

Buy (old: Buy)

Price target: EUR 39.00 (old: EUR 39.00)

Price:	EUR 22.00	Next result:	Q4 2018 30.04.19
Bloomberg:	NTG@GR	Market cap:	EUR 195.4 m
Reuters:	NTGG.DE	Enterprise Value:	EUR 264.4 m

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Solid Q3 // Significant upside potential ahead

On Tuesday, Nabaltec reported **solid Q3 figures with sales up 4.1% yoy to € 43.5m**. Sales from the Specialty Alumina (prior: Technical Ceramics) increased by 6.8% yoy to € 15.6m, driven by both higher volumes and increased prices. As a result of ongoing capacity restraints, Functional Fillers only grew by 2.6% yoy to € 27.9m.

Positively, this is seen to resolve in the coming quarters as production at the US-based Nashtec plant is currently being ramped up again after two years of stand-still. After being fully ramped up by 2020, Nashtec is seen to **add 30kt of fine precipitated ATH, translating into > € 20m sales (eH&A)**.

Costs related to this ramp up amounted to c. € 4m (eH&A) during the first nine months of this year weighing on the group's profitability. Consequently, the **9M EBIT arrived at 10.4%**, still above management's FY guidance of a high single-digit margin. Importantly, the **adjusted 9M EBIT margin stands at a strong 13.3%**.

These high margins were possible thanks to increasing revenues from boehmite, Nabaltec's high-margin coating solution for separation foils within lithium-ion batteries for EVs (**9M: +43% yoy**). In Q3, **boehmite accounted for c. 4% of group sales (€ 1.8m) but c. 10% of group EBIT** (at a 30% EBIT margin), underpinning the strong earnings contribution potential going forward. **In fact, current capacities of 7.5-10kt would translate into € 23-30m of sales at a > 30% EBIT margin (eH&A)**.

Interestingly, as part of VW's "Roadmap E" strategy, which targets 50 available EV models by 2025, VW announced to have secured the supply of **batteries sufficient to equip 15m vehicles**. From speaking with the CEO of Nabaltec, we learned that **Nabaltec has established business with major suppliers such as SK Innovation, LG Chem or Shanghai Energy**.

Even more importantly, the **announced price increases of up to 15%**, which are seen to become effective in early 2019, should **provide upside to our and consensus estimates** as well as the company's mid-term outlook, given that we expect the higher prices to **partially feed down to the bottom line**.

In light of the announced **price increases**, continuously **accelerating momentum of boehmite** as well as the gradual **ramp-up of its Nashtec plant**, the current valuation of only 6.9x EV/EBITDA 2019E seems undemanding. We reiterate our **BUY recommendation with an unchanged PT of € 39** based on FCFY '20E.

Y/E 31.12 (EUR m)	2014	2015	2016	2017	2018E	2019E	2020E
Sales	143.3	151.3	159.2	168.6	180.0	193.9	219.1
Sales growth	8 %	6 %	5 %	6 %	7 %	8 %	13 %
EBITDA	22.4	24.6	22.9	30.0	31.4	36.8	44.4
EBIT	12.7	14.5	12.2	18.3	18.5	22.8	29.0
Net income	5.5	6.7	5.3	11.4	11.5	14.8	19.1
Net debt	44.2	41.3	36.4	25.9	32.3	22.9	14.2
Net gearing	83.9 %	71.7 %	63.6 %	30.6 %	34.9 %	22.1 %	12.9 %
Net Debt/EBITDA	2.0	1.7	1.6	0.9	1.0	0.6	0.3
EPS pro forma	0.69	0.84	1.07	1.30	1.30	1.68	2.18
CPS	1.25	1.15	1.88	1.90	1.34	1.91	2.26
DPS	0.12	0.15	0.15	0.18	0.20	0.24	0.30
Dividend yield	0.5 %	0.7 %	0.7 %	0.8 %	0.9 %	1.1 %	1.4 %
Gross profit margin	47.4 %	48.2 %	49.3 %	50.8 %	52.0 %	52.2 %	52.5 %
EBITDA margin	15.6 %	16.3 %	14.4 %	17.8 %	17.4 %	19.0 %	20.2 %
EBIT margin	8.8 %	9.6 %	7.7 %	10.9 %	10.3 %	11.8 %	13.2 %
ROCE	8.4 %	8.9 %	7.1 %	10.0 %	9.9 %	11.1 %	14.8 %
EV/sales	1.7	1.6	1.6	1.5	1.5	1.3	1.1
EV/EBITDA	11.0	10.0	11.0	8.6	8.4	6.9	5.6
EV/EBIT	19.5	17.1	20.6	14.1	14.3	11.2	8.5
PER	32.3	26.4	20.8	17.1	17.0	13.2	10.2
Adjusted FCF yield	4.8 %	5.1 %	4.4 %	6.9 %	7.2 %	9.1 %	11.8 %

