

# Nabaltec

## Germany - Chemicals/ Specialty Chemicals



HAUCK & AUFHÄUSER  
PRIVATBANKIERS SEIT 1796

**Buy** (old: Buy)

**Price target: EUR 17.50** (old: EUR 17.50)

<b>Price:</b>	EUR 14.77	<b>Next result:</b>	Q1 26.05.15
<b>Bloomberg:</b>	NTG GR	<b>Market cap:</b>	EUR 117.3 m
<b>Reuters:</b>	NTGG.DE	<b>Enterprise Value:</b>	EUR 185.6 m

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**Sascha Berresch, CFA**  
Analyst

sascha.berresch@ha-research.de  
Tel.: +49 40 4143885 85

### Strong cash generation in FY '14 // strong start to the year

End of last week Nabaltec reported final FY 2014 results and **strong prel. key figures for Q1 2015** confirming our positive view on the stock.

Final FY 2014 results were in-line with prel. results: organic sales growth was 7.8% yoy, EBIT increased disproportionately by 21% yoy driven by economies of scale and EPS grew by >100% reflecting the high financial leverage and strongly improved financial result (€ -4.2m vs € -5.9m in FY '13). The strong performance was driven by Functional Fillers (environmental friendly flame retardants) which increased sales by 9.2% yoy and EBIT by 55% yoy to € 10.5m (70% of sales and >80% of EBIT).

**Order intake increased by 15% yoy to € 151m in FY '14** and management indicated that customers are increasingly willing to place orders for a longer time period - also being aware of increasingly tight capacity in the oligopolistic market of fine ATH (environmental friendly flame retardant). As a result, the **order book jumped by 50% yoy to € 22.5m** at the end of December.

Positively, **Nabaltec generated a lot of cash in 2014. Cash flow from operations increased to € 21m** (€ 13m in FY '13) supported by stable w/c and was more than sufficient to cover investments of € 10.0m and interest costs of € 3.4m. Hence net debt declined by € 7m in 2014 or nearly € 1 per share reflecting Nabaltec's ability to de-leverage while continuing investments (maintenance capex are seen at only € 5m).

**Strong prel. Q1 results** confirm the sound demand situation with sales growth of 5.4% yoy to a new quarterly record of € 38.8m. **EBIT increased much stronger than expected by 61% yoy to a new quarterly record of € 4.8m** (eH&A 3.6m). The strong EBIT margin improvement by 4.3pp to 12.3% reflects the high operating leverage (largely automated production) coupled with a favourable product mix and FX gains.

**Management reiterated its conservative outlook** of mid single digit sales growth (eH&A +9%) and an EBIT margin on last years level (eH&A +1.7pp). Against the backdrop of strong Q1 results and the increasing demand for environmental friendly flame retardants, **Nabaltec seems well on track to achieve our estimates** also considering FX tailwind (translation and transaction - see last two updates).

Trading on 7x EV/EBITDA '15E and 6x EV/EBITDA '16E the outlook for profitable growth and de-leverage seems not reflected in the valuation. **Our PT of € 17.50 conservatively based on FCFY '16E implies a valuation of 6.8x EV/EBITDA '16E.**

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	26.2	29.5	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	44.2	43.0	33.8	23.0
Net gearing	121.4 %	111.7 %	99.4 %	83.9 %	69.7 %	47.3 %	27.8 %
Net Debt/EBITDA	2.9	2.9	2.6	2.0	1.6	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	1.25	1.14	1.42	1.67
DPS	0.00	0.00	0.06	0.12	0.21	0.32	0.47
Dividend yield	0.0 %	0.0 %	0.4 %	0.8 %	1.4 %	2.2 %	3.2 %
Gross profit margin	48.8 %	48.0 %	48.7 %	47.4 %	48.3 %	48.4 %	48.6 %
EBITDA margin	15.9 %	14.6 %	14.9 %	15.6 %	16.8 %	17.6 %	18.3 %
EBIT margin	9.7 %	7.8 %	7.9 %	8.8 %	10.6 %	11.7 %	12.7 %
ROCE	9.1 %	7.3 %	7.3 %	8.4 %	11.0 %	13.1 %	14.8 %
EV/sales	1.5	1.5	1.4	1.3	1.2	1.1	0.9
EV/EBITDA	9.3	10.1	9.5	8.3	7.1	6.0	5.1
EV/EBIT	15.3	19.0	17.8	14.7	11.3	9.1	7.4
PER	32.3	57.0	44.3	21.4	14.1	11.4	9.4
Adjusted FCF yield	6.0 %	5.4 %	5.7 %	6.4 %	7.4 %	8.6 %	10.1 %

