Hauck & Aufhäuser

Financials

Profit and loss (EUR m)	2011	2012	2013	2014	2015E	2016E	2017E
Net sales	129.0	129.2	132.9	143.3	156.0	167.0	177.0
<i>Sales growth</i>	14.5 %	0.1 %	2.9 %	7.8 %	8.9 %	7.0 %	6.0 %
Increase/decrease in finished goods and work-in-process	3.7	0.1	1.4	0.1	0.0	0.0	0.2
Total sales	132.8	129.4	134.3	143.4	156.0	167.0	177.2
Other operating income	1.4	1.7	1.3	1.3	1.2	1.3	1.4
Material expenses	69.8	67.3	69.6	74.3	80.6	86.2	90.8
Personnel expenses	21.0	21.8	22.5	25.3	26.2	27.1	28.1
Other operating expenses	22.9	23.2	23.8	22.7	24.3	25.9	27.3
Total operating expenses	112.2	110.5	114.6	121.0	129.9	137.8	144.7
EBITDA	20.6	18.8	19.8	22.4	26.1	29.2	32.5
Depreciation	8.0	8.8	9.2	9.7	9.6	9.7	10.0
EBITA	12.5	10.0	10.5	12.7	16.5	19.5	22.5
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	12.5	10.0	10.5	12.7	16.5	19.5	22.5
Interest income	0.6	0.4	0.3	0.1	0.1	0.0	0.1
Interest expenses	6.9	6.3	6.2	4.1	3.7	3.3	3.1
Other financial result	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial result	-6.4	-5.9	-5.9	-4.0	-3.6	-3.3	-3.0
Recurring pretax income from continuing operations	6.2	4.1	4.7	8.7	12.9	16.2	19.5
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	6.2	4.1	4.7	8.7	12.9	16.2	19.5
Taxes	1.6	1.1	0.9	2.3	3.5	4.6	5.6
Net income from continuing operations	4.5	3.0	3.7	6.4	9.4	11.6	13.9
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	4.5	3.0	3.7	6.4	9.4	11.6	13.9
Minority interest	0.9	1.0	1.1	0.9	1.1	1.3	1.5
Net income (net of minority interest)	3.6	2.1	2.6	5.5	8.3	10.3	12.4
Average number of shares	8.0	8.0	8.0	8.0	8.0	8.0	8.0
EPS reported	0.44	0.26	0.33	0.69	1.04	1.28	1.55

Profit and loss (common size)	2011	2012	2013	2014	2015E	2016E	2017E
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	2.9 %	0.1 %	1.0 %	0.1 %	0.0 %	0.0 %	0.1 %
Total sales	102.9 %	100.1 %	101.0 %	100.1 %	100.0 %	100.0 %	100.1 %
Other operating income	1.1 %	1.3 %	1.0 %	0.9 %	0.8 %	0.8 %	0.8 %
Material expenses	54.1 %	52.1 %	52.4 %	51.8 %	51.7 %	51.6 %	51.3 %
Personnel expenses	16.3 %	16.8 %	16.9 %	17.7 %	16.8 %	16.2 %	15.8 %
Other operating expenses	17.7 %	17.9 %	17.9 %	15.8 %	15.6 %	15.5 %	15.4 %
Total operating expenses	87.0 %	85.5 %	86.2 %	84.4 %	83.3 %	82.5 %	81.7 %
EBITDA	15.9 %	14.6 %	14.9 %	15.7 %	16.7 %	17.5 %	18.4 %
Depreciation	6.2 %	6.8 %	6.9 %	6.8 %	6.2 %	5.8 %	5.7 %
EBITA	9.7 %	7.8 %	7.9 %	8.9 %	10.6 %	11.7 %	12.7 %
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	9.7 %	7.8 %	7.9 %	8.9 %	10.6 %	11.7 %	12.7 %
Interest income	0.4 %	0.3 %	0.2 %	0.1 %	0.1 %	0.0 %	0.1 %
Interest expenses	5.4 %	4.9 %	4.6 %	2.9 %	2.4 %	2.0 %	1.7 %
Other financial result	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Financial result	-4.9 %	-4.6 %	-4.4 %	-2.8 %	-2.3 %	-2.0 %	-1.7 %
Recurring pretax income from continuing operations	4.8 %	3.2 %	3.5 %	6.1 %	8.2 %	9.7 %	11.0 %
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Earnings before taxes	4.8 %	3.2 %	3.5 %	6.1 %	8.2 %	9.7 %	11.0 %
Tax rate	26.7 %	26.8 %	20.2 %	26.2 %	27.0 %	28.5 %	28.5 %
Net income from continuing operations	3.5 %	2.3 %	2.8 %	4.5 %	6.0 %	6.9 %	7.9 %
Income from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income	3.5 %	2.3 %	2.8 %	4.5 %	6.0 %	6.9 %	7.9 %
Minority interest	0.7 %	0.7 %	0.8 %	0.6 %	0.7 %	0.8 %	0.8 %
Net income (net of minority interest)	2.8 %	1.6 %	2.0 %	3.9 %	5.3 %	6.1 %	7.0 %

