

Nabaltec AG

Germany - Chemicals/ Specialty Chemicals



HAUCK & AUFHÄUSER
PRIVATBANKIERS SEIT 1796

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Buy (old: Buy)

Price target: EUR 44.00 (old: EUR 44.00)

Price:	EUR 31.60	Next result:	Final Q2 22.08.19
Bloomberg:	NTG GR	Market cap:	EUR 301.0 m
Reuters:	NTGG.DE	Enterprise Value:	EUR 381.1 m

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Record Q2 expected//profitability seen ahead of FY guidance

While the majority of chemical companies are busy downward adjusting their FY 2019 expectations, Nabaltec is seen to release its strongest quarter ever on August 22nd. Along a strong top-line development, the **EBIT margin should exceed management's FY guidance**, underlying the healthy prospects of the company (see page 2).

Nabaltec looks set to report **group sales of € 49.5m (+6.5% yoy)**. Key driver for this is seen to be the **sturdy performance of its core segment Functional Fillers** (+10.5% yoy), benefitting from the ramp-up of Nashtec, higher sales prices but also continuously growing demand for boehmite. Specialty Alumina (c. 30% of group sale) should have witness a slight sales decrease (-1.6% yoy) as NTG cannot fully de-couple from the macro driven weakness within the refractory industry. Yet, from speaking to the CEO we learned that demand should stabilise over the coming months.

All eyes on profitability: Despite the demand weakness within Specialty Alumina, we expect the group's **EBIT margin to improve by 2pp yoy to 13.6%**, exceeding the upper end of NTG's FY margin guidance (12%). In our view, this should be driven by an improving product mix (boehmite with c. 30% EBIT margins and >50% yoy sales growth), the group-wide implemented price increases and fading one-off costs related to Nashtec.

Increasing visibility on FY EBIT margin guidance beat. Considering the anticipated strong Q2, coupled with the strong momentum of boehmite sales (eH&A +75% yoy to 3.5kt for FY19) and fading headwinds related to the ramp-up of Nashtec (eH&A: at least break-even this year compared to a € 4m EBIT loss in FY'18), we regard the margin guidance (10-12%) as conservative and expect the company to exceed it (eH&A 13%).

Momentum for boehmite looks set to increase, driven by emerging evidence that cell producers such as CATL and SK Innovation are working on securing the supply chain for their European based EV battery cell production. We expect Nabaltec to consider planning the doubling its production capacities to 15kt p.a. in the short- to mid-term, depended on sufficient visibility on near-term demand growth. Given the attractive pricing, 15kt capacity could contribute > € 45m sales and > € 15m EBIT at full utilization (at current prices and margins), in our view.

In light of the positive newsflow and the ample earnings growth prospects stemming from high-margin products such as boehmite, which are not yet reflected in the current valuation (DCF for boehmite alone implies € 16-30 per share), we consider the recent share price weakness as **buying opportunity. PT € 44**, based on FCFY '21E.



Source: Company data, Hauck & Aufhäuser

High/low 52 weeks: 36.60 / 21.10
Price/Book Ratio: 2.8
Relative performance (SDAX):
3 months: 5.7 %
6 months: -
12 months: 60.4 %

Changes in estimates

		Sales	EBIT	EPS
2019	old:	200.1	26.0	1.94
	Δ	-	-	-
2020	old:	220.1	30.8	2.33
	Δ	-	-	-
2021	old:	238.6	34.5	2.67
	Δ	-	-	-

Key share data:

Number of shares: (in m pcs) 8.8
Authorised capital: (in € m) 3.2
Book value per share: (in €) 11.9
Ø trading volume: (12 months) 2,200

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.