Source: Company data, Hauck & Aufhäuser Close price as of: 04.05.2015



Source: Company data, Hauck & Aufhäuser

**High/low 52 weeks:** 15.41 / 8.80

**Price/Book Ratio:** 1.9

**Relative performance (SDAX):**

3 months 1.6 %

6 months 17.6 %

12 months 12.6 %

#### 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 €) 7.7

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
<b>Net sales</b>	<b>129.0</b>	<b>129.2</b>	<b>132.9</b>	<b>143.3</b>	<b>156.0</b>	<b>167.0</b>	<b>177.0</b>
<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	-0.3	0.0	0.0	-0.4
<b>Total sales</b>	<b>132.8</b>	<b>129.4</b>	<b>134.3</b>	<b>143.0</b>	<b>156.0</b>	<b>167.0</b>	<b>176.6</b>
Other operating income	1.4	1.7	1.3	2.6	1.4	1.3	1.4
Material expenses	69.8	67.3	69.6	75.1	80.7	86.2	90.8
Personnel expenses	21.0	21.8	22.5	25.4	26.2	27.2	28.1
Other operating expenses	22.9	23.2	23.8	22.7	24.3	25.6	26.6
Total operating expenses	112.2	110.5	114.6	120.6	129.8	137.5	144.1
<b>EBITDA</b>	<b>20.6</b>	<b>18.8</b>	<b>19.8</b>	<b>22.4</b>	<b>26.2</b>	<b>29.5</b>	<b>32.5</b>
Depreciation	8.0	8.8	9.2	9.7	9.7	10.0	10.0
<b>EBITA</b>	<b>12.5</b>	<b>10.0</b>	<b>10.5</b>	<b>12.7</b>	<b>16.5</b>	<b>19.5</b>	<b>22.5</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>12.5</b>	<b>10.0</b>	<b>10.5</b>	<b>12.7</b>	<b>16.5</b>	<b>19.5</b>	<b>22.5</b>
Interest income	0.6	0.4	0.3	0.2	0.1	0.0	0.1
Interest expenses	6.9	6.3	6.2	4.3	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	-4.2	-3.6	-3.3	-3.0
<b>Recurring pretax income from continuing operations</b>	<b>6.2</b>	<b>4.1</b>	<b>4.7</b>	<b>8.5</b>	<b>12.9</b>	<b>16.2</b>	<b>19.5</b>
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Earnings before taxes</b>	<b>6.2</b>	<b>4.1</b>	<b>4.7</b>	<b>8.5</b>	<b>12.9</b>	<b>16.2</b>	<b>19.5</b>
Taxes	1.6	1.1	0.9	2.5	3.5	4.6	5.5
<b>Net income from continuing operations</b>	<b>4.5</b>	<b>3.0</b>	<b>3.7</b>	<b>6.1</b>	<b>9.4</b>	<b>11.6</b>	<b>13.9</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>4.5</b>	<b>3.0</b>	<b>3.7</b>	<b>6.1</b>	<b>9.4</b>	<b>11.6</b>	<b>13.9</b>
Minority interest	0.9	1.0	1.1	0.6	1.1	1.3	1.5
<b>Net income (net of minority interest)</b>	<b>3.6</b>	<b>2.1</b>	<b>2.6</b>	<b>5.5</b>	<b>8.3</b>	<b>10.3</b>	<b>12.4</b>
Average number of shares	8.0	8.0	8.0	8.0	8.0	8.0	8.0
<b>EPS reported</b>	<b>0.44</b>	<b>0.26</b>	<b>0.33</b>	<b>0.69</b>	<b>1.04</b>	<b>1.28</b>	<b>1.55</b>

