

# Nabaltec

## Germany - Chemicals/ Specialty Chemicals



HAUCK & AUFHÄUSER  
PRIVATBANKIERS SEIT 1796

**Buy** (old: Buy)

**Price target: EUR 24.00** (old: EUR 19.00)

<b>Price:</b>	EUR 14.61	<b>Next result:</b>	Q3 29.11.16
<b>Bloomberg:</b>	NTG GR	<b>Market cap:</b>	EUR 116.9 m
<b>Reuters:</b>	NTGG.DE	<b>Enterprise Value:</b>	EUR 184.0 m

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### Announced price increases suggest strength - chg. in PT

In a press release to customers **Nabaltec announced price increase** for its core product within Functional Fillers (fine precipitated hydroxide contributing 55% of group sales), **by 9.5%** effective as of 1 January 2017 (press release on the webpage). The product is used in cables to make them flame retardant, often replacing halogenated hazardous flame retardants and driven by increasingly tighter regulation and environmental awareness. The company argues that it has not increased prices for years (eH&A 2010/2011) and that it however faced cost increases and significant capex in the last years.

The announcement of the price increase reflects, in our view, however also the **strengthened competitive position** given that capacities in the global oligopoly dominated by Nabaltec and Martinswerke (Huber Minerals Inc.), who supply c. 70% of the market, have become tight. Moreover, Huber bought Martinswerke for a significant amount (eH&A > USD 200m) and seems to have to invest a lot of money into the plant (i.e. Martinswerke has the same capacity as Nabaltec but only € 12m in fixed assets in the books while Nabaltec fixed asset stand at € 120m). Hence, also Huber should be interested in lifting prices to make the investment worthwhile. The **good news, also Huber seems to have informed its customers of price increases**, however without quantifying the amount.

([https://www.kunststoffweb.de/ki\\_ticker/Huber\\_Martinswerk\\_Aufschlaege\\_fuer\\_Flammschutzmittel\\_t235001](https://www.kunststoffweb.de/ki_ticker/Huber_Martinswerk_Aufschlaege_fuer_Flammschutzmittel_t235001))

Hence, **Nabaltec should have a good chance to successfully increase prices in 2017**, which should have a beneficial effect on the bottom-line given that price increases are targeted to compensate for cost increases in recent years. This is **NOT reflected in our estimates** at this stage reflecting only a further volume increase backed by favourable demand trends around the globe. As a result, visibility in growth has increased which is why **valuation is rolled to FCFY 2018E** to better reflect the sound structural growth and de-leverage potential. This yields a **new PT of € 24 per share implying a multiple of 10x EV/EBITDA '16E**. Notably, transactions in the special chemical sectors have been between 10x (Lanxess/Chemtura) and 15x EBITDA (Huber/Martinswerke, Evonik/AirProducts, BASF/Chemetall).

**BUY, new PT € 24 (old € 19) per share based on FCFY '18E.**

Y/E 31.12 (EUR m)	2012	2013	2014	2015	2016E	2017E	2018E
Sales	129.2	132.9	143.3	151.3	160.6	170.2	177.9
Sales growth	0 %	3 %	8 %	6 %	6 %	6 %	4 %
EBITDA	18.8	19.8	22.4	24.6	25.9	29.3	31.8
EBIT	10.0	10.5	12.7	14.5	15.2	18.3	20.5
Net income	2.1	2.6	5.5	6.7	7.6	10.0	11.9
Net debt	55.2	50.8	44.2	41.3	39.1	33.1	20.0
Net gearing	111.7 %	99.4 %	83.9 %	71.7 %	58.8 %	42.5 %	24.4 %
Net Debt/EBITDA	2.9	2.6	2.0	1.7	1.5	1.1	0.6
EPS pro forma	0.26	0.33	0.69	0.84	0.95	1.25	1.49
CPS	1.31	0.17	1.25	1.15	1.29	1.56	1.73
DPS	0.00	0.06	0.12	0.15	0.19	0.25	0.40
Dividend yield	0.0 %	0.4 %	0.8 %	1.0 %	1.3 %	1.7 %	2.8 %
Gross profit margin	48.0 %	48.7 %	47.4 %	48.2 %	48.0 %	48.2 %	48.3 %
EBITDA margin	14.6 %	14.9 %	15.6 %	16.3 %	16.1 %	17.2 %	17.9 %
EBIT margin	7.8 %	7.9 %	8.8 %	9.6 %	9.5 %	10.7 %	11.5 %
ROCE	7.3 %	7.3 %	8.4 %	8.9 %	9.0 %	10.8 %	12.5 %
EV/sales	1.5	1.4	1.3	1.2	1.1	1.0	0.9
EV/EBITDA	10.1	9.4	8.3	7.6	7.1	6.1	5.2
EV/EBIT	18.9	17.7	14.7	12.9	12.1	9.7	8.1
PER	56.8	44.2	21.3	17.4	15.3	11.7	9.8
Adjusted FCF yield	5.4 %	5.8 %	6.4 %	6.8 %	7.5 %	9.0 %	10.8 %

