

Nabaltec

Germany - Chemicals/ Specialty Chemicals



HAUCK & AUFHÄUSER
PRIVATBANKIERS SEIT 1796

Buy (old: Buy)

Price target: EUR 39.00 (old: EUR 39.00)

Price:	EUR 25.30	Next result:	FY 2017 30.04.17
Bloomberg:	NTG@GR	Market cap:	EUR 222.6 m
Reuters:	NTGG.DE	Enterprise Value:	EUR 284.0 m

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Christian Sandherr
Analyst

Christian.Sandherr@ha-ib.de
Tel.: +49 (40) 4143885 79

Roadshow with CEO confirms our investment case

We were on the road with Nabaltec's CEO in London and Paris, which fully confirms that the **key mid-term growth drivers remain strong AND prospects from niche applications look very promising:**

- Increasingly tighter regulatory environment around the globe (e.g. CPR in the EU) coupled with tight industry capacities
- Ramp up of production at Nashtec & set up of a 2nd US plant in Chattanooga, TN
- High margin top-line contribution from EV-related boehmite and a specific flame retardant for rubber applications

Nabaltec's growth prospects are underpinned by its current US-focused investment plan: (1) Nashtec conversion and expansion on track to add 6kt-7kt of fine precipitated ATH by the end of '18 (H&Ae € 6m sales) and 30kt after full ramp up in '20 (H&Ae € 27m sales). (2) 2nd US plant at a strategically well positioned former DuPont site in Chattanooga, TN, looks set to contribute **30kt coarse ATH by the end of '21 (H&Ae € 18m sales)**. This plant will also produce 5kt of special ATH for rubber applications. So far, this market is dominated by J.M. Huber, which is expected to achieve a 50% EBIT margin on a price of 1,500\$/t. To conclude, **90% utilization of US capacities would imply € 50m in sales at a 12%-15% EBIT margin** by the end of '21, in our view.

In addition to Nabaltec's core business, boehmite, which is used as coating solution for separation foils in Lithium-ion batteries of EVs, **poses significant earnings potential** in our view. In '17, Nabaltec has shown strong growth of volumes at € 3,400/t and an EBIT margin of 30%. With its current capacity of 5kt, the company looks set to couple with an EV production of up to **7.5m cars p.a., implying € 17m sales and c. € 5m EBIT** (after cost allocation and a 50% market share).

In our view, all this is **not fully reflected in Nabaltec's cautious outlook for '22E**, which implies € 230m sales at an EBIT margin of at least 10%. This figure is based on a utilization rate of only 80% of Nabaltec's core business without incorporating price increases. We expect a **utilization rate of 90%** to be more realistic given an oligopolistic market structure and a steadily growing demand for environmental friendly flame retardants, **leaving Nabaltec with € 260m in sales**. A favourable product shift coupled with economies of scale should also allow an **EBIT margin of above 13%**.

Against the backdrop of all this, we **reiterate our BUY recommendation with an unchanged PT of € 39** based on FCFY '20E. *Note: Analyst change. –cont–*

Y/E 31.12 (EUR m)	2014	2015	2016	2017E	2018E	2019E	2020E
Sales	143.3	151.3	159.2	168.6	181.2	193.9	219.1
Sales growth	8 %	6 %	5 %	6 %	8 %	7 %	13 %
EBITDA	22.4	24.6	22.9	30.0	32.9	36.8	44.5
EBIT	12.7	14.5	12.2	18.3	19.9	22.8	29.0
Net income	5.5	6.7	5.3	11.3	12.5	14.8	19.2
Net debt	44.2	41.3	36.4	23.3	27.9	19.3	12.0
Net gearing	83.9 %	71.7 %	63.6 %	25.1 %	27.4 %	17.2 %	10.4 %
Net Debt/EBITDA	2.0	1.7	1.6	0.8	0.8	0.5	0.3
EPS pro forma	0.69	0.84	1.07	1.28	1.41	1.68	2.18
CPS	1.25	1.15	1.88	1.57	1.55	1.92	2.16
DPS	0.12	0.15	0.15	0.28	0.35	0.42	0.54
Dividend yield	0.5 %	0.6 %	0.6 %	1.1 %	1.4 %	1.7 %	2.2 %
Gross profit margin	47.4 %	48.2 %	49.3 %	51.4 %	52.0 %	52.2 %	52.5 %
EBITDA margin	15.6 %	16.3 %	14.4 %	17.8 %	18.1 %	19.0 %	20.3 %
EBIT margin	8.8 %	9.6 %	7.7 %	10.8 %	11.0 %	11.8 %	13.2 %
ROCE	8.4 %	8.9 %	7.1 %	9.7 %	10.3 %	10.6 %	14.2 %
EV/sales	1.9	1.8	1.7	1.7	1.6	1.4	1.2
EV/EBITDA	12.2	11.0	12.1	9.5	8.8	7.6	6.1
EV/EBIT	21.5	18.8	22.6	15.5	14.5	12.3	9.4
PER	36.8	30.1	23.7	19.7	17.9	15.1	11.6
Adjusted FCF yield	4.4 %	4.6 %	4.0 %	6.2 %	7.0 %	8.3 %	10.8 %