Profit and loss (common size)	2011	2012	2013	2014	2015E	2016E	2017E
<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	2.9 %	0.1 %	1.0 %	-0.2 %	0.0 %	0.0 %	-0.2 %
<b>Total sales</b>	<b>102.9 %</b>	<b>100.1 %</b>	<b>101.0 %</b>	<b>99.8 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>99.8 %</b>
Other operating income	1.1 %	1.3 %	1.0 %	1.8 %	0.9 %	0.8 %	0.8 %
Material expenses	54.1 %	52.1 %	52.4 %	52.4 %	51.7 %	51.6 %	51.3 %
Personnel expenses	16.3 %	16.8 %	16.9 %	17.7 %	16.8 %	16.3 %	15.9 %
Other operating expenses	17.7 %	17.9 %	17.9 %	15.8 %	15.6 %	15.3 %	15.1 %
Total operating expenses	87.0 %	85.5 %	86.2 %	84.2 %	83.2 %	82.4 %	81.4 %
<b>EBITDA</b>	<b>15.9 %</b>	<b>14.6 %</b>	<b>14.9 %</b>	<b>15.6 %</b>	<b>16.8 %</b>	<b>17.6 %</b>	<b>18.3 %</b>
Depreciation	6.2 %	6.8 %	6.9 %	6.8 %	6.2 %	6.0 %	5.6 %
<b>EBITA</b>	<b>9.7 %</b>	<b>7.8 %</b>	<b>7.9 %</b>	<b>8.8 %</b>	<b>10.6 %</b>	<b>11.7 %</b>	<b>12.7 %</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>9.7 %</b>	<b>7.8 %</b>	<b>7.9 %</b>	<b>8.8 %</b>	<b>10.6 %</b>	<b>11.7 %</b>	<b>12.7 %</b>
Interest income	0.4 %	0.3 %	0.2 %	0.1 %	0.1 %	0.0 %	0.1 %
Interest expenses	5.4 %	4.9 %	4.6 %	3.0 %	2.4 %	2.0 %	1.8 %
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 %	-2.9 %	-2.3 %	-2.0 %	-1.7 %
<b>Recurring pretax income from continuing operations</b>	<b>4.8 %</b>	<b>3.2 %</b>	<b>3.5 %</b>	<b>5.9 %</b>	<b>8.3 %</b>	<b>9.7 %</b>	<b>11.0 %</b>
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Earnings before taxes</b>	<b>4.8 %</b>	<b>3.2 %</b>	<b>3.5 %</b>	<b>5.9 %</b>	<b>8.3 %</b>	<b>9.7 %</b>	<b>11.0 %</b>
Tax rate	26.7 %	26.8 %	20.2 %	28.8 %	27.0 %	28.5 %	28.5 %
<b>Net income from continuing operations</b>	<b>3.5 %</b>	<b>2.3 %</b>	<b>2.8 %</b>	<b>4.2 %</b>	<b>6.0 %</b>	<b>6.9 %</b>	<b>7.9 %</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>3.5 %</b>	<b>2.3 %</b>	<b>2.8 %</b>	<b>4.2 %</b>	<b>6.0 %</b>	<b>6.9 %</b>	<b>7.9 %</b>
Minority interest	0.7 %	0.7 %	0.8 %	0.4 %	0.7 %	0.8 %	0.8 %
<b>Net income (net of minority interest)</b>	<b>2.8 %</b>	<b>1.6 %</b>	<b>2.0 %</b>	<b>3.8 %</b>	<b>5.3 %</b>	<b>6.1 %</b>	<b>7.0 %</b>