Source: Company data, Hauck & Aufhäuser Close price as of: 26.09.2016



Source: Company data, Hauck & Aufhäuser

**High/low 52 weeks:** 17.90 / 12.85

**Price/Book Ratio:** 1.8

**Relative performance (SDAX):**

3 months -7.2 %

6 months 1.6 %

12 months -24.9 %

#### Changes in estimates

		Sales	EBIT	EPS
2016	old:	160.6	15.2	0.95
	Δ	-	-	-
2017	old:	170.2	18.3	1.25
	Δ	-	-	-
2018	old:	177.9	20.5	1.49
	Δ	-	-	-

#### Key share data:

Number of shares: (in m pcs) 8.0

Authorised capital: (in € m) 4.0

Book value per share: (in €) 8.3

Ø trading volume: (12 months) 20,000

#### Major shareholders:

Free Float 39.0 %

Family Heckmann 31.2 %

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)	2012	2013	2014	2015	2016E	2017E	2018E
<b>Net sales</b>	<b>129.2</b>	<b>132.9</b>	<b>143.3</b>	<b>151.3</b>	<b>160.6</b>	<b>170.2</b>	<b>177.9</b>
<i>Sales growth</i>	0.1 %	2.9 %	7.8 %	5.6 %	6.2 %	6.0 %	4.5 %
Increase/decrease in finished goods and work-in-process	0.1	1.4	-0.3	1.9	0.0	0.0	0.0
<b>Total sales</b>	<b>129.4</b>	<b>134.3</b>	<b>143.0</b>	<b>153.2</b>	<b>160.6</b>	<b>170.2</b>	<b>177.9</b>
Other operating income	1.7	1.3	2.6	2.8	1.7	1.8	1.9
Material expenses	67.3	69.6	75.1	80.3	83.5	88.3	92.0
Personnel expenses	21.8	22.5	25.4	26.8	27.6	28.6	29.4
Other operating expenses	23.2	23.8	22.7	24.3	25.2	25.9	26.7
Total operating expenses	110.5	114.6	120.6	128.6	134.7	141.0	146.1
<b>EBITDA</b>	<b>18.8</b>	<b>19.8</b>	<b>22.4</b>	<b>24.6</b>	<b>25.9</b>	<b>29.3</b>	<b>31.8</b>
Depreciation	8.8	9.2	9.7	10.2	10.7	11.0	11.3
<b>EBITA</b>	<b>10.0</b>	<b>10.5</b>	<b>12.7</b>	<b>14.5</b>	<b>15.2</b>	<b>18.3</b>	<b>20.5</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>10.0</b>	<b>10.5</b>	<b>12.7</b>	<b>14.5</b>	<b>15.2</b>	<b>18.3</b>	<b>20.5</b>
Interest income	0.4	0.3	0.2	0.3	0.0	0.0	0.0
Interest expenses	6.3	6.2	4.3	3.9	3.3	2.9	2.4
Other financial result	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial result	-5.9	-5.9	-4.2	-3.7	-3.3	-2.9	-2.4
<b>Recurring pretax income from continuing operations</b>	<b>4.1</b>	<b>4.7</b>	<b>8.5</b>	<b>10.8</b>	<b>11.9</b>	<b>15.4</b>	<b>18.1</b>
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Earnings before taxes</b>	<b>4.1</b>	<b>4.7</b>	<b>8.5</b>	<b>10.8</b>	<b>11.9</b>	<b>15.4</b>	<b>18.1</b>
Taxes	1.1	0.9	2.5	3.4	3.4	4.4	5.2
<b>Net income from continuing operations</b>	<b>3.0</b>	<b>3.7</b>	<b>6.1</b>	<b>7.4</b>	<b>8.5</b>	<b>11.0</b>	<b>12.9</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>3.0</b>	<b>3.7</b>	<b>6.1</b>	<b>7.4</b>	<b>8.5</b>	<b>11.0</b>	<b>12.9</b>
Minority interest	1.0	1.1	0.6	0.7	0.9	1.0	1.0
<b>Net income (net of minority interest)</b>	<b>2.1</b>	<b>2.6</b>	<b>5.5</b>	<b>6.7</b>	<b>7.6</b>	<b>10.0</b>	<b>11.9</b>
Average number of shares	8.0	8.0	8.0	8.0	8.0	8.0	8.0
<b>EPS reported</b>	<b>0.26</b>	<b>0.33</b>	<b>0.69</b>	<b>0.84</b>	<b>0.95</b>	<b>1.25</b>	<b>1.49</b>