Y/E 31.12 (EUR m)	2015	2016	2017	2018	2019E	2020E	2021E
Sales	151.3	159.2	168.6	176.7	200.1	220.1	238.6
Sales growth	6 %	5 %	6 %	5 %	13 %	10 %	8 %
EBITDA	24.6	22.9	30.0	30.6	40.0	46.2	50.5
EBIT	14.5	12.2	18.3	18.5	26.0	30.8	34.5
Net income	6.7	5.3	11.4	10.3	17.1	20.5	23.5
Net debt	41.3	36.4	25.9	40.7	44.1	27.0	6.3
Net gearing	71.7 %	63.6 %	30.6 %	42.4 %	42.1 %	22.2 %	4.5 %
Net Debt/EBITDA	1.7	1.6	0.9	1.3	1.1	0.6	0.1
EPS pro forma	0.84	1.07	1.30	1.49	1.94	2.33	2.67
CPS	1.15	1.88	1.90	0.92	1.94	2.59	3.06
DPS	0.15	0.15	0.18	0.20	0.24	0.30	0.40
Dividend yield	0.4 %	0.4 %	0.5 %	0.6 %	0.7 %	0.9 %	1.2 %
Gross profit margin	48.2 %	49.3 %	50.8 %	51.2 %	53.2 %	53.6 %	53.6 %
EBITDA margin	16.3 %	14.4 %	17.8 %	17.3 %	20.0 %	21.0 %	21.2 %
EBIT margin	9.6 %	7.7 %	10.9 %	10.5 %	13.0 %	14.0 %	14.4 %
ROCE	8.9 %	7.1 %	10.0 %	9.8 %	12.7 %	15.2 %	16.0 %
EV/SALES	2.1	2.1	2.0	2.0	1.8	1.6	1.3
EV/EBITDA	13.1	14.3	11.3	11.6	9.0	7.7	6.3
EV/EBIT	22.2	26.7	18.6	19.2	13.8	11.1	9.3
PER	37.6	29.6	24.3	21.2	16.3	13.5	11.8
Adjusted FCF yield	3.9 %	3.4 %	5.2 %	4.8 %	7.1 %	8.9 %	10.5 %

Source: Company data, Hauck & Aufhäuser Close price as of: 06.08.2019

	Q2 2019 est	Q2 2018	yoy	Q1 2019	qoq
Sales	49.5	46.5	6.5%	48.5	2.1%
Functional Fillers	33.9	30.7	10.5%	32.5	4.3%
Special Oxides	15.6	15.9	-1.6%	15.9	-1.9%
EBIT	6.7	5.4	24.8%	5.8	16.2%
<i>EBIT margin</i>	13.6%	11.6%	+ 2.0 pp	12.0%	+ 1.6 pp

Source: Company data, Hauck & Aufhäuser

Planned capacities of leading EV battery cell producers

	Northvolt	LG Chem	CATL	BMZ Group	SK Innovation	Samsung SDI	Panasonic/Tesla	BYD	AESC (Nissan)	Total
Origin	Sweden	S. Korea	China	Germany	S. Korea	S. Korea	Japan	China	Japan	
Country of production	Sweden	Poland	Germany, China	Germany	Hungary, USA, Poland	Hungary	USA	China	China, Japan, UK, USA	
Known customers	VW	Daimler, Audi, Porsche, Volvo, Renault	Daimler, VW, BMW, PSA Group	BMW	VW	VW	Tesla	BYD	Nissan	
Planned by	2023	2022	2026	mid-term	2025	near-term	mid-term	mid-term	2021	
Planned annual prod. (GWh)	32	70	148	8	100	5	150	60	28	601
Current customer		✓			✓				✓	
In contact with			✓	✓		✓	✓	✓		
No contact yet	X									