Source: Company data, Hauck & Aufhäuser Close price as of: 03.04.2018



Source: Company data, Hauck & Aufhäuser

High/low 52 weeks: 30.10 / 14.50

Price/Book Ratio: 2.4

Relative performance (SDAX):

3 months -2.4 %

6 months -9.2 %

12 months 46.3 %

Changes in estimates

		Sales	EBIT	EPS
2017	old:	168.6	18.3	1.28
	Δ	-	-	-
2018	old:	181.2	19.9	1.42
	Δ	-	-	-
2019	old:	193.9	22.8	1.68
	Δ	-	-	-

Key share data:

Number of shares: (in m pcs) 8.2

Authorised capital: (in € m) 4.0

Book value per share: (in €) 10.5

Ø trading volume: (12 months) 20,000

Major shareholders:

Free Float 44.0 %

Family Heckmann 28.3 %

Family Witzany 27.2 %

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.

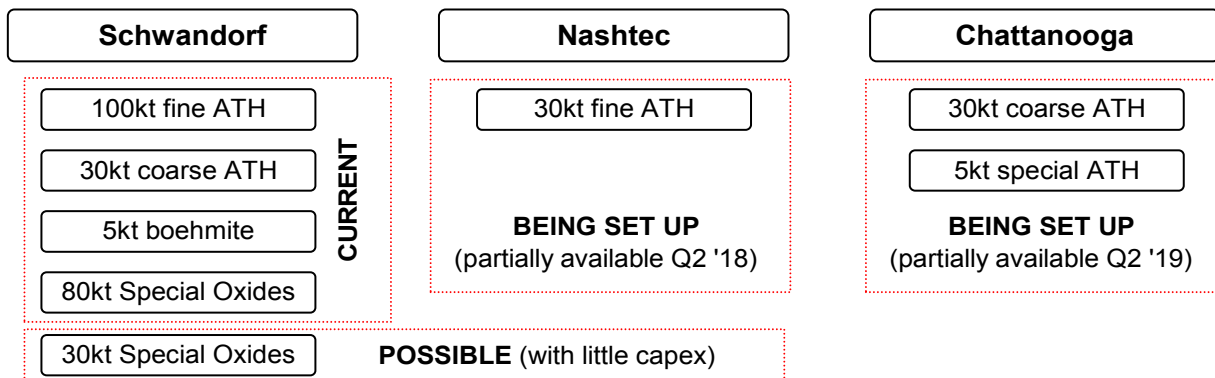
Other financial market participants **seem to be on a completely wrong track in regards to the additional capacity plans of Huber/Martinswerke**, in our view. The main mistake is that the announced expansions were calculated based on total ATH market volume, while J.M. Huber explicitly states that the **expansion plans only include their fine precipitated ATH**, suggesting additional capacities of c. 25kt at their main plant in Germany by 2019/20 and c. 10kt in the US, which should come available over the course of 2018. Hence, **we don't expect an oversupplied market for fine precipitated ATH**. Below we present a realistic scenario of demand growth and capacity expansion implying sustained tight capacities.