Profit and loss (common size)	2012	2013	2014	2015	2016E	2017E	2018E
<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	0.1 %	1.0 %	-0.2 %	1.3 %	0.0 %	0.0 %	0.0 %
<b>Total sales</b>	<b>100.1 %</b>	<b>101.0 %</b>	<b>99.8 %</b>	<b>101.3 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>
Other operating income	1.3 %	1.0 %	1.8 %	1.9 %	1.1 %	1.1 %	1.1 %
Material expenses	52.1 %	52.4 %	52.4 %	53.1 %	52.0 %	51.9 %	51.7 %
Personnel expenses	16.8 %	16.9 %	17.7 %	17.7 %	17.2 %	16.8 %	16.5 %
Other operating expenses	17.9 %	17.9 %	15.8 %	16.1 %	15.7 %	15.2 %	15.0 %
Total operating expenses	85.5 %	86.2 %	84.2 %	85.0 %	83.9 %	82.8 %	82.2 %
<b>EBITDA</b>	<b>14.6 %</b>	<b>14.9 %</b>	<b>15.6 %</b>	<b>16.3 %</b>	<b>16.1 %</b>	<b>17.2 %</b>	<b>17.9 %</b>
Depreciation	6.8 %	6.9 %	6.8 %	6.7 %	6.7 %	6.5 %	6.4 %
<b>EBITA</b>	<b>7.8 %</b>	<b>7.9 %</b>	<b>8.8 %</b>	<b>9.6 %</b>	<b>9.5 %</b>	<b>10.7 %</b>	<b>11.5 %</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>7.8 %</b>	<b>7.9 %</b>	<b>8.8 %</b>	<b>9.6 %</b>	<b>9.5 %</b>	<b>10.7 %</b>	<b>11.5 %</b>
Interest income	0.3 %	0.2 %	0.1 %	0.2 %	0.0 %	0.0 %	0.0 %
Interest expenses	4.9 %	4.6 %	3.0 %	2.6 %	2.1 %	1.7 %	1.3 %
Other financial result	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Financial result	-4.6 %	-4.4 %	-2.9 %	-2.4 %	-2.1 %	-1.7 %	-1.3 %
<b>Recurring pretax income from continuing operations</b>	<b>3.2 %</b>	<b>3.5 %</b>	<b>5.9 %</b>	<b>7.1 %</b>	<b>7.4 %</b>	<b>9.0 %</b>	<b>10.2 %</b>
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Earnings before taxes</b>	<b>3.2 %</b>	<b>3.5 %</b>	<b>5.9 %</b>	<b>7.1 %</b>	<b>7.4 %</b>	<b>9.0 %</b>	<b>10.2 %</b>
Tax rate	26.8 %	20.2 %	28.8 %	31.5 %	28.5 %	28.5 %	28.5 %
<b>Net income from continuing operations</b>	<b>2.3 %</b>	<b>2.8 %</b>	<b>4.2 %</b>	<b>4.9 %</b>	<b>5.3 %</b>	<b>6.5 %</b>	<b>7.3 %</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>2.3 %</b>	<b>2.8 %</b>	<b>4.2 %</b>	<b>4.9 %</b>	<b>5.3 %</b>	<b>6.5 %</b>	<b>7.3 %</b>
Minority interest	0.7 %	0.8 %	0.4 %	0.5 %	0.6 %	0.6 %	0.6 %
<b>Net income (net of minority interest)</b>	<b>1.6 %</b>	<b>2.0 %</b>	<b>3.8 %</b>	<b>4.4 %</b>	<b>4.7 %</b>	<b>5.9 %</b>	<b>6.7 %</b>