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2011	2012	2013	2014	2015E	2016E	2017E
<b>Intangible assets</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>
Property, plant and equipment	116.4	116.0	111.8	112.0	117.3	116.3	115.3
Financial assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>FIXED ASSETS</b>	<b>116.6</b>	<b>116.2</b>	<b>112.0</b>	<b>112.4</b>	<b>117.7</b>	<b>116.7</b>	<b>115.7</b>
Inventories	26.3	23.6	26.2	27.5	30.0	32.1	34.0
Accounts receivable	2.2	3.4	4.3	4.6	5.0	5.3	5.6
Other current assets	2.9	3.4	3.8	7.0	7.0	7.0	7.0
Liquid assets	16.3	14.3	29.7	27.2	17.0	16.2	22.0
Deferred taxes	0.9	0.6	0.3	0.1	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>48.8</b>	<b>45.3</b>	<b>64.2</b>	<b>66.4</b>	<b>58.9</b>	<b>60.6</b>	<b>68.6</b>
<b>TOTAL ASSETS</b>	<b>165.4</b>	<b>161.5</b>	<b>176.3</b>	<b>178.8</b>	<b>176.6</b>	<b>177.2</b>	<b>184.3</b>
SHAREHOLDERS EQUITY	50.0	49.4	51.1	52.6	61.7	71.6	83.0
MINORITY INTEREST	-3.1	-2.0	-0.8	-0.2	0.0	0.0	0.0
Long-term debt	68.9	59.9	70.6	61.4	50.0	40.0	35.0
Provisions for pensions and similar obligations	13.7	17.8	18.9	25.3	25.3	25.3	25.3
Other provisions	0.7	1.3	1.6	2.4	1.4	1.4	1.4
<b>Non-current liabilities</b>	<b>83.3</b>	<b>79.0</b>	<b>91.1</b>	<b>89.0</b>	<b>76.7</b>	<b>66.7</b>	<b>61.7</b>
short-term liabilities to banks	8.1	9.7	9.9	10.0	10.0	10.0	10.0
Accounts payable	10.0	10.4	8.7	9.9	10.8	11.6	12.3
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)	13.2	11.9	13.3	15.9	15.9	15.9	15.9
Deferred taxes	3.8	3.1	2.9	1.5	1.5	1.5	1.5
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Current liabilities</b>	<b>35.2</b>	<b>35.0</b>	<b>34.8</b>	<b>37.4</b>	<b>38.2</b>	<b>39.0</b>	<b>39.7</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>165.4</b>	<b>161.5</b>	<b>176.2</b>	<b>178.8</b>	<b>176.6</b>	<b>177.2</b>	<b>184.3</b>

Balance sheet (common size)	2011	2012	2013	2014	2015E	2016E	2017E
<b>Intangible assets</b>	<b>0.1 %</b>	<b>0.1 %</b>	<b>0.1 %</b>	<b>0.2 %</b>	<b>0.2 %</b>	<b>0.2 %</b>	<b>0.2 %</b>
Property, plant and equipment	70.4 %	71.8 %	63.4 %	62.6 %	66.4 %	65.6 %	62.5 %
Financial assets	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>FIXED ASSETS</b>	<b>70.5 %</b>	<b>72.0 %</b>	<b>63.6 %</b>	<b>62.8 %</b>	<b>66.6 %</b>	<b>65.8 %</b>	<b>62.8 %</b>
Inventories	15.9 %	14.6 %	14.9 %	15.4 %	17.0 %	18.1 %	18.5 %
Accounts receivable	1.4 %	2.1 %	2.4 %	2.5 %	2.8 %	3.0 %	3.0 %
Other current assets	1.8 %	2.1 %	2.1 %	3.9 %	3.9 %	3.9 %	3.8 %
Liquid assets	9.9 %	8.9 %	16.8 %	15.2 %	9.6 %	9.1 %	11.9 %
Deferred taxes	0.6 %	0.3 %	0.2 %	0.1 %	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>29.5 %</b>	<b>28.0 %</b>	<b>36.4 %</b>	<b>37.1 %</b>	<b>33.4 %</b>	<b>34.2 %</b>	<b>37.2 %</b>