Source: Company data, Hauck & Aufhäuser, Manager Magazin

DCF for boehmite

	2019	2020	2021	2022	2023	2024	2025	2026	TV	
EV production (m units)	3.1	4.5	7.2	11.5	15.1	18	21.2	25.7	30.7	
Boehmite market share	50%	50%	50%	50%	50%	60%	60%	60%	60%	
Avg kg per Li-battery	3	3	3	3	3	3	3	3	3	
Global boehmite demand (kt)	4.7	6.8	10.8	17.3	22.7	32.4	38.2	46.3	55.3	
Share Nabaltec (%)	75%	71%	67%	63%	59%	55%	51%	46%	40%	
NTG boehmite capacity (kt)	7.5	7.5	15.0	15.0	15.0	25.0	25.0	30.0	30.0	
NTG boehmite sales (kt)	3.5	4.8	7.3	10.9	13.4	17.9	19.6	21.2	22.3	
		<i>yoy</i>	<i>n.a.</i>	<i>37%</i>	<i>51%</i>	<i>50%</i>	<i>23%</i>	<i>33%</i>	<i>9%</i>	<i>8%</i>
Price per tonne (k€)	3.5	3.4	3.3	3.1	3.0	3.0	3.0	3.0	3.0	
Sales (€ m)	12.3	16.2	23.7	34.3	40.7	54.4	59.5	64.4	67.6	
		<i>EBIT margin</i>	<i>30%</i>	<i>30%</i>	<i>30%</i>	<i>25%</i>	<i>25%</i>	<i>25%</i>	<i>25%</i>	
EBIT (€m)	3.7	4.9	7.2	10.4	10.3	13.8	15.1	16.3	17.2	
		<i>yoy</i>	<i>n.a.</i>	<i>45%</i>	<i>45%</i>	<i>60%</i>	<i>60%</i>	<i>10%</i>	<i>10%</i>	<i>10%</i>
NOPAT (€m)	2.7	3.6	5.2	7.5	7.5	10.0	10.9	11.8	12.4	
Change in w/c (€m)		-0.7	-1.3	-1.9	-1.2	-2.5	-0.9	-0.9	-0.6	
Capex (€m)	-3.0	0.0	-7.5	0.0	0.0	-10.0	0.0	-5.0	0.0	
FCF (€m)	-0.3	2.8	-3.7	5.6	6.3	-2.5	10.0	5.9	11.8	
Present value (€m)	-0.3	2.4	-2.8	3.9	3.9	-1.4	5.0	2.6	127.5	

Fair value (€m) 140.8

Fair value per share (€) **16.0**

Sensitivity analysis DCF

		Long term growth				
		1.0%	1.5%	2.0%	2.5%	3.0%
WACC	11.5%	14.5	15.2	16.0	16.9	17.9
	10.5%	15.9	16.8	17.8	18.9	20.1
	9.5%	17.7	18.8	20.0	21.5	23.1
	8.5%	20.0	21.4	23.0	24.9	27.1
	7.5%	22.9	24.7	27.0	29.6	32.9

Model assumptions:

Tax rate	28.0%
WACC (%)	11.5%
LT growth (%)	2.0%

Source: Company data, Hauck & Aufhäuser

Financials

Profit and loss (EUR m)	2015	2016	2017	2018	2019E	2020E	2021E
Net sales	151.3	159.2	168.6	176.7	200.1	220.1	238.6
<i>Sales growth</i>	5.6 %	5.2 %	5.9 %	4.8 %	13.2 %	10.0 %	8.4 %
Increase/decrease in finished goods and work-in-process	1.9	0.4	1.5	0.0	0.0	0.0	0.0
Total sales	153.2	159.6	170.1	176.7	200.1	220.1	238.6
Other operating income	2.8	2.2	4.5	3.1	2.4	3.1	3.3
Material expenses	80.3	80.9	83.7	86.3	93.6	102.1	110.7
Personnel expenses	26.8	31.7	31.3	33.0	36.2	39.6	42.9
Other operating expenses	24.3	26.2	29.6	30.7	32.6	35.2	37.8
Total operating expenses	128.6	136.7	140.1	146.9	160.1	173.9	188.1
EBITDA	24.6	22.9	30.0	30.6	40.0	46.2	50.5
Depreciation	10.2	10.7	11.7	12.1	14.0	15.4	16.0
EBITA	14.5	12.2	18.3	18.5	26.0	30.8	34.5
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
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT (inc revaluation net)	14.5	12.2	18.3	18.5	26.0	30.8	34.5
Interest income	0.3	0.3	0.1	0.1	0.0	0.0	0.0
Interest expenses	3.9	3.3	2.7	2.8	2.4	2.4	2.0
Other financial result	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial result	-3.7	-3.1	-2.6	-2.7	-2.3	-2.4	-1.9
Recurring pretax income from continuing operations	10.8	9.2	15.7	15.8	23.7	28.4	32.5
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	10.8	9.2	15.7	15.8	23.7	28.4	32.5
Taxes	3.4	3.9	4.3	5.5	6.6	7.9	9.0
Net income from continuing operations	7.4	5.3	11.4	10.3	17.1	20.5	23.5
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	7.4	5.3	11.4	10.3	17.1	20.5	23.5
Minority interest	0.7	-0.1	0.0	0.0	0.0	0.0	0.0
Net profit (reported)	6.7	5.3	11.4	10.3	17.1	20.5	23.5
Average number of shares	8.0	8.0	8.3	8.8	8.8	8.8	8.8
EPS reported	0.84	0.67	1.39	1.17	1.94	2.33	2.67