Source: Company data, Hauck & Aufhäuser Close price as of: 28.11.2018



Source: Company data, Hauck & Aufhäuser

High/low 52 weeks: 30.10 / 21.00

Price/Book Ratio: 2.1

Relative performance (SDAX):

3 months	-
6 months	-
12 months	-

Changes in estimates

		Sales	EBIT	EPS
2018	old:	180.0	18.5	1.30
	Δ	-	-	-
2019	old:	193.9	22.8	1.68
	Δ	-	-	-
2020	old:	219.1	29.0	2.18
	Δ	-	-	-

Key share data:

Number of shares: (in m pcs)	8.8
Authorised capital: (in € m)	3.2
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.

	Q3 2018	Q3 2018 est	Q3 2017	yoy	Q2 2018	qoq
Sales	43.5	44.0	41.9	4.1%	46.6	-6.6%
Functional Fillers	27.9	28.0	27.2	2.6%	30.7	-9.1%
Special Oxides	15.6	15.7	14.6	6.8%	15.9	-1.9%
EBIT	4.3	4.4	5.0	-13.8%	5.4	-19.4%
EBIT margin	10.0%	10.0%	12.0%	-2.1 pp	11.6%	-1.6 pp

Source: 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 (conservative)	50%
Price per kg	3.1 €
EBIT margin	30%

Source: Hauck & Aufhäuser

Financials

Profit and loss (EUR m)	2014	2015	2016	2017	2018E	2019E	2020E
Net sales	143.3	151.3	159.2	168.6	180.0	193.9	219.1
Sales growth	7.8 %	5.6 %	5.2 %	5.9 %	6.8 %	7.7 %	13.0 %
Increase/decrease in finished goods and work-in-process	-0.3	1.9	0.4	1.5	0.0	0.0	0.0
Total sales	143.0	153.2	159.6	170.1	180.0	193.9	219.1
Other operating income	2.6	2.8	2.2	4.5	2.7	2.2	2.2
Material expenses	75.1	80.3	80.9	83.7	86.4	92.7	104.1
Personnel expenses	25.4	26.8	31.7	31.3	32.9	34.8	36.9
Other operating expenses	22.7	24.3	26.2	29.6	32.0	31.8	35.9
Total operating expenses	120.6	128.6	136.7	140.1	148.6	157.1	174.7
EBITDA	22.4	24.6	22.9	30.0	31.4	36.8	44.4
Depreciation	9.7	10.2	10.7	11.7	12.9	14.0	15.4
EBITA	12.7	14.5	12.2	18.3	18.5	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 (inc revaluation net)	12.7	14.5	12.2	18.3	18.5	22.8	29.0
Interest income	0.2	0.3	0.3	0.1	0.0	0.0	0.0
Interest expenses	4.3	3.9	3.3	2.7	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	15.9	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	15.9	20.5	26.6
Taxes	2.5	3.4	3.9	4.3	4.5	5.7	7.4
Net income from continuing operations	6.1	7.4	5.3	11.4	11.5	14.8	19.1
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	11.4	11.5	14.8	19.1
Minority interest	0.6	0.7	-0.1	0.0	0.0	0.0	0.0
Net profit (reported)	5.5	6.7	5.3	11.4	11.5	14.8	19.1
Average number of shares	8.0	8.0	8.0	8.3	8.8	8.8	8.8
EPS reported	0.69	0.84	0.67	1.39	1.30	1.68	2.18