<b>TOTAL ASSETS</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>
SHAREHOLDERS EQUITY	30.2 %	30.6 %	29.0 %	29.4 %	34.9 %	40.4 %	45.0 %
MINORITY INTEREST	-1.9 %	-1.2 %	-0.4 %	-0.1 %	0.0 %	0.0 %	0.0 %
Long-term debt	41.7 %	37.1 %	40.0 %	34.3 %	28.3 %	22.6 %	19.0 %
Provisions for pensions and similar obligations	8.3 %	11.0 %	10.7 %	14.1 %	14.3 %	14.3 %	13.7 %
Other provisions	0.4 %	0.8 %	0.9 %	1.3 %	0.8 %	0.8 %	0.7 %
<b>Non-current liabilities</b>	<b>50.4 %</b>	<b>48.9 %</b>	<b>51.7 %</b>	<b>49.8 %</b>	<b>43.4 %</b>	<b>37.6 %</b>	<b>33.5 %</b>
short-term liabilities to banks	4.9 %	6.0 %	5.6 %	5.6 %	5.7 %	5.7 %	5.4 %
Accounts payable	6.1 %	6.4 %	4.9 %	5.5 %	6.1 %	6.5 %	6.7 %
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)	8.0 %	7.3 %	7.5 %	8.9 %	9.0 %	9.0 %	8.6 %
Deferred taxes	2.3 %	1.9 %	1.6 %	0.8 %	0.8 %	0.8 %	0.8 %
Deferred income	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Current liabilities</b>	<b>21.3 %</b>	<b>21.7 %</b>	<b>19.7 %</b>	<b>20.9 %</b>	<b>21.7 %</b>	<b>22.0 %</b>	<b>21.5 %</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)	2011	2012	2013	2014	2015E	2016E	2017E
Net profit/loss	4.5	3.0	3.7	6.1	9.4	11.6	13.9
Depreciation of fixed assets (incl. leases)	8.0	8.8	9.2	9.7	9.7	10.0	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	2.1	0.0	0.0	0.0
Cash flow from operations before changes in w/c	15.4	14.3	15.1	17.9	19.1	21.6	23.9
Increase/decrease in inventory	-4.9	2.7	-2.6	-1.3	-2.4	-2.1	-1.9
Increase/decrease in accounts receivable	-0.6	-1.6	-1.3	-0.3	-0.4	-0.3	-0.3
Increase/decrease in accounts payable	-1.2	1.6	-2.9	1.2	0.9	0.8	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	-6.8	2.7	-6.8	-0.4	-2.0	-1.7	-1.6
<b>Cash flow from operating activities</b>	<b>8.6</b>	<b>17.0</b>	<b>8.3</b>	<b>17.5</b>	<b>17.1</b>	<b>19.9</b>	<b>22.4</b>
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
<b>Cash flow from investing activities</b>	<b>-15.4</b>	<b>-10.6</b>	<b>-2.6</b>	<b>-10.0</b>	<b>-15.0</b>	<b>-9.0</b>	<b>-9.0</b>
Cash flow before financing	-6.8	6.4	5.8	7.5	2.1	10.9	13.4
Increase/decrease in debt position	-5.6	-8.4	9.7	-10.0	-11.4	-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	1.0	1.7	2.6
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
<b>Cash flow from financing activities</b>	<b>-5.6</b>	<b>-8.4</b>	<b>9.7</b>	<b>-10.4</b>	<b>-12.3</b>	<b>-11.7</b>	<b>-7.6</b>
Increase/decrease in liquid assets	-12.4	-2.0	15.5	-2.9	-10.2	-0.8	5.8
<b>Liquid assets at end of period</b>	<b>16.7</b>	<b>14.7</b>	<b>30.1</b>	<b>27.2</b>	<b>17.0</b>	<b>16.2</b>	<b>22.0</b>

