

Nabaltec

Germany - Chemicals/ Specialty Chemicals



HAUCK & AUFHÄUSER
PRIVATBANKIERS SEIT 1796

Buy (old: Buy)

Price target: EUR 17.50 (old: EUR 17.50)

| | | | |
|-------------------|-----------|--------------------------|-------------------|
| Price: | EUR 14.45 | Next result: | Prel. Q4 30.04.15 |
| Bloomberg: | NTG GR | Market cap: | EUR 114.5 m |
| Reuters: | NTGG.DE | Enterprise Value: | EUR 172.1 m |

27-April-15

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Use of favourable debt market conditions

Last week, **Nabaltec successfully issued a loan against borrower's note with a volume of € 70m** (value date 23 April 2015), securing better conditions for the future financing of the company in the long term. The borrower's note was issued in various tranches, with terms of 5 and 7 years, and with variable rates of interest, for which an interest hedge was also executed. According to the company strong investor demand allowed to **lock in an interest rate of below 2.5% (5 years/old <3.7%) and of below 2.7% (7 years/old <4.5%)**. While the volume is higher than the previously outstanding borrower's note (€ 50m), management **stated it should save around € 2.5m over the loan term** while strengthening the company's financial flexibility.

Notably, **Nabaltec had € 30m in liquid assets at the end of September (2014)** with net debt of € 43m. Moreover, we expect the company to stem financing needs (incl. the announced expansion of Nashtec) internally. Assuming a termination of the old borrower's note in the amount of € 44m and the repayment of a bank loan of € 5m, **excess gross cash should currently stand at around € 50m. Management seems currently evaluating external growth options** in complementary areas to strengthen its product portfolio.

Most importantly, the outlook remains very positive. Nabaltec's main business Functional Fillers (70% of FY '14 sales and c. 80% of EBIT) thrives on the structurally growing demand for non hazardous and non halogenated flame retardants globally. Also, Nabaltec should benefit from the weak EUR. We expect the company to generate c. USD 35-40m in sales in 2015 mainly with Functional Fillers (US and Asia). At a FX rate of EUR-USD 1.10, this would translate into € 32-36m sales (vs € 26-30m at 1.35). Further, the weak € 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.

We expect news flow to remain good and Q1 (prel. figures scheduled for Thursday 30th April) should underline the positive trend. Sales are seen up by c. 5% yoy and **EBIT should be up strongly disproportionately by >20% yoy** (around 9.5% margin) thanks to economies of scale.

Buy with a **PT of € 17.50 based on FCFY 2016E** not accounting for the growth and de-leverage potential beyond 2016.

| 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 % | 2.1 % | 3.0 % | 3.7 % |
| 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 | 1.2 | 1.1 | 1.0 | 0.9 |
| EV/EBITDA | 9.2 | 10.0 | 9.3 | 7.8 | 6.6 | 5.7 | 4.8 |
| EV/EBIT | 15.1 | 18.7 | 17.5 | 13.7 | 10.5 | 8.5 | 6.9 |
| PER | 31.5 | 55.6 | 43.3 | 20.6 | 13.8 | 11.2 | 9.2 |
| Adjusted FCF yield | 6.1 % | 5.5 % | 5.8 % | 6.7 % | 7.9 % | 9.1 % | 10.8 % |

Source: Company data, Hauck & Aufhäuser Close price as of: 24.04.2015



Source: Company data, Hauck & Aufhäuser

High/low 52 weeks: 15.41 / 8.80

Price/Book Ratio: 1.8

Relative performance (SDAX):

3 months -2.9 %

6 months 8.8 %

12 months 7.1 %

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: | 177.0 | 22.5 | 1.55 |
| | 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 38.6 %

Family Heckmann 31.6 %

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.

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 | 2.3 | 2.3 | 2.2 | 2.0 | 1.8 | 1.5 | 1.3 |
| EV/sales | 1.5 | 1.5 | 1.4 | 1.2 | 1.1 | 1.0 | 0.9 |
| EV/EBITDA | 9.2 | 10.0 | 9.3 | 7.8 | 6.6 | 5.7 | 4.8 |
| EV/EBITA | 15.1 | 18.7 | 17.5 | 13.7 | 10.5 | 8.5 | 6.9 |
| EV/EBIT | 15.1 | 18.7 | 17.5 | 13.7 | 10.5 | 8.5 | 6.9 |
| EV/FCF | -27.9 | 29.3 | 31.8 | 18.5 | 43.4 | 17.9 | 11.4 |
| Adjusted FCF yield | 6.1 % | 5.5 % | 5.8 % | 6.7 % | 7.9 % | 9.1 % | 10.8 % |
| Dividend yield | 0.0 % | 0.0 % | 0.4 % | 1.1 % | 2.1 % | 3.0 % | 3.7 % |

Source: Company data, Hauck & Aufhäuser

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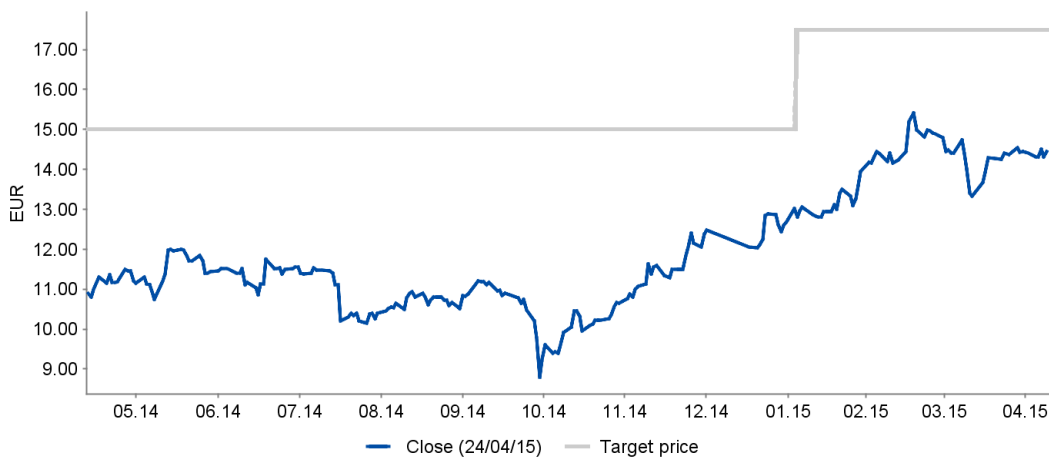
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| Company | Disclosure |
|-------------|------------|
| Nabaltec AG | 2, 5 |

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

**Price and Rating History
Nabaltec AG as of 27/04/15**

Initiation coverage
14-April-11



Hauck & Aufhäuser distribution of ratings and in proportion to investment banking services

| | | |
|-------------|---------|----------|
| Buy | 50.00 % | 100.00 % |
| Sell | 12.90 % | 0.00 % |
| Hold | 37.10 % | 0.00 % |

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