Profit and loss (common size)	2014	2015	2016	2017	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	neg.	1.3 %	0.2 %	0.9 %	0.0 %	0.0 %	0.0 %
Total sales	99.8 %	101.3 %	100.2 %	100.9 %	100.0 %	100.0 %	100.0 %
Other operating income	1.8 %	1.9 %	1.4 %	2.7 %	1.5 %	1.2 %	1.0 %
Material expenses	52.4 %	53.1 %	50.8 %	49.7 %	48.0 %	47.8 %	47.5 %
Personnel expenses	17.7 %	17.7 %	19.9 %	18.6 %	18.3 %	18.0 %	16.9 %
Other operating expenses	15.8 %	16.1 %	16.5 %	17.5 %	17.8 %	16.4 %	16.4 %
Total operating expenses	84.2 %	85.0 %	85.8 %	83.1 %	82.6 %	81.0 %	79.8 %
EBITDA	15.6 %	16.3 %	14.4 %	17.8 %	17.4 %	19.0 %	20.2 %
Depreciation	6.8 %	6.7 %	6.7 %	6.9 %	7.2 %	7.2 %	7.0 %
EBITA	8.8 %	9.6 %	7.7 %	10.9 %	10.3 %	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 (inc revaluation net)	8.8 %	9.6 %	7.7 %	10.9 %	10.3 %	11.8 %	13.2 %
Interest income	0.1 %	0.2 %	0.2 %	0.1 %	0.0 %	0.0 %	0.0 %
Interest expenses	3.0 %	2.6 %	2.1 %	1.6 %	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	neg.	neg.	neg.	neg.	neg.	neg.	neg.
Recurring pretax income from continuing operations	5.9 %	7.1 %	5.8 %	9.3 %	8.9 %	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 %	8.9 %	10.6 %	12.1 %
Tax rate	28.8 %	31.5 %	42.3 %	27.2 %	28.0 %	28.0 %	28.0 %
Net income from continuing operations	4.2 %	4.9 %	3.3 %	6.8 %	6.4 %	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 %	6.8 %	6.4 %	7.6 %	8.7 %
Minority interest	0.4 %	0.5 %	neg.	0.0 %	0.0 %	0.0 %	0.0 %
Net profit (reported)	3.8 %	4.4 %	3.4 %	6.8 %	6.4 %	7.6 %	8.7 %

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2014	2015	2016	2017	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	131.7	143.8	143.8	136.4
Financial assets	0.0	0.0	0.1	0.1	0.1	0.1	0.1
FIXED ASSETS	112.4	117.1	125.9	132.2	144.4	144.3	137.0
Inventories	27.5	30.8	30.9	33.0	35.2	37.3	41.3
Accounts receivable	4.6	5.2	3.1	4.1	4.4	4.7	5.3
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	45.9	38.1	47.4	24.8
Deferred taxes	0.1	0.0	1.1	0.7	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	89.2	83.2	94.9	77.0
TOTAL ASSETS	178.8	201.9	202.7	221.4	227.5	239.2	213.9
SHAREHOLDERS EQUITY	52.6	57.5	57.2	84.5	92.5	103.7	109.8
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	70.4	70.4	70.4	39.0
Provisions for pensions and similar obligations	25.3	28.0	38.1	36.8	36.8	36.8	36.8
Other provisions	2.4	2.6	2.4	3.2	3.0	3.0	2.0
Non-current liabilities	89.0	101.9	111.8	110.4	110.2	110.2	77.8
short-term liabilities to banks	10.0	12.2	1.2	1.4	0.0	0.0	0.0
Accounts payable	9.9	12.3	14.5	15.6	16.4	18.0	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	8.3	7.3	6.3	5.3
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	26.5	24.8	25.4	26.4
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	178.8	201.9	202.7	221.4	227.5	239.2	213.9

