

29 November 2016 (release date)

Nabaltec

Germany

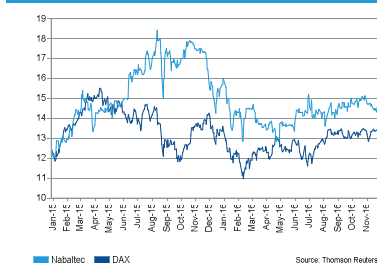
Chemicals

Reuters: NTGG.DE Bloomberg: NTG GY

Buy

Closing price as of 22-Nov-16	EUR 14.55
Target price	EUR 15.90
High/Low (12M)	EUR 17.30/12.85
Market cap.	EUR mn 116
Enterprise value	EUR mn 178
Free float	39.0%
Avg. daily turnover	EUR mn 0.0

Price relative to Index



Performance (%)	1M	3M	6M
Absolute	-3.6	1.7	6.4
rel. DAX	-3.7	-0.4	-1.6
rel. STOXX Europe 600	-2.7	1.5	5.5
rel. SXXP Chemicals	-2.1	2.4	0.3

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Additional logistics costs probably burdened Nabaltec's 3Q16 results

Due to the fact that Nabaltec's joint venture in the US Nashtec filed chapter 11 earlier this year, the company supplies its overseas customers from Germany. On the one hand, the volumes supplied from Germany increase capacity utilization at the plant in Schwandorf and thereby improve profitability, but this effect probably only slightly cushioned the negative effect of higher logistics cost related to the shipments into overseas markets and attorney fees. We therefore only expect an EBITDA of EUR 5mn and an EBIT of EUR 2mn for the group in 3Q16E. On 19 December 2016, a court hearing with regard to Nashtec's chapter 11 filing will decide whether Nabaltec will be able to possibly negotiate with Glencore regarding a potential takeover of the former joint venture. A full takeover of the former Nashtec joint venture would be positive news in our view.

EUR mn	3Q15	9M15	FY15	3Q16E	9M16E	FY16E
Gross sales	37.6	115.4	151.3	38.3	122.3	160.6
<i>Change yoy (%)</i>	3.0	5.3	5.6	1.7	6.0	6.1
EBITDA	5.2	19.2	24.7	4.6	18.5	25.4
<i>Margin (%)</i>	13.8	16.7	16.3	12.1	15.1	15.8
<i>Change yoy (%)</i>	-16.6	9.1	10.4	-10.8	-4.0	3.0
EBIT	2.6	11.7	14.5	2.0	10.6	14.3
<i>Margin (%)</i>	7.0	10.1	9.6	5.3	8.7	8.9
<i>Change yoy (%)</i>	-30.4	12.2	14.6	-22.9	-9.3	-1.7
EBT	1.8	8.8	10.9	1.2	8.1	10.9
<i>Margin (%)</i>	4.8	7.6	7.2	3.0	6.6	6.8
<i>Change yoy (%)</i>	-34.6	21.5	27.3	-36.0	-8.0	0.3
EPS (adjusted) undiluted	0.13	0.67	0.84	0.05	0.58	0.84
<i>Change yoy (%)</i>	-31.7	14.7	22.1	-63.5	-13.4	0.1

Source: Company data, Baader Helvea Equity Research

Key financials

EUR mn	2014	2015	2016E	2017E	CAGR (%)
Sales	143.3	151.3	160.6	173.5	6.6
EBIT adj.	12.7	14.5	14.3	16.3	8.7
EPS adj. (EUR)	0.69	0.84	0.84	1.00	13.2

Source: Company data, Baader Helvea Equity Research

Valuation ratios

x	2014	2015	2016E	2017E
EV/Sales	1.1	1.3	1.1	1.0
EV/EBIT adj.	12.4	13.4	12.5	10.4
P/E adj.	15.9	18.5	17.3	14.6