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2011	2012	2013	2014	2015E	2016E	2017E
Intangible assets	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Property, plant and equipment	116.4	116.0	111.8	112.1	117.5	116.8	115.8
Financial assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FIXED ASSETS	116.6	116.2	112.0	112.3	117.7	117.0	116.0
Inventories	26.3	23.6	26.2	26.5	28.9	30.9	32.8
Accounts receivable	2.2	3.4	4.3	3.3	3.6	3.9	4.1
Other current assets	2.9	3.4	3.8	0.0	0.0	0.0	0.0
Liquid assets	16.3	14.3	29.7	28.5	21.2	18.1	23.3
Deferred taxes	0.9	0.6	0.3	0.0	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	48.8	45.3	64.2	58.4	53.7	52.9	60.2
TOTAL ASSETS	165.4	161.5	176.3	170.8	171.5	169.9	176.2
SHAREHOLDERS EQUITY	50.0	49.4	51.1	57.2	65.3	74.5	85.0
MINORITY INTEREST	-3.1	-2.0	-0.8	0.0	0.0	0.0	0.0
Long-term debt	68.9	59.9	70.6	60.0	50.0	40.0	35.0
Provisions for pensions and similar obligations	13.7	17.8	18.9	18.9	18.9	18.9	18.9
Other provisions	0.7	1.3	1.6	0.0	0.0	0.0	0.0
Non-current liabilities	83.3	79.0	91.1	78.9	68.9	58.9	53.9
short-term liabilities to banks	8.1	9.7	9.9	9.9	9.9	9.9	9.9
Accounts payable	10.0	10.4	8.7	11.4	14.0	13.3	14.1
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)	13.2	11.9	13.3	13.3	13.3	13.3	13.3
Deferred taxes	3.8	3.1	2.9	0.0	0.0	0.0	0.0
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current liabilities	35.2	35.0	34.8	34.6	37.2	36.5	37.3
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	165.4	161.5	176.2	170.8	171.5	169.9	176.2

Balance sheet (common size)	2011	2012	2013	2014	2015E	2016E	2017E
Intangible assets	0.1 %	0.1 %	0.1 %	0.1 %	0.1 %	0.1 %	0.1 %
Property, plant and equipment	70.4 %	71.8 %	63.4 %	65.7 %	68.5 %	68.7 %	65.7 %
Financial assets	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
FIXED ASSETS	70.5 %	72.0 %	63.6 %	65.8 %	68.7 %	68.9 %	65.9 %
Inventories	15.9 %	14.6 %	14.9 %	15.5 %	16.8 %	18.2 %	18.6 %
Accounts receivable	1.4 %	2.1 %	2.4 %	2.0 %	2.1 %	2.3 %	2.3 %
Other current assets	1.8 %	2.1 %	2.1 %	0.0 %	0.0 %	0.0 %	0.0 %
Liquid assets	9.9 %	8.9 %	16.8 %	16.7 %	12.4 %	10.6 %	13.2 %
Deferred taxes	0.6 %	0.3 %	0.2 %	0.0 %	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	29.5 %	28.0 %	36.4 %	34.2 %	31.3 %	31.1 %	34.1 %
TOTAL ASSETS	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
SHAREHOLDERS EQUITY	30.2 %	30.6 %	29.0 %	33.5 %	38.1 %	43.9 %	48.2 %
MINORITY INTEREST	-1.9 %	-1.2 %	-0.4 %	0.0 %	0.0 %	0.0 %	0.0 %
Long-term debt	41.7 %	37.1 %	40.0 %	35.1 %	29.2 %	23.5 %	19.9 %
Provisions for pensions and similar obligations	8.3 %	11.0 %	10.7 %	11.1 %	11.0 %	11.1 %	10.7 %
Other provisions	0.4 %	0.8 %	0.9 %	0.0 %	0.0 %	0.0 %	0.0 %
Non-current liabilities	50.4 %	48.9 %	51.7 %	46.2 %	40.2 %	34.7 %	30.6 %
short-term liabilities to banks	4.9 %	6.0 %	5.6 %	5.8 %	5.8 %	5.9 %	5.6 %
Accounts payable	6.1 %	6.4 %	4.9 %	6.7 %	8.2 %	7.8 %	8.0 %
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)	8.0 %	7.3 %	7.5 %	7.8 %	7.8 %	7.8 %	7.5 %
Deferred taxes	2.3 %	1.9 %	1.6 %	0.0 %	0.0 %	0.0 %	0.0 %
Deferred income	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Current liabilities	21.3 %	21.7 %	19.7 %	20.3 %	21.7 %	21.5 %	21.2 %
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)	2011	2012	2013	2014	2015E	2016E	2017E
Net profit/loss	4.5	3.0	3.7	6.4	9.4	11.6	13.9
Depreciation of fixed assets (incl. leases)	8.0	8.8	9.2	9.7	9.6	9.7	10.0
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	2.8	2.5	2.2	0.0	0.0	0.0	0.0
Cash flow from operations before changes in w/c	15.4	14.3	15.1	16.1	19.0	21.3	23.9
Increase/decrease in inventory	-4.9	2.7	-2.6	-0.3	-2.3	-2.0	-1.9
Increase/decrease in accounts receivable	-0.6	-1.6	-1.3	0.9	-0.3	-0.3	-0.2
Increase/decrease in accounts payable	-1.2	1.6	-2.9	2.7	2.6	-0.7	0.8
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	-6.8	2.7	-6.8	3.3	0.0	-3.0	-1.3
Cash flow from operating activities	8.6	17.0	8.3	19.5	19.0	18.2	22.6
CAPEX	15.4	10.6	2.6	10.0	15.0	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	-15.4	-10.6	-2.6	-10.0	-15.0	-9.0	-9.0
Cash flow before financing	-6.8	6.4	5.8	9.5	4.0	9.2	3.5
Increase/decrease in debt position	-5.6	-8.4	9.7	-10.6	-10.0	-10.0	-5.0
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	0.5	1.3	2.3	3.5
Others	0.0	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	-5.6	-8.4	9.7	-11.1	-11.3	-12.3	-8.5
Increase/decrease in liquid assets	-12.4	-2.0	15.5	-1.6	-7.3	-3.1	n/a
Liquid assets at end of period	16.7	14.7	30.1	28.5	21.2	18.1	23.3