Balance sheet (common size)	2014	2015	2016	2017	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 %	59.5 %	63.2 %	60.1 %	63.7 %
Financial assets	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
FIXED ASSETS	62.8 %	58.0 %	62.1 %	59.7 %	63.4 %	60.3 %	64.0 %
Inventories	15.4 %	15.2 %	15.2 %	14.9 %	15.5 %	15.6 %	19.3 %
Accounts receivable	2.5 %	2.6 %	1.5 %	1.8 %	1.9 %	2.0 %	2.5 %
Other current assets	3.9 %	3.2 %	2.7 %	2.5 %	2.4 %	2.3 %	2.6 %
Liquid assets	15.2 %	20.9 %	17.9 %	20.7 %	16.7 %	19.8 %	11.6 %
Deferred taxes	0.1 %	0.0 %	0.6 %	0.3 %	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 %	40.3 %	36.6 %	39.7 %	36.0 %
TOTAL ASSETS	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
SHAREHOLDERS EQUITY	29.4 %	28.5 %	28.2 %	38.2 %	40.7 %	43.3 %	51.3 %
MINORITY INTEREST	neg.	0.3 %	0.3 %	0.0 %	0.0 %	0.0 %	0.0 %
Long-term debt	34.3 %	35.3 %	35.2 %	31.8 %	30.9 %	29.4 %	18.2 %
Provisions for pensions and similar obligations	14.1 %	13.8 %	18.8 %	16.6 %	16.2 %	15.4 %	17.2 %
Other provisions	1.3 %	1.3 %	1.2 %	1.5 %	1.3 %	1.3 %	0.9 %
Non-current liabilities	49.8 %	50.5 %	55.1 %	49.9 %	48.4 %	46.1 %	36.4 %
short-term liabilities to banks	5.6 %	6.1 %	0.6 %	0.6 %	0.0 %	0.0 %	0.0 %
Accounts payable	5.5 %	6.1 %	7.2 %	7.1 %	7.2 %	7.5 %	9.3 %
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)	8.9 %	7.9 %	8.1 %	3.8 %	3.2 %	2.7 %	2.5 %
Deferred taxes	0.8 %	0.7 %	0.5 %	0.5 %	0.5 %	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 %	12.0 %	10.9 %	10.6 %	12.3 %
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	2017	2018E	2019E	2020E
Net profit/loss	6.1	7.4	5.3	11.4	11.5	14.8	19.1
Depreciation of fixed assets (incl. leases)	9.7	10.2	10.7	11.7	12.9	14.0	15.4
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	3.5	-1.3	0.0	0.0
Cash flow from operations before changes in w/c	17.9	20.2	18.8	26.7	23.1	28.8	34.5
Increase/decrease in inventory	-1.3	-3.2	-0.1	-2.1	-2.2	-2.1	-4.1
Increase/decrease in accounts receivable	-0.3	-0.6	2.1	-1.0	-0.3	-0.3	-0.6
Increase/decrease in accounts payable	1.2	2.4	2.2	1.1	-0.8	-1.6	-2.0
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	-2.0	-3.3	-4.0	-6.7
Cash flow from operating activities	17.5	17.2	23.0	24.7	19.8	24.8	27.9
CAPEX	10.0	13.1	17.0	23.4	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	-23.9	-25.0	-14.0	-8.0
Cash flow before financing	7.5	4.2	6.0	0.7	-5.2	10.8	19.9
Increase/decrease in debt position	-10.0	12.2	-11.8	-0.8	-1.4	0.0	-31.4
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	17.9	0.0	0.0	0.0
Dividends paid	0.5	1.0	1.2	1.2	1.2	1.5	1.8
Others	0.0	-0.6	0.6	-6.0	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.0	0.4	0.2	-1.0	0.0	0.0	0.0
Cash flow from financing activities	-10.4	10.6	-12.4	10.0	-2.6	-1.5	-33.1
Increase/decrease in liquid assets	-2.9	15.1	-6.1	9.8	-7.8	9.3	-13.3
Liquid assets at end of period	27.2	42.3	36.2	45.9	38.1	47.4	24.8