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2012	2013	2014	2015	2016E	2017E	2018E
<b>Intangible assets</b>	<b>0.2</b>	<b>0.2</b>	<b>0.4</b>	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>
Property, plant and equipment	116.0	111.8	112.0	116.6	120.9	124.9	114.6
Financial assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>FIXED ASSETS</b>	<b>116.2</b>	<b>112.0</b>	<b>112.4</b>	<b>117.1</b>	<b>121.4</b>	<b>125.4</b>	<b>115.1</b>
Inventories	23.6	26.2	27.5	30.8	32.1	34.0	35.6
Accounts receivable	3.4	4.3	4.6	5.2	5.5	5.9	6.1
Other current assets	3.4	3.8	7.0	6.5	6.5	6.5	6.5
Liquid assets	14.3	29.7	27.2	42.3	31.9	29.1	30.0
Deferred taxes	0.6	0.3	0.1	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
<b>CURRENT ASSETS</b>	<b>45.3</b>	<b>64.2</b>	<b>66.4</b>	<b>84.8</b>	<b>76.1</b>	<b>75.5</b>	<b>78.2</b>
<b>TOTAL ASSETS</b>	<b>161.5</b>	<b>176.3</b>	<b>178.8</b>	<b>201.9</b>	<b>197.5</b>	<b>200.9</b>	<b>193.3</b>
SHAREHOLDERS EQUITY	49.4	51.1	52.6	57.5	66.5	78.0	82.0
MINORITY INTEREST	-2.0	-0.8	-0.2	0.6	0.0	0.0	0.0
Long-term debt	59.9	70.6	61.4	71.3	58.8	50.0	40.0
Provisions for pensions and similar obligations	17.8	18.9	25.3	28.0	28.0	28.0	28.0
Other provisions	1.3	1.6	2.4	2.6	1.6	1.6	1.6
<b>Non-current liabilities</b>	<b>79.0</b>	<b>91.1</b>	<b>89.0</b>	<b>101.9</b>	<b>88.3</b>	<b>79.5</b>	<b>69.5</b>
short-term liabilities to banks	9.7	9.9	10.0	12.2	12.2	12.2	10.0
Accounts payable	10.4	8.7	9.9	12.3	13.0	13.8	14.4
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)	11.9	13.3	15.9	15.9	15.9	15.9	15.9
Deferred taxes	3.1	2.9	1.5	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>35.0</b>	<b>34.8</b>	<b>37.4</b>	<b>41.9</b>	<b>42.7</b>	<b>43.5</b>	<b>41.8</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>161.5</b>	<b>176.2</b>	<b>178.8</b>	<b>201.9</b>	<b>197.5</b>	<b>200.9</b>	<b>193.3</b>

