

# 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 14.59	<b>Next result:</b>	AGM 30.06.15
<b>Bloomberg:</b>	NTG GR	<b>Market cap:</b>	EUR 116.7 m
<b>Reuters:</b>	NTGG.DE	<b>Enterprise Value:</b>	EUR 185.0 m

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### Strong final Q1 / sound outlook confirmed

Nabaltec reported final Q1 results, in-line with prel. figures (5 May). **Management again reiterated it's in our view 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, the increasing demand for environmental friendly flame retardants, the large customer win in the US and the ramp up of the distribution partnership with Sumitomo Chemical for East Asia, the company seems well on track to achieve our estimates also considering FX tailwind (translation and transaction).

In Q1 sales grew by 5.3% yoy to a new quarterly record of € 38.8m. This was mainly driven by **Functional Fillers rising by 6.6% yoy to a record of € 26.9m** well reflecting the continuous increasing demand for environmental friendly flame retardants, the customer gain in the US and the ramp up of the distribution partnership with Sumitomo Chemical for East Asia. In contrast, **Technical Ceramic grew by only 2.3% yoy to € 11.9m** somewhat subdued by muted demand from the refractory and especially the ballistic industry.

Even more impressive was the **jump in EBIT by 63% yoy** much stronger than expected to a **new quarterly record of € 4.8m** (eH&A 3.6m). The strong EBIT margin improvement by 4.4pp to 12.5% reflects the strong operating leverage (largely automated production) coupled with a favourable product mix and FX gains.

EPS increased by 53% yoy to € 0.26 and hence less than proportionate to EBIT due to a temporary high tax rate of 38%. Going forward we expect disproportionate growth again, driven by a normalised tax rate and the still high financial leverage which however is improving, reflected in a decline of net debt over the last 3 years and a consequent decline in quarterly interest expense. Net debt arrived at € 31.6m reflecting an improvement of € 16.6m in the last 12 months implying a debt reduction of € 2 per share.

**Operating cash flow increased significantly**, up 103% to € 15.8m thanks to the strong operating performance and improved w/c management. Coupled with lower capex spending (-47% yoy to € 2m) FCF (after interest exp.) came in at € 13.5m (+274% yoy).

Strong results (FY '14 and Q1 '15) confirm our positive view on the stock. Moreover, the outlook for profitable growth and the de-leverage potential looks not reflected in the valuation trading on 7.1x EV/EBITDA '15E and 6.0x EV/EBITDA '16E. Our **PT of € 17.50 conservatively based on FCFY '16E implies a valuation of only 6.8x EV/EBITDA '16E.**



Source: Company data, Hauck & Aufhäuser

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

**Price/Book Ratio:** 1.9

**Relative performance (SDAX):**

3 months -5.7 %

6 months 0.9 %

12 months 8.5 %

### 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.

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	9.4	8.3	7.1	6.0	5.1
EV/EBIT	15.3	18.9	17.7	14.7	11.2	9.0	7.3
PER	32.2	56.7	44.1	21.2	14.1	11.4	9.4
Adjusted FCF yield	6.0 %	5.4 %	5.8 %	6.4 %	7.4 %	8.6 %	10.1 %

Source: Company data, Hauck & Aufhäuser Close price as of: 26.05.2015

## 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	9.4	8.3	7.1	6.0	5.1
EV/EBITA	15.3	18.9	17.7	14.7	11.2	9.0	7.3
EV/EBIT	15.3	18.9	17.7	14.7	11.2	9.0	7.3
EV/FCF	-28.2	29.6	32.2	24.8	86.5	16.2	12.3
Adjusted FCF yield	6.0 %	5.4 %	5.8 %	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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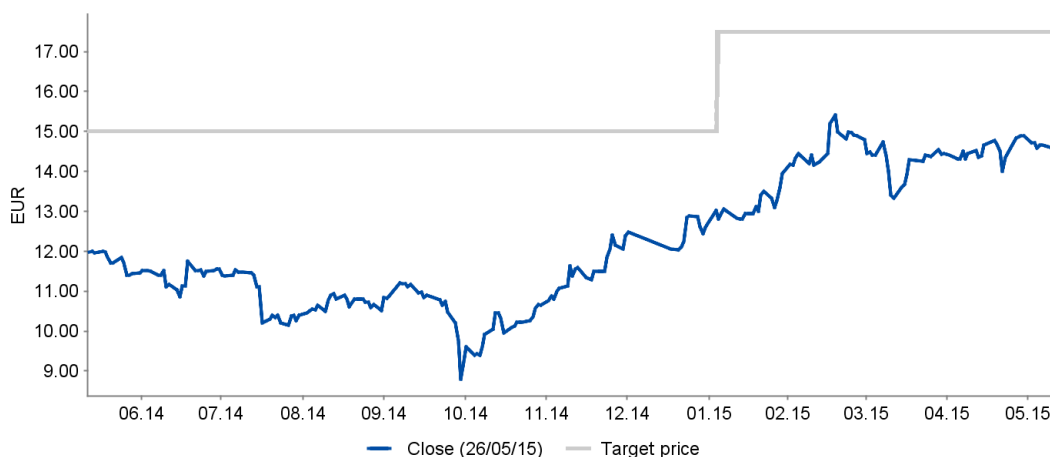
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Company	Disclosure
Nabaltec AG	2, 5

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

**Price and Rating History  
Nabaltec AG as of 27/05/15**

**Initiation coverage**  
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