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2014	2015	2016	2017	2018E	2019E	2020E
Domestic	40.7	41.9	42.4	45.3	46.0	47.5	49.0
yoy change	-0.4 %	2.8 %	1.2 %	6.7 %	1.7 %	3.3 %	3.2 %
Rest of Europe	68.5	73.2	78.3	81.7	89.1	92.6	97.3
yoy change	7.8 %	6.8 %	7.0 %	4.4 %	9.0 %	4.0 %	5.0 %
NAFTA	18.0	19.7	20.2	21.4	23.5	28.2	39.5
yoy change	24.8 %	9.4 %	2.6 %	5.7 %	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	20.3	21.4	25.6	33.4
yoy change	14.7 %	2.9 %	10.8 %	10.8 %	5.7 %	19.3 %	30.5 %
TTL	143.3	151.3	159.2	168.6	180.0	193.9	219.1
yoy change	7.8 %	5.6 %	5.2 %	5.9 %	6.8 %	7.7 %	13.0 %

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2014	2015	2016	2017	2018E	2019E	2020E
P&L growth analysis							
Sales growth	7.8 %	5.6 %	5.2 %	5.9 %	6.8 %	7.7 %	13.0 %
EBITDA growth	13.2 %	10.2 %	-7.0 %	31.0 %	37.0 %	22.6 %	41.3 %
EBIT growth	20.3 %	14.2 %	-15.5 %	49.7 %	51.2 %	24.5 %	56.6 %
EPS growth	107.6 %	22.3 %	-20.4 %	107.5 %	95.0 %	20.9 %	66.9 %
Efficiency							
Total operating costs / sales	84.2 %	85.0 %	85.8 %	83.1 %	82.6 %	81.0 %	79.8 %
Sales per employee	341.3	348.6	353.8	360.3	383.0	395.7	429.6
EBITDA per employee	53.3	56.8	50.9	64.2	66.8	75.1	87.0
Balance sheet analysis							
Avg. working capital / sales	15.3 %	15.2 %	13.6 %	12.1 %	11.8 %	11.7 %	11.4 %
Inventory turnover (sales/inventory)	5.2	4.9	5.2	5.1	5.1	5.2	5.3
Trade debtors in days of sales	11.6	12.5	7.1	8.9	8.9	8.9	8.9
A/P turnover [(A/P*365)/sales]	25.3	29.6	33.3	33.9	33.3	33.9	33.3
Cash conversion cycle (days)	97.2	96.7	80.8	84.5	88.3	84.9	83.7
Cash flow analysis							
Free cash flow	7.5	4.2	6.0	1.3	-5.2	10.8	19.9
Free cash flow/sales	5.2 %	2.7 %	3.8 %	0.8 %	-2.9 %	5.6 %	9.1 %
FCF / net profit	136.5 %	62.3 %	112.5 %	11.3 %	neg.	73.2 %	103.8 %
Capex / depn	103.1 %	128.4 %	159.2 %	199.8 %	193.8 %	100.0 %	51.9 %
Capex / maintenance capex	133.3 %	163.3 %	212.6 %	292.4 %	312.5 %	175.0 %	100.0 %
Capex / sales	7.0 %	8.6 %	10.7 %	13.9 %	13.9 %	7.2 %	3.7 %
Security							
Net debt	44.2	41.3	36.4	25.9	32.3	22.9	14.2
Net Debt/EBITDA	2.0	1.7	1.6	0.9	1.0	0.6	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	6.8	7.1	9.7	12.1
Dividend payout ratio	17.5 %	18.0 %	22.4 %	13.0 %	15.3 %	14.3 %	13.8 %
Asset utilisation							
Capital employed turnover	0.9	0.9	0.9	0.9	0.9	0.9	1.2
Operating assets turnover	1.1	1.1	1.1	1.1	1.1	1.2	1.3
Plant turnover	1.3	1.3	1.3	1.3	1.3	1.3	1.6
Inventory turnover (sales/inventory)	5.2	4.9	5.2	5.1	5.1	5.2	5.3
Returns							
ROCE	8.4 %	8.9 %	7.1 %	10.0 %	9.9 %	11.1 %	14.8 %
ROE	10.4 %	11.6 %	9.4 %	13.5 %	12.4 %	14.2 %	17.4 %
Other							
Interest paid / avg. debt	5.7 %	5.1 %	4.3 %	3.7 %	3.6 %	3.3 %	4.4 %
No. employees (average)	420	434	450	468	470	490	510
Number of shares	8.0	8.0	8.0	8.3	8.8	8.8	8.8
DPS	0.1	0.2	0.2	0.2	0.2	0.2	0.3
EPS reported	0.69	0.84	0.67	1.39	1.30	1.68	2.18
Valuation ratios							
P/BV	3.4	3.1	3.1	2.3	2.1	1.9	1.8
EV/sales	1.7	1.6	1.6	1.5	1.5	1.3	1.1
EV/EBITDA	11.0	10.0	11.0	8.6	8.4	6.9	5.6
EV/EBITA	19.5	17.1	20.6	14.1	14.3	11.2	8.5
EV/EBIT	19.5	17.1	20.6	14.1	14.3	11.2	8.5
EV/FCF	33.0	59.5	41.9	198.7	-51.0	23.6	12.4
Adjusted FCF yield	4.8 %	5.1 %	4.4 %	6.9 %	7.2 %	9.1 %	11.8 %
Dividend yield	0.5 %	0.7 %	0.7 %	0.8 %	0.9 %	1.1 %	1.4 %