Market growth vs additional capacities

	2017	Growth p.a.	2018E	2019E	2020E	2021E	2022E
Fine (400kt)		4%	16	17	17	18	19
		5%	20	21	22	23	24
		6%	24	25	27	29	30
Additional available capacities	Nabaltec (US)		7	17	0	0	0
	Huber (GER)		0	16	9	0	0
	Huber (US)		10	0	0	0	0
Coarse (500kt)		4%	20	21	22	22	23
		5%	25	26	28	29	30
		6%	30	32	34	36	38
Additional available capacities*	Nabaltec (US)		0	7	14	9	0
	Huber (GER)		0	0	0	0	0
	Huber (US)		0	0	0	0	0

Source: Hauck & Aufhäuser estimates; *Other competitors besides Huber are likely to invest in additional capacities

Overview capacities of Nabaltec (current/being set up/possible)



Source: Company data, Hauck & Aufhäuser

Sensitivity boehmite contribution

Global EV production (m)	1.0	2.0	3.0	4.0	5.0	7.5	10.0	15.0	20.0	25.0	30.0
Global boehmite demand (kt)	1.5	3.0	4.5	6.0	7.5	11.3	15.0	22.5	30.0	37.5	45.0
Global market volume (€ m)	4.7	9.3	14.0	18.6	23.3	34.9	46.5	69.8	93.0	116.3	139.5
NTG sales (50% market share)	2.3	4.7	7.0	9.3	11.6	17.4	23.3	34.9	46.5	58.1	69.8
EBIT contribution (€ m)	0.7	1.4	2.1	2.8	3.5	5.2	7.0	10.5	14.0	17.4	20.9

Assumptions

Avg. kg per Li-battery	3.0kg
Share boehmite	50%
Price per kg	3.1 €
EBIT margin	30%

Source: Company data, Hauck & Aufhäuser

Financials

Profit and loss (EUR m)	2014	2015	2016	2017E	2018E	2019E	2020E
Net sales	143.3	151.3	159.2	168.6	181.2	193.9	219.1
<i>Sales growth</i>	7.8 %	5.6 %	5.2 %	5.9 %	7.5 %	7.0 %	13.0 %
Increase/decrease in finished goods and work-in-process	-0.3	1.9	0.4	-1.0	0.0	0.0	0.0
Total sales	143.0	153.2	159.6	167.6	181.2	193.9	219.1
Other operating income	2.6	2.8	2.2	3.7	2.7	2.1	2.2
Material expenses	75.1	80.3	80.9	81.4	87.0	92.7	104.1
Personnel expenses	25.4	26.8	31.7	31.2	32.8	34.7	36.8
Other operating expenses	22.7	24.3	26.2	28.7	31.4	31.8	35.9
Total operating expenses	120.6	128.6	136.7	137.6	148.4	157.1	174.7
EBITDA	22.4	24.6	22.9	30.0	32.9	36.8	44.5
Depreciation	9.7	10.2	10.7	11.7	13.0	14.0	15.5
EBITA	12.7	14.5	12.2	18.3	19.9	22.8	29.0
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
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	12.7	14.5	12.2	18.3	19.9	22.8	29.0
Interest income	0.2	0.3	0.3	0.0	0.0	0.1	0.0
Interest expenses	4.3	3.9	3.3	2.6	2.6	2.4	2.4
Other financial result	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial result	-4.2	-3.7	-3.1	-2.6	-2.6	-2.3	-2.4
Recurring pretax income from continuing operations	8.5	10.8	9.2	15.7	17.3	20.5	26.6
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	8.5	10.8	9.2	15.7	17.3	20.5	26.6
Taxes	2.5	3.4	3.9	4.4	4.8	5.7	7.5
Net income from continuing operations	6.1	7.4	5.3	11.3	12.5	14.8	19.2
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	6.1	7.4	5.3	11.3	12.5	14.8	19.2
Minority interest	0.6	0.7	-0.1	0.0	0.0	0.0	0.0
Net income (net of minority interest)	5.5	6.7	5.3	11.3	12.5	14.8	19.2
Average number of shares	8.0	8.0	8.0	8.2	8.8	8.8	8.8
EPS reported	0.69	0.84	0.67	1.38	1.41	1.68	2.18

