

Nabaltec AG

Germany - Chemicals/ Specialty Chemicals



HAUCK & AUFHÄUSER
PRIVATBANKIERS SEIT 1796

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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Strong growth acceleration ahead

Following the transition year 2018, 2019 now looks set to be characterised by **strong earnings growth**, which the **market does not seem to have priced in yet**.

Subsequent to Nabaltec's announcement early October, its main competitor J.M. Huber (Martinswerke) has also stated to be working on increasing prices of aluminium oxides and all ATH grades by up to 15%. In fact, Huber's higher prices became effective in Europe during December and in North America/APAC early January, **providing confidence into Nabaltec's successful implementation of upgraded prices**.

While assuming that price increases are founded in cost inflation, we expect **higher prices to support profit growth**, not reflected in our and consensus estimates yet.

Even more importantly, Nabaltec recently established a Shanghai-based subsidiary to **expand its China footprint, the key market for its high margin coating solution** for separator foils within lithium-ion batteries (>30% margins H&Ae). In fact, from talking with the CEO of Nabaltec, we learned that **Nabaltec has already started working with major suppliers** such as SK Innovation, LG Chem or Shanghai Energy.

With global EV production gaining momentum, boehmite has the potential to amplify earnings growth. Based on certain penetration and market share assumptions (see page 2) only **10m EVs globally sold would turn into > € 20m boehmite sales and > € 7m EBIT** (eH&A before cost allocation), providing confidence into profitable growth.

Also, the **ramp up of Nashtec seems well on track**. Following successful test productions in Q3, the company has started to deliver first batches to, fuelling healthy growth in 2019/20. After being fully ramped up by 2020, Nashtec is seen to add **30kt of fine precipitated ATH, translating into roughly € 25m sales** (eH&A).

These gradual capacity increases are in fact urgently needed to cope with constantly rising **demand for Nabaltec's core products, which is driven by an increasingly tightening regulatory environment** around the globe (e.g. CPR in the EU).

Trading on only 5.5x EV/EBITDA 2020E (excl. price increases), the market does not seem to have fully priced in the sound growth prospects. In addition, we regard **our estimates as conservative and consensus as way too low** (EBIT: 2019 € 19.7m; 2020 € 23.2m). With a **BUY** recommendation at a **€ 39 PT** based on FCFY 2020E and Nabaltec being right at the inflection point, the stock is **one of our top picks for 2019**.

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: 09.01.2019



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:



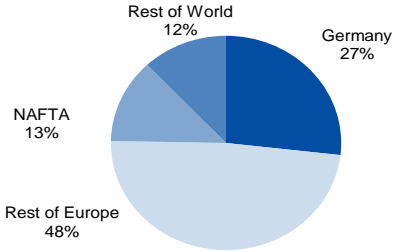
Number of shares: (in m pcs)	8.8
Authorised capital: (in € m)	3.2
Book value per share: (in €)	10.5
Ø trading volume: (12 months)	20,000

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.

	Functional Fillers	Specialty Alumina	Group
Products	ATH: non-halogenated flame retardant, smoke-reducing and non-toxic for electronical and electric equipment Boehmite: Coating solution for separator foils within lithium-ion batteries of Evs	Special oxides for the refractory industry and technical ceramics	
Sales 17 (€ m)	112.2	56.4	168.6
Sales share	67%	33%	
End markets	Cable & Wires, Printed Circuit Boards, Window Profiles, Lithium-ion batteries	Refractories; Grinding Media; Bearings; Resistors; High-voltage insulators; Polishing products	
			
Market positions	#1	#3	
Customers	Apha Gary (US)/MexChem, Poly One (US), HuberSuhner (GER), Prysmian (IT)/Draka (NL), Leoni (GER), Nexans (FR)	RHI Magnesita(AT), Cookson/Vesuvius (UK), CeramTec (US), etc.	
Competitors	Huber Engineered Materials; Martinswerke (Huber); Chalco, KC Corporation, Inotal	Almatis, Alteo, Silkem, Huber Engineered Materials	
Raw Materials	Aluminium hydroxide	Smeltered grade alumina	
Suppliers	Multiple suppliers geographically costs optimised		
Sales distribution by region (17)			
EBIT 17 (€ m)	13.1	5.2	18.3
EBIT-margin	11.7%	9.2%	10.9%
ROCE 17			10.0%

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

Source: Company data, 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
<i>Sales growth</i>	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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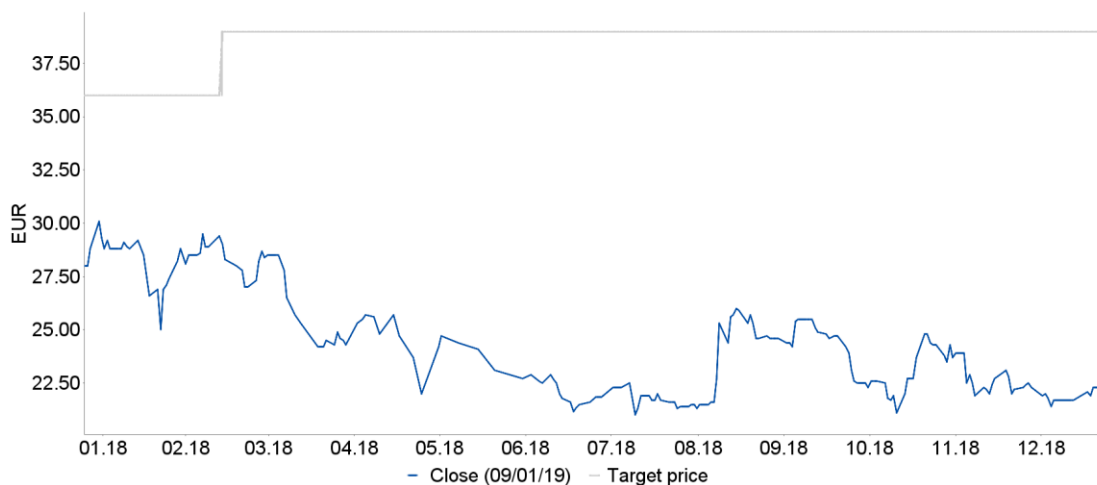
Company	Disclosure
Nabaltec AG	2, 3

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

Price and Rating History Nabaltec AG as of 09/01/19

Initiation coverage

14-April-11



Company	Date	Analyst	Rating	Target price	Close
Nabaltec AG	29.11.2018	Sandherr, Christian	Buy	EUR 39,00	EUR 22,40
	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

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