Balance sheet (common size)	2012	2013	2014	2015	2016E	2017E	2018E
<b>Intangible assets</b>	<b>0.1 %</b>	<b>0.1 %</b>	<b>0.2 %</b>	<b>0.3 %</b>	<b>0.3 %</b>	<b>0.3 %</b>	<b>0.3 %</b>
Property, plant and equipment	71.8 %	63.4 %	62.6 %	57.7 %	61.2 %	62.2 %	59.3 %
Financial assets	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>FIXED ASSETS</b>	<b>72.0 %</b>	<b>63.6 %</b>	<b>62.8 %</b>	<b>58.0 %</b>	<b>61.5 %</b>	<b>62.4 %</b>	<b>59.5 %</b>
Inventories	14.6 %	14.9 %	15.4 %	15.2 %	16.3 %	16.9 %	18.4 %
Accounts receivable	2.1 %	2.4 %	2.5 %	2.6 %	2.8 %	2.9 %	3.2 %
Other current assets	2.1 %	2.1 %	3.9 %	3.2 %	3.3 %	3.2 %	3.4 %
Liquid assets	8.9 %	16.8 %	15.2 %	20.9 %	16.2 %	14.5 %	15.5 %
Deferred taxes	0.3 %	0.2 %	0.1 %	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 %
<b>CURRENT ASSETS</b>	<b>28.0 %</b>	<b>36.4 %</b>	<b>37.1 %</b>	<b>42.0 %</b>	<b>38.5 %</b>	<b>37.6 %</b>	<b>40.5 %</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	30.6 %	29.0 %	29.4 %	28.5 %	33.7 %	38.8 %	42.4 %
MINORITY INTEREST	-1.2 %	-0.4 %	-0.1 %	0.3 %	0.0 %	0.0 %	0.0 %
Long-term debt	37.1 %	40.0 %	34.3 %	35.3 %	29.8 %	24.9 %	20.7 %
Provisions for pensions and similar obligations	11.0 %	10.7 %	14.1 %	13.8 %	14.2 %	13.9 %	14.5 %
Other provisions	0.8 %	0.9 %	1.3 %	1.3 %	0.8 %	0.8 %	0.8 %
<b>Non-current liabilities</b>	<b>48.9 %</b>	<b>51.7 %</b>	<b>49.8 %</b>	<b>50.5 %</b>	<b>44.7 %</b>	<b>39.6 %</b>	<b>36.0 %</b>
short-term liabilities to banks	6.0 %	5.6 %	5.6 %	6.1 %	6.2 %	6.1 %	5.2 %
Accounts payable	6.4 %	4.9 %	5.5 %	6.1 %	6.6 %	6.9 %	7.5 %
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)	7.3 %	7.5 %	8.9 %	7.9 %	8.1 %	7.9 %	8.2 %
Deferred taxes	1.9 %	1.6 %	0.8 %	0.7 %	0.7 %	0.7 %	0.8 %
Deferred income	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Current liabilities</b>	<b>21.7 %</b>	<b>19.7 %</b>	<b>20.9 %</b>	<b>20.8 %</b>	<b>21.6 %</b>	<b>21.6 %</b>	<b>21.6 %</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)	2012	2013	2014	2015	2016E	2017E	2018E
Net profit/loss	3.0	3.7	6.1	7.4	8.5	11.0	12.9
Depreciation of fixed assets (incl. leases)	8.8	9.2	9.7	10.2	10.7	11.0	11.3
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	2.5	2.2	2.1	2.7	0.0	0.0	0.0
Cash flow from operations before changes in w/c	14.3	15.1	17.9	20.2	19.2	22.0	24.2
Increase/decrease in inventory	2.7	-2.6	-1.3	-3.2	-1.3	-1.9	-1.5
Increase/decrease in accounts receivable	-1.6	-1.3	-0.3	-0.6	-0.3	-0.3	-0.3
Increase/decrease in accounts payable	1.6	-2.9	1.2	2.4	0.8	0.8	-0.6
Increase/decrease in other working capital positions	0.0	0.0	0.0	-1.5	0.0	0.0	0.0
Increase/decrease in working capital	2.7	-6.8	-0.4	-3.0	-0.9	-1.5	-2.4
<b>Cash flow from operating activities</b>	<b>17.0</b>	<b>8.3</b>	<b>17.5</b>	<b>17.2</b>	<b>18.3</b>	<b>20.5</b>	<b>21.8</b>
CAPEX	10.6	2.6	10.0	13.1	15.0	13.0	10.0
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>-10.6</b>	<b>-2.6</b>	<b>-10.0</b>	<b>-13.1</b>	<b>-15.0</b>	<b>-13.0</b>	<b>-10.0</b>
Cash flow before financing	6.4	5.8	7.5	4.2	3.3	7.5	11.8
Increase/decrease in debt position	-8.4	9.7	-10.0	12.2	-12.5	-8.8	-12.2
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	0.5	1.0	1.2	1.5	1.5
Others	0.0	0.0	0.0	-0.6	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.0	0.0	0.0	0.4	0.0	0.0	0.0
<b>Cash flow from financing activities</b>	<b>-8.4</b>	<b>9.7</b>	<b>-10.4</b>	<b>10.6</b>	<b>-13.7</b>	<b>-10.3</b>	<b>-13.8</b>
Increase/decrease in liquid assets	-2.0	15.5	-2.9	15.1	-10.4	-2.8	-1.9
<b>Liquid assets at end of period</b>	<b>14.7</b>	<b>30.1</b>	<b>27.2</b>	<b>42.3</b>	<b>31.9</b>	<b>29.1</b>	<b>30.0</b>