Profit and loss (common size)	2015	2016	2017	2018	2019E	2020E	2021E
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	1.3 %	0.2 %	0.9 %	0.0 %	0.0 %	0.0 %	0.0 %
Total sales	101.3 %	100.2 %	100.9 %	100.0 %	100.0 %	100.0 %	100.0 %
Other operating income	1.9 %	1.4 %	2.7 %	1.7 %	1.2 %	1.4 %	1.4 %
Material expenses	53.1 %	50.8 %	49.7 %	48.8 %	46.8 %	46.4 %	46.4 %
Personnel expenses	17.7 %	19.9 %	18.6 %	18.7 %	18.1 %	18.0 %	18.0 %
Other operating expenses	16.1 %	16.5 %	17.5 %	17.4 %	16.3 %	16.0 %	15.9 %
Total operating expenses	85.0 %	85.8 %	83.1 %	83.1 %	80.0 %	79.0 %	78.9 %
EBITDA	16.3 %	14.4 %	17.8 %	17.3 %	20.0 %	21.0 %	21.2 %
Depreciation	6.7 %	6.7 %	6.9 %	6.9 %	7.0 %	7.0 %	6.7 %
EBITA	9.6 %	7.7 %	10.9 %	10.5 %	13.0 %	14.0 %	14.4 %
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 %
Impairment charges	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBIT (inc revaluation net)	9.6 %	7.7 %	10.9 %	10.5 %	13.0 %	14.0 %	14.4 %
Interest income	0.2 %	0.2 %	0.1 %	0.1 %	0.0 %	0.0 %	0.0 %
Interest expenses	2.6 %	2.1 %	1.6 %	1.6 %	1.2 %	1.1 %	0.8 %
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	7.1 %	5.8 %	9.3 %	8.9 %	11.8 %	12.9 %	13.6 %
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Earnings before taxes	7.1 %	5.8 %	9.3 %	8.9 %	11.8 %	12.9 %	13.6 %
Tax rate	31.5 %	42.3 %	27.2 %	34.7 %	27.8 %	27.8 %	27.8 %
Net income from continuing operations	4.9 %	3.3 %	6.8 %	5.8 %	8.5 %	9.3 %	9.8 %
Income from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income	4.9 %	3.3 %	6.8 %	5.8 %	8.5 %	9.3 %	9.8 %
Minority interest	0.5 %	neg.	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net profit (reported)	4.4 %	3.4 %	6.8 %	5.8 %	8.5 %	9.3 %	9.8 %