Profit and loss (common size)	2014	2015	2016	2017E	2018E	2019E	2020E
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	-0.2 %	1.3 %	0.2 %	-0.6 %	0.0 %	0.0 %	0.0 %
Total sales	99.8 %	101.3 %	100.2 %	99.4 %	100.0 %	100.0 %	100.0 %
Other operating income	1.8 %	1.9 %	1.4 %	2.2 %	1.5 %	1.1 %	1.0 %
Material expenses	52.4 %	53.1 %	50.8 %	48.3 %	48.0 %	47.8 %	47.5 %
Personnel expenses	17.7 %	17.7 %	19.9 %	18.5 %	18.1 %	17.9 %	16.8 %
Other operating expenses	15.8 %	16.1 %	16.5 %	17.0 %	17.3 %	16.4 %	16.4 %
Total operating expenses	84.2 %	85.0 %	85.8 %	81.6 %	81.9 %	81.0 %	79.7 %
EBITDA	15.6 %	16.3 %	14.4 %	17.8 %	18.1 %	19.0 %	20.3 %
Depreciation	6.8 %	6.7 %	6.7 %	6.9 %	7.2 %	7.2 %	7.1 %
EBITA	8.8 %	9.6 %	7.7 %	10.8 %	11.0 %	11.8 %	13.2 %
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	8.8 %	9.6 %	7.7 %	10.8 %	11.0 %	11.8 %	13.2 %
Interest income	0.1 %	0.2 %	0.2 %	0.0 %	0.0 %	0.0 %	0.0 %
Interest expenses	3.0 %	2.6 %	2.1 %	1.5 %	1.4 %	1.2 %	1.1 %
Other financial result	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Financial result	-2.9 %	-2.4 %	-1.9 %	-1.5 %	-1.4 %	-1.2 %	-1.1 %
Recurring pretax income from continuing operations	5.9 %	7.1 %	5.8 %	9.3 %	9.5 %	10.6 %	12.1 %
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Earnings before taxes	5.9 %	7.1 %	5.8 %	9.3 %	9.5 %	10.6 %	12.1 %
Tax rate	28.8 %	31.5 %	42.3 %	28.0 %	28.0 %	28.0 %	28.0 %
Net income from continuing operations	4.2 %	4.9 %	3.3 %	6.7 %	6.9 %	7.6 %	8.7 %
Income from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income	4.2 %	4.9 %	3.3 %	6.7 %	6.9 %	7.6 %	8.7 %
Minority interest	0.4 %	0.5 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income (net of minority interest)	3.8 %	4.4 %	3.4 %	6.7 %	6.9 %	7.6 %	8.7 %

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2014	2015	2016	2017E	2018E	2019E	2020E
Intangible assets	0.4	0.5	0.5	0.5	0.5	0.5	0.5
Property, plant and equipment	112.0	116.6	125.3	138.6	150.6	150.6	143.1
Financial assets	0.0	0.0	0.1	0.1	0.1	0.1	0.1
FIXED ASSETS	112.4	117.1	125.9	139.2	151.2	151.2	143.7
Inventories	27.5	30.8	30.9	32.7	35.2	37.6	42.5
Accounts receivable	4.6	5.2	3.1	3.3	3.5	3.8	4.3
Other current assets	7.0	6.5	5.5	5.5	5.5	5.5	5.5
Liquid assets	27.2	42.3	36.2	49.3	43.4	52.1	27.0
Deferred taxes	0.1	0.0	1.1	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
CURRENT ASSETS	66.4	84.8	76.8	90.8	87.6	99.0	79.2
TOTAL ASSETS	178.8	201.9	202.7	229.9	238.8	250.2	222.9
SHAREHOLDERS EQUITY	52.6	57.5	57.2	92.8	101.7	111.9	115.7
MINORITY INTEREST	-0.2	0.6	0.6	0.0	0.0	0.0	0.0
Long-term debt	61.4	71.3	71.3	71.3	71.3	71.3	39.0
Provisions for pensions and similar obligations	25.3	28.0	38.1	38.1	38.1	38.1	38.1
Other provisions	2.4	2.6	2.4	2.1	2.1	2.1	1.1
Non-current liabilities	89.0	101.9	111.8	111.5	111.5	111.5	78.2
short-term liabilities to banks	10.0	12.2	1.2	1.2	0.0	0.0	0.0
Accounts payable	9.9	12.3	14.5	15.4	16.5	17.7	20.0
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)	15.9	15.9	16.4	8.0	8.0	8.0	8.0
Deferred taxes	1.5	1.5	1.0	1.0	1.0	1.0	1.0
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current liabilities	37.4	41.9	33.2	25.6	25.5	26.7	29.0
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	178.8	201.9	202.7	229.9	238.8	250.2	222.9