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2011	2012	2013	2014	2015E	2016E	2017E
Domestic	40.7	40.0	40.9	40.7	41.0	42.0	43.0
yoy change	16.2 %	-1.7 %	2.2 %	-0.4 %	0.6 %	2.4 %	2.4 %
Rest of Europe	58.3	59.9	63.6	68.5	73.0	75.0	76.0
yoy change	16.2 %	2.7 %	6.2 %	7.8 %	6.5 %	2.7 %	1.3 %
NAFTA	16.8	14.8	14.4	18.0	20.0	23.0	25.0
yoy change	-2.1 %	-11.9 %	-2.3 %	24.8 %	11.0 %	15.0 %	8.7 %
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	16.0	22.0	27.0	33.0
yoy change	27.8 %	8.9 %	-3.1 %	14.7 %	37.3 %	22.6 %	22.3 %
<b>TTL</b>	<b>129.0</b>	<b>129.1</b>	<b>132.9</b>	<b>143.3</b>	<b>156.0</b>	<b>167.0</b>	<b>177.0</b>
yoy change	14.5 %	0.1 %	2.9 %	7.8 %	8.9 %	7.0 %	6.0 %

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2011	2012	2013	2014	2015E	2016E	2017E
<b>P&amp;L growth analysis</b>							
Sales growth	14.5 %	0.1 %	2.9 %	7.8 %	8.9 %	7.0 %	6.0 %
EBITDA growth	43.6 %	-8.5 %	4.9 %	13.2 %	17.0 %	12.5 %	10.2 %
EBIT growth	91.3 %	-20.0 %	5.0 %	20.3 %	30.0 %	18.1 %	15.5 %
EPS growth	97.9 %	-41.5 %	28.5 %	107.6 %	51.1 %	23.5 %	21.2 %
<b>Efficiency</b>							
Total operating costs / sales	87.0 %	85.5 %	86.2 %	84.2 %	83.2 %	82.4 %	81.4 %
Sales per employee	328.3	317.5	320.3	345.4	371.5	393.0	411.7
EBITDA per employee	52.3	46.3	47.6	53.9	62.3	69.3	75.5
<b>Balance sheet analysis</b>							
Avg. working capital / sales	11.7 %	13.6 %	14.4 %	15.3 %	14.8 %	15.0 %	15.0 %
Inventory turnover (sales/inventory)	4.9	5.5	5.1	5.2	5.2	5.2	5.2
Trade debtors in days of sales	6.4	9.6	11.8	11.6	11.6	11.6	11.6
A/P turnover [(A/P*365)/sales]	28.4	29.4	23.9	25.3	25.3	25.3	25.3
Cash conversion cycle (days)	91.5	81.2	103.6	97.2	98.4	98.6	99.1
<b>Cash flow analysis</b>							
Free cash flow	-6.8	6.4	5.8	7.5	2.1	10.9	13.4
Free cash flow/sales	-5.2 %	5.0 %	4.4 %	5.2 %	1.4 %	6.5 %	7.6 %
FCF / net profit	-186.4 %	311.1 %	218.6 %	136.5 %	25.8 %	105.9 %	107.6 %
Capex / depre	191.5 %	120.4 %	27.8 %	103.1 %	154.6 %	90.0 %	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 %
<b>Security</b>							
Net debt	60.7	55.2	50.8	44.2	43.0	33.8	23.0
Net Debt/EBITDA	2.9	2.9	2.6	2.0	1.6	1.1	0.7
Net debt / equity	1.2	1.1	1.0	0.8	0.7	0.5	0.3
Interest cover	1.8	1.6	1.7	2.9	4.5	5.9	7.2
Dividend payout ratio	0.0 %	0.0 %	18.1 %	17.5 %	20.0 %	25.0 %	30.0 %
<b>Asset utilisation</b>							
Capital employed turnover	0.9	0.9	0.9	0.9	1.1	1.1	1.1
Operating assets turnover	1.0	1.0	1.0	1.1	1.1	1.2	1.2
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	5.2	5.2	5.2	5.2
<b>Returns</b>							
ROCE	9.1 %	7.3 %	7.3 %	8.4 %	11.0 %	13.1 %	14.8 %
ROE	7.3 %	4.2 %	5.2 %	10.4 %	13.5 %	14.3 %	15.0 %
<b>Other</b>							
Interest paid / avg. debt	8.7 %	8.6 %	8.2 %	5.7 %	5.6 %	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	0.1	0.2	0.3	0.5
EPS reported	0.44	0.26	0.33	0.69	1.04	1.28	1.55
<b>Valuation ratios</b>							
P/BV	2.3	2.4	2.3	2.2	1.9	1.6	1.4
EV/sales	1.5	1.5	1.4	1.3	1.2	1.1	0.9
EV/EBITDA	9.3	10.1	9.5	8.3	7.1	6.0	5.1
EV/EBITA	15.3	19.0	17.8	14.7	11.3	9.1	7.4
EV/EBIT	15.3	19.0	17.8	14.7	11.3	9.1	7.4
EV/FCF	-28.3	29.7	32.3	24.9	86.7	16.3	12.4
Adjusted FCF yield	6.0 %	5.4 %	5.7 %	6.4 %	7.4 %	8.6 %	10.1 %
Dividend yield	0.0 %	0.0 %	0.4 %	0.8 %	1.4 %	2.2 %	3.2 %

Source: Company data, Hauck & Aufhäuser

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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 05/05/15**

**Initiation coverage**  
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**Contacts: Hauck&Aufhäuser Privatbankiers KGaA****Hauck & Aufhäuser Research**

Hauck & Aufhäuser  
Privatbankiers KGaA  
Mittelweg 16/17

20148 Hamburg  
Germany

Tel.: +49 (0) 40 414 3885 - 70  
Fax: +49 (0) 40 414 3885 - 71  
Email: [info@ha-research.de](mailto:info@ha-research.de)  
[www.ha-research.de](http://www.ha-research.de)

**Sascha Berresch, CFA**  
Head of Research  
Tel.: +49 (0)40 414 3885 - 85  
E-Mail: [sascha.berresch@ha-research.de](mailto:sascha.berresch@ha-research.de)

**Leonhard Bayer**  
Analyst  
Tel.: +49 (0)40 414 3885 - 79  
E-Mail: [leonhard.bayer@ha-research.de](mailto:leonhard.bayer@ha-research.de)