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2015	2016	2017	2018	2019E	2020E	2021E
Intangible assets	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Property, plant and equipment	116.6	125.3	131.7	148.4	161.4	158.0	154.0
Financial assets	0.0	0.1	0.1	0.1	0.1	0.1	0.1
FIXED ASSETS	117.1	125.9	132.2	149.0	161.9	158.6	154.5
Inventories	30.8	30.9	33.0	34.6	36.4	39.3	41.9
Accounts receivable	5.2	3.1	4.1	4.5	5.0	5.6	6.0
Other current assets	6.5	5.5	5.5	7.5	7.5	7.5	7.5
Liquid assets	42.3	36.2	45.9	30.3	26.3	12.0	32.7
Deferred taxes	0.0	1.1	0.7	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	84.8	76.8	89.2	76.9	75.3	64.4	88.2
TOTAL ASSETS	201.9	202.7	221.4	225.9	237.2	222.9	242.7
SHAREHOLDERS EQUITY	57.5	57.2	84.5	95.8	104.7	122.1	140.3
MINORITY INTEREST	0.6	0.6	0.0	0.0	0.0	0.0	0.0
Long-term debt	71.3	71.3	70.4	70.4	70.4	39.0	39.0
Provisions for pensions and similar obligations	28.0	38.1	36.8	36.1	36.1	36.1	36.1
Other provisions	2.6	2.4	3.2	3.5	3.2	2.2	2.2
Non-current liabilities	101.9	111.8	110.4	110.0	109.7	77.2	77.2
short-term liabilities to banks	12.2	1.2	1.4	0.5	0.0	0.0	0.0
Accounts payable	12.3	14.5	15.6	12.6	17.0	18.7	20.3
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)	15.9	16.4	8.3	6.2	5.2	4.2	4.2
Deferred taxes	1.5	1.0	1.0	0.7	0.7	0.7	0.7
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current liabilities	41.9	33.2	26.5	20.1	22.9	23.6	25.2
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	201.9	202.7	221.4	225.9	237.2	222.9	242.7