Balance sheet (common size)	2014	2015	2016	2017E	2018E	2019E	2020E
Intangible assets	0.2 %	0.3 %	0.2 %	0.2 %	0.2 %	0.2 %	0.2 %
Property, plant and equipment	62.6 %	57.7 %	61.8 %	60.3 %	63.1 %	60.2 %	64.2 %
Financial assets	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
FIXED ASSETS	62.8 %	58.0 %	62.1 %	60.5 %	63.3 %	60.4 %	64.5 %
Inventories	15.4 %	15.2 %	15.2 %	14.2 %	14.7 %	15.0 %	19.1 %
Accounts receivable	2.5 %	2.6 %	1.5 %	1.4 %	1.5 %	1.5 %	1.9 %
Other current assets	3.9 %	3.2 %	2.7 %	2.4 %	2.3 %	2.2 %	2.5 %
Liquid assets	15.2 %	20.9 %	17.9 %	21.4 %	18.2 %	20.8 %	12.1 %
Deferred taxes	0.1 %	0.0 %	0.6 %	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	37.1 %	42.0 %	37.9 %	39.5 %	36.7 %	39.6 %	35.5 %
TOTAL ASSETS	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
SHAREHOLDERS EQUITY	29.4 %	28.5 %	28.2 %	40.4 %	42.6 %	44.7 %	51.9 %
MINORITY INTEREST	-0.1 %	0.3 %	0.3 %	0.0 %	0.0 %	0.0 %	0.0 %
Long-term debt	34.3 %	35.3 %	35.2 %	31.0 %	29.9 %	28.5 %	17.5 %
Provisions for pensions and similar obligations	14.1 %	13.8 %	18.8 %	16.6 %	15.9 %	15.2 %	17.1 %
Other provisions	1.3 %	1.3 %	1.2 %	0.9 %	0.9 %	0.8 %	0.5 %
Non-current liabilities	49.8 %	50.5 %	55.1 %	48.5 %	46.7 %	44.6 %	35.1 %
short-term liabilities to banks	5.6 %	6.1 %	0.6 %	0.5 %	0.0 %	0.0 %	0.0 %
Accounts payable	5.5 %	6.1 %	7.2 %	6.7 %	6.9 %	7.1 %	9.0 %
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)	8.9 %	7.9 %	8.1 %	3.5 %	3.3 %	3.2 %	3.6 %
Deferred taxes	0.8 %	0.7 %	0.5 %	0.4 %	0.4 %	0.4 %	0.5 %
Deferred income	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Current liabilities	20.9 %	20.8 %	16.4 %	11.1 %	10.7 %	10.7 %	13.0 %
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)	2014	2015	2016	2017E	2018E	2019E	2020E
Net profit/loss	6.1	7.4	5.3	11.3	12.5	14.8	19.2
Depreciation of fixed assets (incl. leases)	9.7	10.2	10.7	11.7	13.0	14.0	15.5
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
Others	2.1	2.7	2.8	0.0	0.0	0.0	0.0
Cash flow from operations before changes in w/c	17.9	20.2	18.8	23.0	25.5	28.8	34.7
Increase/decrease in inventory	-1.3	-3.2	-0.1	-1.8	-2.5	-2.5	-4.9
Increase/decrease in accounts receivable	-0.3	-0.6	2.1	-0.2	-0.2	-0.2	-0.5
Increase/decrease in accounts payable	1.2	2.4	2.2	0.9	-1.2	-1.2	-2.3
Increase/decrease in other working capital positions	0.0	-1.5	0.0	0.0	0.0	0.0	0.0
Increase/decrease in working capital	-0.4	-3.0	4.3	-1.1	-3.9	-3.9	-7.7
Cash flow from operating activities	17.5	17.2	23.0	21.8	21.6	24.9	27.0
CAPEX	10.0	13.1	17.0	25.0	25.0	14.0	8.0
Payments for acquisitions	0.0	0.0	0.0	0.6	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	-10.0	-13.1	-17.0	-25.6	-25.0	-14.0	-8.0
Cash flow before financing	7.5	4.2	6.0	-3.7	-3.4	10.9	19.0
Increase/decrease in debt position	-10.0	12.2	-11.8	0.0	-1.2	0.0	-32.3
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	18.0	0.0	0.0	0.0
Dividends paid	0.5	1.0	1.2	1.2	1.2	2.3	3.1
Others	0.0	-0.6	0.6	0.0	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.0	0.4	0.2	0.0	0.0	0.0	0.0
Cash flow from financing activities	-10.4	10.6	-12.4	16.8	-2.4	-2.3	-35.5
Increase/decrease in liquid assets	-2.9	15.1	-6.1	13.1	-5.8	8.6	-16.5
Liquid assets at end of period	27.2	42.3	36.2	49.3	43.4	52.1	27.0