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2011	2012	2013	2014	2015E	2016E	2017E
Domestic	40.7	40.0	40.9	43.5	46.0	48.0	0.0
yoy change	16.2 %	-1.7 %	2.2 %	6.4 %	5.7 %	4.3 %	n/a
Rest of Europe	58.3	59.9	63.6	66.0	70.0	75.0	0.0
yoy change	16.2 %	2.7 %	6.2 %	3.8 %	6.1 %	7.1 %	n/a
NAFTA	16.8	14.8	14.4	17.0	19.0	20.0	0.0
yoy change	-2.1 %	-11.9 %	-2.3 %	17.8 %	11.8 %	5.3 %	n/a
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	13.3	14.4	14.0	16.8	21.0	24.0	0.0
yoy change	27.8 %	8.9 %	-3.1 %	20.2 %	24.9 %	14.2 %	n/a
TTL	129.0	129.1	132.9	143.3	156.0	167.0	0.0
yoy change	14.5 %	0.1 %	2.9 %	7.8 %	8.9 %	7.0 %	n/a

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2011	2012	2013	2014	2015E	2016E	2017E
P&L growth analysis							
Sales growth	14.5 %	0.1 %	2.9 %	7.8 %	8.9 %	7.0 %	6.0 %
EBITDA growth	43.6 %	-8.5 %	4.9 %	13.5 %	16.2 %	11.9 %	11.4 %
EBIT growth	91.3 %	-20.0 %	5.0 %	20.9 %	29.3 %	18.2 %	15.5 %
EPS growth	97.9 %	-41.5 %	28.5 %	109.6 %	49.6 %	23.7 %	21.2 %
Efficiency							
Total operating costs / sales	87.0 %	85.5 %	86.2 %	84.4 %	83.3 %	82.5 %	81.7 %
Sales per employee	328.3	317.5	320.3	345.3	371.4	392.9	411.6
EBITDA per employee	52.3	46.3	47.6	54.1	62.1	68.6	75.5
Balance sheet analysis							
Avg. working capital / sales	11.7 %	13.6 %	14.4 %	14.1 %	11.9 %	12.0 %	12.5 %
Inventory turnover (sales/inventory)	4.9	5.5	5.1	5.4	5.4	5.4	5.4
Trade debtors in days of sales	6.4	9.6	11.8	8.5	8.5	8.5	8.5
A/P turnover [(A/P*365)/sales]	28.4	29.4	23.9	29.0	29.0	29.0	29.0
Cash conversion cycle (days)	91.5	81.2	103.6	82.9	75.9	83.3	83.7
Cash flow analysis							
Free cash flow	-6.8	6.4	5.8	9.5	4.0	9.2	13.6
Free cash flow/sales	-5.2 %	5.0 %	4.4 %	6.6 %	2.5 %	5.5 %	7.7 %
FCF / net profit	-186.4 %	311.1 %	218.6 %	170.5 %	47.8 %	90.0 %	109.7 %
Capex / depre	191.5 %	120.4 %	27.8 %	103.1 %	156.3 %	92.8 %	90.0 %