Balance sheet (common size)	2015	2016	2017	2018	2019E	2020E	2021E
Intangible assets	0.3 %	0.2 %	0.2 %	0.2 %	0.2 %	0.2 %	0.2 %
Property, plant and equipment	57.7 %	61.8 %	59.5 %	65.7 %	68.0 %	70.9 %	63.4 %
Financial assets	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
FIXED ASSETS	58.0 %	62.1 %	59.7 %	65.9 %	68.3 %	71.1 %	63.7 %
Inventories	15.2 %	15.2 %	14.9 %	15.3 %	15.3 %	17.6 %	17.2 %
Accounts receivable	2.6 %	1.5 %	1.8 %	2.0 %	2.1 %	2.5 %	2.5 %
Other current assets	3.2 %	2.7 %	2.5 %	3.3 %	3.2 %	3.4 %	3.1 %
Liquid assets	20.9 %	17.9 %	20.7 %	13.4 %	11.1 %	5.4 %	13.5 %
Deferred taxes	0.0 %	0.6 %	0.3 %	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	42.0 %	37.9 %	40.3 %	34.1 %	31.7 %	28.9 %	36.3 %
TOTAL ASSETS	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
SHAREHOLDERS EQUITY	28.5 %	28.2 %	38.2 %	42.4 %	44.1 %	54.8 %	57.8 %
MINORITY INTEREST	0.3 %	0.3 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Long-term debt	35.3 %	35.2 %	31.8 %	31.2 %	29.7 %	17.5 %	16.1 %
Provisions for pensions and similar obligations	13.8 %	18.8 %	16.6 %	16.0 %	15.2 %	16.2 %	14.9 %
Other provisions	1.3 %	1.2 %	1.5 %	1.6 %	1.3 %	1.0 %	0.9 %
Non-current liabilities	50.5 %	55.1 %	49.9 %	48.7 %	46.2 %	34.6 %	31.8 %
short-term liabilities to banks	6.1 %	0.6 %	0.6 %	0.2 %	0.0 %	0.0 %	0.0 %
Accounts payable	6.1 %	7.2 %	7.1 %	5.6 %	7.2 %	8.4 %	8.3 %
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)	7.9 %	8.1 %	3.8 %	2.8 %	2.2 %	1.9 %	1.7 %
Deferred taxes	0.7 %	0.5 %	0.5 %	0.3 %	0.3 %	0.3 %	0.3 %
Deferred income	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Current liabilities	20.8 %	16.4 %	12.0 %	8.9 %	9.7 %	10.6 %	10.4 %
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)	2015	2016	2017	2018	2019E	2020E	2021E
Net profit/loss	7.4	5.3	11.4	10.3	17.1	20.5	23.5
Depreciation of fixed assets (incl. leases)	10.2	10.7	11.7	12.1	14.0	15.4	16.0
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
Others	2.7	2.8	3.5	1.4	-0.8	0.0	0.0
Cash flow from operations before changes in w/c	20.2	18.8	26.7	23.9	30.4	35.9	39.5
Increase/decrease in inventory	-3.2	-0.1	-2.1	-1.6	-1.8	-2.9	-2.6
Increase/decrease in accounts receivable	-0.6	2.1	-1.0	-2.4	-0.6	-0.5	-0.5
Increase/decrease in accounts payable	2.4	2.2	1.1	-3.7	-4.4	-1.7	-1.6
Increase/decrease in other working capital positions	-1.5	0.0	0.0	0.0	1.4	0.0	0.0
Increase/decrease in working capital	-3.0	4.3	-2.0	-7.8	-5.3	-5.1	-4.6
Cash flow from operating activities	17.2	23.0	24.7	16.1	25.1	30.8	34.9
CAPEX	13.1	17.0	23.4	27.1	27.0	12.0	12.0
Payments for acquisitions	0.0	0.0	0.6	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
Cash flow from investing activities	-13.1	-17.0	-23.9	-27.1	-27.0	-12.0	-12.0
Cash flow before financing	4.2	6.0	0.7	-11.1	-1.9	18.8	22.9
Increase/decrease in debt position	12.2	-11.8	-0.8	-1.0	-0.5	-31.4	0.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	17.9	0.0	0.0	0.0	0.0
Dividends paid	1.0	1.2	1.2	1.6	1.5	1.8	2.1
Others	-0.6	0.6	-6.0	-2.0	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.4	0.2	-1.0	0.1	0.0	0.0	0.0
Cash flow from financing activities	10.6	-12.4	10.0	-4.6	-2.0	-33.2	-2.1
Increase/decrease in liquid assets	15.1	-6.1	9.8	-15.6	-4.0	-14.4	20.8
Liquid assets at end of period	42.3	36.2	45.9	30.3	26.3	12.0	32.7

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2015	2016	2017	2018	2019E	2020E	2021E
Domestic	41.9	42.4	45.3	46.0	52.1	57.3	62.1
yoy change	2.8 %	1.2 %	6.7 %	1.7 %	13.2 %	10.0 %	8.4 %
Rest of Europe	73.2	78.3	81.7	89.1	100.8	110.9	120.2
yoy change	6.8 %	7.0 %	4.4 %	9.0 %	13.2 %	10.0 %	8.4 %
NAFTA	19.7	20.2	21.4	23.5	26.6	29.3	31.7
yoy change	9.4 %	2.6 %	5.7 %	10.0 %	13.2 %	10.0 %	8.4 %
Asia Pacific	0.0	0.0	0.0	0.0	4.0	4.4	4.8
yoy change	n/a	n/a	n/a	n/a	n/a	10.0 %	8.4 %
Rest of world	16.5	18.3	20.3	18.2	16.6	18.2	19.8
yoy change	2.9 %	10.8 %	10.8 %	-10.3 %	-8.8 %	10.0 %	8.4 %
TTL	151.3	159.2	168.6	176.7	200.1	220.1	238.6
yoy change	5.6 %	5.2 %	5.9 %	4.8 %	13.2 %	10.0 %	8.4 %