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2014	2015	2016	2017E	2018E	2019E	2020E
Domestic	40.7	41.9	42.4	44.5	46.0	47.5	49.0
yoy change	-0.4 %	2.8 %	1.2 %	5.0 %	3.4 %	3.3 %	3.2 %
Rest of Europe	68.5	73.2	78.3	80.0	87.2	90.7	95.2
yoy change	7.8 %	6.8 %	7.0 %	2.2 %	9.0 %	4.0 %	5.0 %
NAFTA	18.0	19.7	20.2	24.5	27.0	32.3	45.3
yoy change	24.8 %	9.4 %	2.6 %	21.1 %	10.0 %	20.0 %	40.0 %
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	16.0	16.5	18.3	19.6	21.1	23.4	29.6
yoy change	14.7 %	2.9 %	10.8 %	7.2 %	7.6 %	10.9 %	26.7 %
TTL	143.3	151.3	159.2	168.6	181.2	193.9	219.1
yoy change	7.8 %	5.6 %	5.2 %	5.9 %	7.5 %	7.0 %	13.0 %

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2014	2015	2016	2017E	2018E	2019E	2020E
P&L growth analysis							
Sales growth	7.8 %	5.6 %	5.2 %	5.9 %	7.5 %	7.0 %	13.0 %
EBITDA growth	13.2 %	10.2 %	-7.0 %	30.8 %	43.4 %	22.9 %	35.4 %
EBIT growth	20.3 %	14.2 %	-15.5 %	49.3 %	62.2 %	25.0 %	46.1 %
EPS growth	107.6 %	22.3 %	-20.4 %	105.7 %	111.6 %	21.9 %	53.9 %
Efficiency							
Total operating costs / sales	84.2 %	85.0 %	85.8 %	81.6 %	81.9 %	81.0 %	79.7 %
Sales per employee	341.3	348.6	353.8	366.5	385.6	395.8	429.7
EBITDA per employee	53.3	56.8	50.9	65.1	69.9	75.2	87.2
Balance sheet analysis							
Avg. working capital / sales	15.3 %	15.2 %	13.6 %	11.9 %	11.5 %	11.4 %	11.2 %
Inventory turnover (sales/inventory)	5.2	4.9	5.2	5.2	5.2	5.2	5.2
Trade debtors in days of sales	11.6	12.5	7.1	7.1	7.1	7.1	7.1
A/P turnover [(A/P*365)/sales]	25.3	29.6	33.3	33.3	33.3	33.3	33.3
Cash conversion cycle (days)	97.2	96.7	80.8	84.7	85.2	85.5	86.0
Cash flow analysis							
Free cash flow	7.5	4.2	6.0	-3.2	-3.4	10.9	19.0
Free cash flow/sales	5.2 %	2.7 %	3.8 %	-1.9 %	-1.9 %	5.6 %	8.7 %
FCF / net profit	136.5 %	62.3 %	112.5 %	-28.1 %	-27.3 %	73.8 %	99.1 %
Capex / depre	103.1 %	128.4 %	159.2 %	213.7 %	192.3 %	100.0 %	51.6 %
Capex / maintenance capex	133.3 %	163.3 %	212.6 %	275.0 %	312.5 %	175.0 %	100.0 %
Capex / sales	7.0 %	8.6 %	10.7 %	14.8 %	13.8 %	7.2 %	3.7 %
Security							
Net debt	44.2	41.3	36.4	23.3	27.9	19.3	12.0
Net Debt/EBITDA	2.0	1.7	1.6	0.8	0.8	0.5	0.3