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2012	2013	2014	2015	2016E	2017E	2018E
<b>P&amp;L growth analysis</b>							
Sales growth	0.1 %	2.9 %	7.8 %	5.6 %	6.2 %	6.0 %	4.5 %
EBITDA growth	-8.5 %	4.9 %	13.2 %	10.2 %	5.1 %	12.9 %	22.5 %
EBIT growth	-20.0 %	5.0 %	20.3 %	14.2 %	5.1 %	20.1 %	34.5 %
EPS growth	-41.5 %	28.5 %	107.6 %	22.3 %	13.4 %	31.2 %	56.6 %
<b>Efficiency</b>							
Total operating costs / sales	85.5 %	86.2 %	84.2 %	85.0 %	83.9 %	82.8 %	82.2 %
Sales per employee	317.5	320.3	345.4	360.2	377.9	395.9	n/a
EBITDA per employee	46.3	47.6	53.9	58.7	61.0	68.1	n/a
<b>Balance sheet analysis</b>							
Avg. working capital / sales	13.6 %	14.4 %	15.3 %	15.2 %	15.0 %	14.9 %	14.6 %
Inventory turnover (sales/inventory)	5.5	5.1	5.2	4.9	5.0	5.0	5.0
Trade debtors in days of sales	9.6	11.8	11.6	12.5	12.5	12.5	12.5
A/P turnover [(A/P*365)/sales]	29.4	23.9	25.3	29.6	29.6	29.6	29.6
Cash conversion cycle (days)	81.2	103.6	97.2	96.7	96.0	96.2	96.5
<b>Cash flow analysis</b>							
Free cash flow	6.4	5.8	7.5	4.2	3.3	7.5	11.8
Free cash flow/sales	5.0 %	4.4 %	5.2 %	2.7 %	2.1 %	4.4 %	6.6 %
FCF / net profit	311.1 %	218.6 %	136.5 %	62.3 %	43.5 %	75.2 %	99.0 %
Capex / depre	120.4 %	27.8 %	103.1 %	128.4 %	140.2 %	118.2 %	88.5 %
Capex / maintenance capex	133.8 %	81.4 %	133.3 %	163.3 %	187.5 %	187.5 %	62.5 %
Capex / sales	8.2 %	1.9 %	7.0 %	8.6 %	9.3 %	7.6 %	n/a
<b>Security</b>							
Net debt	55.2	50.8	44.2	41.3	39.1	33.1	20.0
Net Debt/EBITDA	2.9	2.6	2.0	1.7	1.5	1.1	0.6
Net debt / equity	1.1	1.0	0.8	0.7	0.6	0.4	0.2
Interest cover	1.6	1.7	2.9	3.7	4.6	6.3	8.5
Dividend payout ratio	0.0 %	18.1 %	17.5 %	18.0 %	20.0 %	20.0 %	27.1 %
<b>Asset utilisation</b>							
Capital employed turnover	0.9	0.9	0.9	0.9	1.0	1.0	1.1
Operating assets turnover	1.0	1.0	1.1	1.1	1.1	1.1	1.3
Plant turnover	1.1	1.2	1.3	1.3	1.3	1.4	1.6
Inventory turnover (sales/inventory)	5.5	5.1	5.2	4.9	5.0	5.0	5.0
<b>Returns</b>							
ROCE	7.3 %	7.3 %	8.4 %	8.9 %	9.0 %	10.8 %	12.5 %
ROE	4.2 %	5.2 %	10.4 %	11.6 %	11.5 %	12.8 %	14.6 %
<b>Other</b>							
Interest paid / avg. debt	8.6 %	8.2 %	5.7 %	5.1 %	4.3 %	4.3 %	4.0 %
No. employees (average)	407	415	415	420	425	430	0
Number of shares	8.0	8.0	8.0	8.0	8.0	8.0	8.0
DPS	0.0	0.1	0.1	0.2	0.2	0.2	0.4
EPS reported	0.26	0.33	0.69	0.84	0.95	1.25	1.49
<b>Valuation ratios</b>							
P/BV	2.4	2.3	2.2	2.0	1.8	1.5	1.4
EV/sales	1.5	1.4	1.3	1.2	1.1	1.0	0.9
EV/EBITDA	10.1	9.4	8.3	7.6	7.1	6.1	5.2
EV/EBITA	18.9	17.7	14.7	12.9	12.1	9.7	8.1
EV/EBIT	18.9	17.7	14.7	12.9	12.1	9.7	8.1
EV/FCF	29.7	32.3	24.9	44.8	55.5	23.7	14.0
Adjusted FCF yield	5.4 %	5.8 %	6.4 %	6.8 %	7.5 %	9.0 %	10.8 %
Dividend yield	0.0 %	0.4 %	0.8 %	1.0 %	1.3 %	1.7 %	2.8 %