Capex / maintenance capex	237.2 %	133.8 %	81.4 %	133.3 %	187.5 %	105.9 %	100.0 %
Capex / sales	11.9 %	8.2 %	1.9 %	7.0 %	9.6 %	5.4 %	5.1 %
Security							
Net debt	60.7	55.2	50.8	41.4	38.7	31.8	21.7
Net Debt/EBITDA	2.9	2.9	2.6	1.8	1.5	1.1	0.7
Net debt / equity	1.2	1.1	1.0	0.7	0.6	0.4	0.3
Interest cover	1.8	1.6	1.7	3.1	4.5	5.9	7.3
Dividend payout ratio	0.0 %	0.0 %	18.1 %	23.2 %	28.3 %	33.8 %	33.6 %
Asset utilisation							
Capital employed turnover	0.9	0.9	0.9	1.0	1.1	1.2	1.2
Operating assets turnover	1.0	1.0	1.0	1.1	1.1	1.2	1.3
Plant turnover	1.1	1.1	1.2	1.3	1.3	1.4	1.5
Inventory turnover (sales/inventory)	4.9	5.5	5.1	5.4	5.4	5.4	5.4
Returns							
ROCE	9.1 %	7.3 %	7.3 %	8.6 %	11.3 %	13.5 %	15.4 %
ROE	7.3 %	4.2 %	5.2 %	9.7 %	12.7 %	13.8 %	14.6 %
Other							
Interest paid / avg. debt	8.7 %	8.6 %	8.2 %	5.4 %	5.7 %	6.0 %	6.5 %
No. employees (average)	393	407	415	415	420	425	430
Number of shares	8.0	8.0	8.0	8.0	8.0	8.0	8.0
DPS	0.0	0.0	0.1	0.2	0.3	0.4	0.5
EPS reported	0.44	0.26	0.33	0.69	1.04	1.28	1.55
Valuation ratios							
P/BV	2.4	2.4	2.3	2.1	1.8	1.6	1.4
EV/sales	1.5	1.5	1.4	1.3	1.1	1.0	0.9
EV/EBITDA	9.4	10.2	9.6	8.0	6.8	5.9	4.9
EV/EBITA	15.5	19.3	18.0	14.2	10.8	8.8	7.1
EV/EBIT	15.5	19.3	18.0	14.2	10.8	8.8	7.1
EV/FCF	-28.7	30.1	32.8	19.1	44.8	18.5	11.8
Adjusted FCF yield	5.9 %	5.3 %	5.7 %	6.5 %	7.7 %	8.8 %	10.5 %
Dividend yield	0.0 %	0.0 %	0.4 %	1.1 %	2.0 %	2.9 %	3.5 %

Source: Company data, Hauck & Aufhäuser

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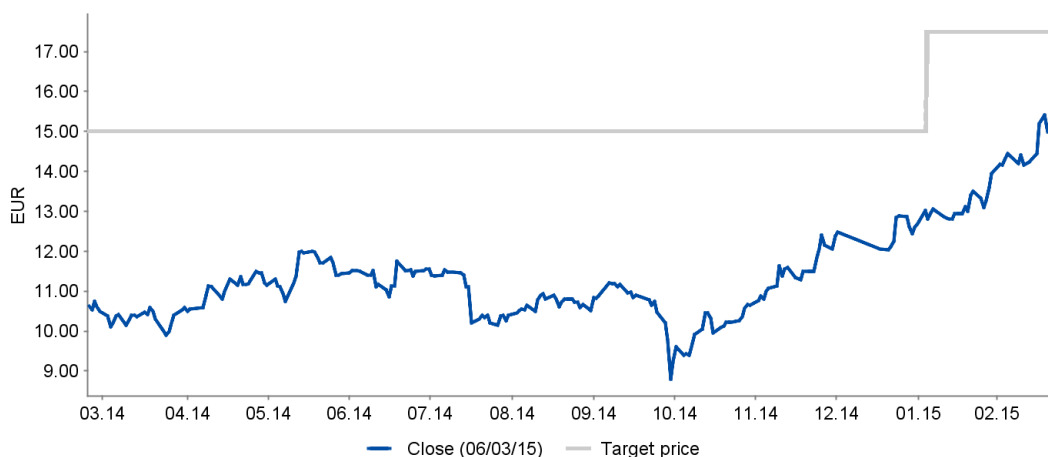
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Company	Disclosure
Nabaltec AG	2, 5

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

**Price and Rating History
Nabaltec AG as of 09/03/15**

Initiation coverage
14-April-11



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