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2015	2016	2017	2018	2019E	2020E	2021E
P&L growth analysis							
Sales growth	5.6 %	5.2 %	5.9 %	4.8 %	13.2 %	10.0 %	8.4 %
EBITDA growth	10.2 %	-7.0 %	31.0 %	33.5 %	33.3 %	51.0 %	26.1 %
EBIT growth	14.2 %	-15.5 %	49.7 %	51.0 %	42.1 %	66.8 %	32.5 %
EPS growth	22.3 %	-20.4 %	107.5 %	75.0 %	40.1 %	99.3 %	37.3 %
Efficiency							
Total operating costs / sales	85.0 %	85.8 %	83.1 %	83.1 %	80.0 %	79.0 %	78.9 %
Sales per employee	348.6	353.8	360.3	356.3	396.2	427.4	454.5
EBITDA per employee	56.8	50.9	64.2	61.7	79.2	89.7	96.1
Balance sheet analysis							
Avg. working capital / sales	15.2 %	13.6 %	12.1 %	13.0 %	11.5 %	11.9 %	10.9 %
Inventory turnover (sales/inventory)	4.9	5.2	5.1	5.1	5.5	5.6	5.7
Trade debtors in days of sales	12.5	7.1	8.9	9.2	9.2	9.2	9.2
A/P turnover [(A/P*365)/sales]	29.6	33.3	33.9	26.1	31.0	31.0	31.0
Cash conversion cycle (days)	96.7	80.8	84.5	102.2	84.8	82.9	80.4
Cash flow analysis							
Free cash flow	4.2	6.0	1.3	-11.1	-1.9	18.8	22.9
Free cash flow/sales	2.7 %	3.8 %	0.8 %	-6.3 %	-1.0 %	8.5 %	9.6 %
FCF / net profit	62.3 %	112.5 %	11.3 %	neg.	neg.	91.6 %	97.5 %
Capex / depre	128.4 %	159.2 %	199.8 %	223.8 %	192.9 %	77.9 %	75.0 %
Capex / maintenance capex	163.3 %	212.6 %	292.4 %	336.3 %	337.5 %	150.0 %	150.0 %
Capex / sales	8.6 %	10.7 %	13.9 %	15.3 %	13.5 %	5.5 %	5.0 %
Security							
Net debt	41.3	36.4	25.9	40.7	44.1	27.0	6.3
Net Debt/EBITDA	1.7	1.6	0.9	1.3	1.1	0.6	0.1
Net debt / equity	0.7	0.6	0.3	0.4	0.4	0.2	0.0
Interest cover	3.7	3.7	6.8	6.6	11.1	12.8	17.6
Dividend payout ratio	18.0 %	22.4 %	13.0 %	17.1 %	12.3 %	12.9 %	15.0 %
Asset utilisation							
Capital employed turnover	0.9	0.9	0.9	0.9	0.9	1.1	1.1
Operating assets turnover	1.1	1.1	1.1	1.0	1.1	1.2	1.3
Plant turnover	1.3	1.3	1.3	1.2	1.2	1.4	1.5
Inventory turnover (sales/inventory)	4.9	5.2	5.1	5.1	5.5	5.6	5.7
Returns							
ROCE	8.9 %	7.1 %	10.0 %	9.8 %	12.7 %	15.2 %	16.0 %
ROE	11.6 %	9.4 %	13.5 %	10.8 %	16.3 %	16.8 %	16.7 %
Other							
Interest paid / avg. debt	5.1 %	4.3 %	3.7 %	3.9 %	3.3 %	4.4 %	3.6 %
No. employees (average)	434	450	468	496	505	515	525
Number of shares	8.0	8.0	8.3	8.8	8.8	8.8	8.8
DPS	0.2	0.2	0.2	0.2	0.2	0.3	0.4
EPS reported	0.84	0.67	1.39	1.17	1.94	2.33	2.67
Valuation ratios							
P/BV	4.4	4.4	3.3	2.9	2.7	2.3	2.0
EV/sales	2.1	2.1	2.0	2.0	1.8	1.6	1.3
EV/EBITDA	13.1	14.3	11.3	11.6	9.0	7.7	6.3
EV/EBITA	22.2	26.7	18.6	19.2	13.8	11.1	9.3
EV/EBIT	22.2	26.7	18.6	19.2	13.8	11.1	9.3
EV/FCF	77.6	54.4	262.3	-32.1	-184.5	18.1	14.0
Adjusted FCF yield	3.9 %	3.4 %	5.2 %	4.8 %	7.1 %	8.9 %	10.5 %
Dividend yield	0.5 %	0.5 %	0.6 %	0.6 %	0.8 %	0.9 %	1.3 %