Source: Company data, Hauck & Aufhäuser

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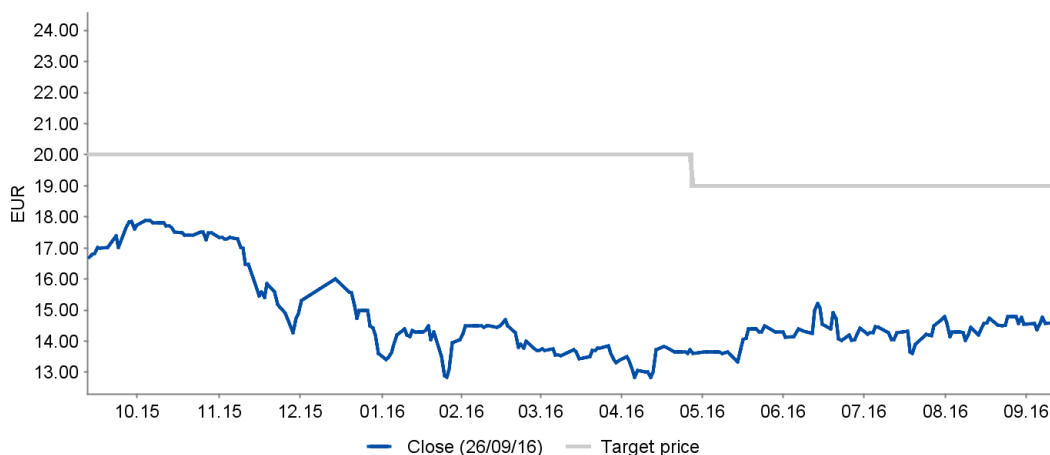
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Company	Disclosure
Nabaltec AG	2

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

**Price and Rating History  
Nabaltec AG as of 27/09/16**

Initiation coverage  
14-April-11



Company	Date	Analyst	Rating	Target price	Close
Nabaltec	31.08.2016	Sascha Berresch	Buy	EUR 19.00	-
	03.08.2016	Sascha Berresch	Buy	EUR 19.00	-
	01.06.2016	Sascha Berresch	Buy	EUR 19.00	-
	13.05.2016	Sascha Berresch	Buy	EUR 19.00	-
	02.03.2016	Sascha Berresch	Buy	EUR 20.00	-
	18.12.2015	Sascha Berresch	Buy	EUR 20.00	-

26.11.2015	Sascha Berresch	Buy	EUR 20.00	-
20.11.2015	Sascha Berresch	Buy	EUR 20.00	-

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