Net debt / equity	0.8	0.7	0.6	0.3	0.3	0.2	0.1
Interest cover	2.9	3.7	3.7	7.0	7.6	9.5	12.1
Dividend payout ratio	17.5 %	18.0 %	22.4 %	20.0 %	25.0 %	25.0 %	25.0 %
Asset utilisation							
Capital employed turnover	0.9	0.9	0.9	0.8	0.8	0.9	1.1
Operating assets turnover	1.1	1.1	1.1	1.1	1.0	1.1	1.3
Plant turnover	1.3	1.3	1.3	1.2	1.2	1.3	1.5
Inventory turnover (sales/inventory)	5.2	4.9	5.2	5.2	5.2	5.2	5.2
Returns							
ROCE	8.4 %	8.9 %	7.1 %	9.7 %	10.3 %	10.6 %	14.2 %
ROE	10.4 %	11.6 %	9.4 %	12.2 %	12.2 %	13.2 %	16.6 %
Other							
Interest paid / avg. debt	5.7 %	5.1 %	4.3 %	3.6 %	3.6 %	3.3 %	4.3 %
No. employees (average)	420	434	450	460	470	490	510
Number of shares	8.0	8.0	8.0	8.2	8.8	8.8	8.8
DPS	0.1	0.2	0.2	0.3	0.4	0.4	0.5
EPS reported	0.69	0.84	0.67	1.38	1.41	1.68	2.18
Valuation ratios							
P/BV	3.8	3.5	3.5	2.4	2.2	2.0	1.9
EV/sales	1.9	1.8	1.7	1.7	1.6	1.4	1.2
EV/EBITDA	12.2	11.0	12.1	9.5	8.8	7.6	6.1
EV/EBITA	21.5	18.8	22.6	15.5	14.5	12.3	9.4
EV/EBIT	21.5	18.8	22.6	15.5	14.5	12.3	9.4
EV/FCF	36.3	65.4	46.0	-89.7	-84.9	25.7	14.4
Adjusted FCF yield	4.4 %	4.6 %	4.0 %	6.2 %	7.0 %	8.3 %	10.8 %
Dividend yield	0.5 %	0.6 %	0.6 %	1.1 %	1.4 %	1.7 %	2.2 %

Source: Company data, Hauck & Aufhäuser

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Company	Disclosure
Nabaltec AG	2, 3

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

**Price and Rating History
Nabaltec AG as of 03/04/18**

Initiation coverage
14-April-11



Company	Date	Analyst	Rating	Target price	Close
Nabaltec	01.03.2018	Berresch, CFA, Sascha	Buy	EUR 39,00	EUR 28,30
	16.01.2018	Berresch, CFA, Sascha	Buy	EUR 36,00	EUR 29,30
	01.12.2017	Berresch, CFA, Sascha	Buy	EUR 36,00	EUR 26,60
	11.10.2017	Berresch, CFA, Sascha	Buy	EUR 35,00	EUR 27,43
	30.08.2017	Berresch, CFA, Sascha	Buy	EUR 30,00	EUR 22,36
	04.07.2017	Berresch, CFA, Sascha	Buy	EUR 30,00	EUR 21,40

31.05.2017	Berresch, CFA, Sascha	Buy	EUR 23,50	EUR 18,30
04.05.2017	Berresch, CFA, Sascha	Buy	EUR 23,50	EUR 15,08

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Contacts: Hauck&Aufhäuser Privatbankiers AG**Hauck & Aufhäuser Research**