**Henning Breiter**  
Analyst  
Tel.: +49 (0)40 414 3885 - 73  
E-Mail: [henning.breiter@ha-research.de](mailto:henning.breiter@ha-research.de)

**Lars Dannenberg**  
Analyst  
Tel.: +49 (0)40 414 3885 - 92  
E-Mail: [lars.dannenberg@ha-research.de](mailto:lars.dannenberg@ha-research.de)

**Nils-Peter Gehrman**  
Analyst  
Tel.: +49 (0)40 414 3885 - 86  
E-Mail: [nils-peter.gehrman@ha-research.de](mailto:nils-peter.gehrman@ha-research.de)

**Christian Glowa**  
Analyst  
Tel.: +49 (0)40 414 3885 - 95  
E-Mail: [christian.glowa@ha-research.de](mailto:christian.glowa@ha-research.de)

**Christian Schwenkenbecher**  
Analyst  
Tel.: +49 (0)40 414 3885 - 76  
E-Mail: [christian.schwenkenbecher@ha-research.de](mailto:christian.schwenkenbecher@ha-research.de)

**Torben Teichler**  
Analyst  
Tel.: +49 (0)40 414 3885 - 74  
E-Mail: [torben.teichler@ha-research.de](mailto:torben.teichler@ha-research.de)

**Tim Wunderlich, CFA**  
Analyst  
Tel.: +49 (0)40 414 3885 - 81  
E-Mail: [tim.wunderlich@ha-research.de](mailto:tim.wunderlich@ha-research.de)

**Hauck & Aufhäuser Sales**

**Vincent Bischoff**  
Sales  
Tel.: +49 (0)40 414 3885 - 88  
E-Mail: [vincent.bischoff@ha-research.de](mailto:vincent.bischoff@ha-research.de)

**Hamish Edsell, CFA**  
Sales  
Tel.: +44 207 408 1100  
E-Mail: [hamish.edsell@ha-research.de](mailto:hamish.edsell@ha-research.de)

**Alexander Lachmann**  
Sales  
Tel.: +49 (0)40 414 3885 - 96  
E-Mail: [alexander.lachmann@ha-research.de](mailto:alexander.lachmann@ha-research.de)

**Hugues Madelin**  
Sales  
Tel.: +33 1 78 41 40 62  
E-Mail: [hugues.madelin@ha-research.de](mailto:hugues.madelin@ha-research.de)

**Markus Weiss**  
Sales  
Tel.: +49 (0)40 414 3885 - 89  
E-Mail: [markus.weiss@ha-research.de](mailto:markus.weiss@ha-research.de)

**Toby Woods**  
Sales  
Tel.: +44 207 408 1100  
E-Mail: [toby.woods@ha-research.de](mailto:toby.woods@ha-research.de)

**Hauck & Aufhäuser Sales Trading**

Hauck & Aufhäuser  
Privatbankiers KGaA  
Mittelweg 16/17

20148 Hamburg  
Germany

Tel.: +49 (0) 40 414 3885 - 75  
Fax: +49 (0) 40 414 3885 - 71  
Email: [info@hauck-aufhaeuser.de](mailto:info@hauck-aufhaeuser.de)  
[www.hauck-aufhaeuser.de](http://www.hauck-aufhaeuser.de)

**Mirko Brueggemann**  
Trading  
Tel.: +49 (0)40 414 3885 75  
E-Mail: [mirko.brueggemann@hauck-aufhaeuser.de](mailto:mirko.brueggemann@hauck-aufhaeuser.de)

**Christian von Schuler**  
Trading  
Tel.: +49 (0)40 414 3885 77  
E-Mail: [christian.schuler@hauck-aufhaeuser.de](mailto:christian.schuler@hauck-aufhaeuser.de)

**Fin Schaffer**  
Trading  
Tel.: +49 (0)40 414 3885 98  
E-Mail: [fin.schaffer@hauck-aufhaeuser.de](mailto:fin.schaffer@hauck-aufhaeuser.de)

**Nadia Elias**  
Middle-Office  
Tel.: +49 40 414 388 597  
[nadia.elias@hauck-aufhaeuser.de](mailto:nadia.elias@hauck-aufhaeuser.de)

**Carolin Weber**  
Middle-Office  
Tel.: +49 (0)40 414 3885 87  
E-Mail: [carolin.weber@hauck-aufhaeuser.de](mailto:carolin.weber@hauck-aufhaeuser.de)