Source: Company data, Hauck & Aufhäuser

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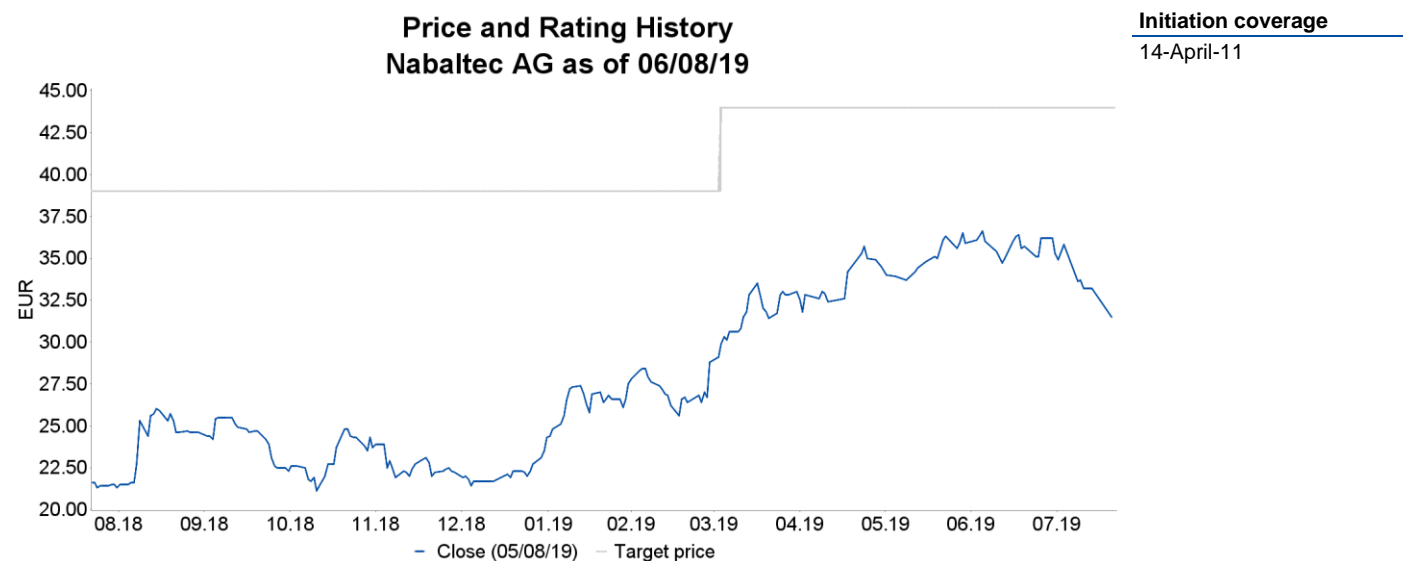
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Company	Disclosure
Nabaltec AG	2, 3

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



Initiation coverage
14-April-11

Company	Date	Analyst	Rating	Target price	Close
Nabaltec AG	07.06.2019	Sandherr, Christian	Buy	EUR 44,00	EUR 36,30
	06.05.2019	Sandherr, Christian	Buy	EUR 44,00	EUR 34,20
	21.03.2019	Sandherr, Christian	Buy	EUR 44,00	EUR 30,10
	28.02.2019	Sandherr, Christian	Buy	EUR 39,00	EUR 26,80
	10.01.2019	Sandherr, Christian	Buy	EUR 39,00	EUR 22,30
	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

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