Hauck & Aufhäuser
Privatbankiers AG
Mittelweg 16/17
20148 Hamburg
Germany

Tel.: +49 (0) 40 414 3885 93
Fax: +49 (0) 40 414 3885 71
Email: research@ha-ib.de
www.ha-research.de

Gunnar Cohrs
Co-Head of Equities
Tel.: +49 40 414 3885 86
E-Mail: gunnar.cohrs@ha-ib.de

Tim Wunderlich, CFA
Head of Research
Tel.: +49 40 414 3885 81
E-Mail: tim.wunderlich@ha-ib.de

Henning Breiter
Head of Research
Tel.: +49 40 414 3885 73
E-Mail: henning.breiter@ha-ib.de

Robin Brass, CFA
Analyst
Tel.: +49 40 414 3885 76
E-Mail: robin.brass@ha-ib.de

Lars Dannenberg
Analyst
Tel.: +49 40 414 3885 92
E-Mail: lars.dannenberg@ha-ib.de

Christian Glowa
Analyst
Tel.: +49 40 414 3885 95
E-Mail: christian.glowa@ha-ib.de

Pierre Gröning
Analyst
Tel.: +49 40 450 6342 30 92
E-Mail: pierre.groening@ha-ib.de

Aliaksandr Halitsa
Analyst
Tel.: +49 40 414 3885 83
E-Mail: aliaksandr.halitsa@ha-ib.de

Christian Salis
Analyst
Tel.: +49 40 414 3885 96
E-Mail: christian.salis@ha-ib.de

Christian Sandherr
Analyst
Tel.: +49 40 414 3885 79
E-Mail: christian.sandherr@ha-ib.de

Carlos Becke
Analyst
Tel.: +49 40 414 3885 74
E-Mail: carlos.becke@ha-ib.de

Hauck & Aufhäuser Sales

Carsten Kinder
Head of Equities
Tel.: +41 43 497 30 24
E-Mail: carsten.kinder@ha-ib.de

Toby Woods
Head of Sales
Tel.: +44 207 408 1100
E-Mail: toby.woods@ha-ib.de

Christian Alisch
Sales
Tel.: +49 40 414 3885 99
E-Mail: christian.alisch@ha-ib.de

Vincent Bischoff
Sales
Tel.: +49 40 414 3885 88
E-Mail: vincent.bischoff@ha-ib.de

Georgina Harrold
Sales
Tel.: +49 69 2161 1299
E-Mail: georgina.harrold@ha-ib.de

Alexander Lachmann
Sales
Tel.: +41 43 497 30 23
E-Mail: alexander.lachmann@ha-ib.de

Hugues Madelin
Sales
Tel.: +33 1 78 41 40 62
E-Mail: hugues.madelin@ha-ib.de

Jan Neynaber
Sales
Tel.: +49 69 2161 1268
E-Mail: jan.neynaber@hauck-aufhaeuser.com

Marco Schumann
Sales
Tel.: +49 69 2161 1250
E-Mail: marco.schumann@hauck-aufhaeuser.com

Christian Schwenkenbecher
Sales
Tel.: +44 207 408 1100
E-Mail: christian.schwenkenbecher@ha-ib.de

Hauck & Aufhäuser Sales Trading

Hauck & Aufhäuser
Privatbankiers AG
Mittelweg 16/17
20148 Hamburg
Germany

Tel.: +49 40 414 3885 75
Fax: +49 40 414 3885 71
Email: info@hauck-aufhaeuser.com
www.hauck-aufhaeuser.com

Mirko Brueggemann
Trading
Tel.: +49 40 414 3885 75
E-Mail: mirko.brueggemann@hauck-aufhaeuser.com

Christian von Schuler
Trading
Tel.: +49 40 414 3885 77
E-Mail: christian.schuler@hauck-aufhaeuser.com

Fin Schaffer
Trading
Tel.: +49 40 414 3885 98
E-Mail: fin.schaffer@hauck-aufhaeuser.com

Kathleen Jonas
Middle-Office
Tel.: +49 40 414 3885 97
E-Mail: kathleen.jonas@hauck-aufhaeuser.com

Carolin Weber
Middle-Office
Tel.: +49 40 414 3885 87
E-Mail: carolin.weber@hauck-aufhaeuser.com