Source: Company data, Hauck & Aufhäuser

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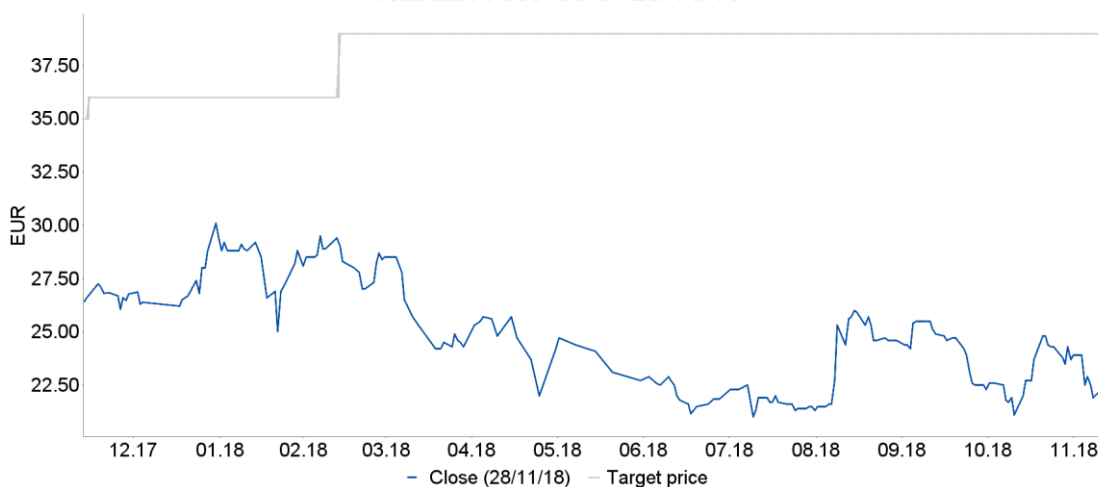
Company	Disclosure
Nabaltec AG	2, 3

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

Price and Rating History Nabaltec AG as of 28/11/18

Initiation coverage

14-April-11



Company	Date	Analyst	Rating	Target price	Close
Nabaltec AG	05.11.2018	Sandherr, Christian	Buy	EUR 39,00	EUR 24,80
	27.08.2018	Sandherr, Christian	Buy	EUR 39,00	EUR 24,40
	05.07.2018	Sandherr, Christian	Buy	EUR 39,00	EUR 21,50
	04.05.2018	Sandherr, Christian	Buy	EUR 39,00	EUR 24,70
	03.04.2018	Sandherr, Christian	Buy	EUR 39,00	EUR 24,20
	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

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