

# Nabaltec

## Germany - Chemicals/ Specialty Chemicals



**HAUCK & AUFHÄUSER**  
INSTITUTIONAL RESEARCH AG

**Buy** (old: Buy)

**Price target: EUR 12.00** (old: EUR 14.00)

**Price:** EUR 6.25      **Next result:** Q2 21.08.12  
**Bloomberg:** NTG GR      **Market cap:** EUR 50.0 m  
**Reuters:** NTGG.DE      **Enterprise Value:** EUR 116.2 m

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### Prel. Q2/H1 in-line, adj. est. & PT for weak macro picture

Nabaltec reported prel. Q2/H1 results this morning (table on next page). Considering a high base effect of Q2 (H1) '11 with growth of 20% yoy (31% yoy) fuelled by a positive inventory cycle, it is re-assuring that **sales were stable qoq in Q2 at € 34m** despite the deteriorating macro environment. According to management customers continue to order very cautiously but are not sitting on inventories.

Most importantly, **Q2 EBIT was up sequentially by 39% qoq to € 3.9m reflecting a better product mix**. As a result, the **EBIT margin increased by 3.2pp qoq to a healthy level of 11.5%**. In H1'12 EBIT came in at € 6.7m with an EBIT margin of 9.9% still suffering from a somewhat unfavourable product mix in Q1.

**Management slightly trimmed its sales target to low single digit growth (old: mid) while keeping its guidance for EBIT margin at around 10%**. In a deteriorated environment, this is based on positive dynamics with new products such as the boehmite for PCBs as well as the progress with the distribution cooperation with Sumitomo Chemical for South East Asia. Still, our estimates did not reflect the slow down in the economy triggered by the deterioration of the sovereign debt crisis. Hence, **H2 '12E is not seen to be above H1 anymore which is why estimates for '12E are reduced**, i.e. sales by 4%, EBIT by 14% due to a high operating leverage and EPS by 23% additionally biased by interest expenses. For '13E and '14E we adjust our EPS estimates by 8% and 5% respectively to reflect a lower base effect still expecting comparable growth rates.

Trading on **0.9x book value** and given the fact that **investments of more than € 140m between 2005-2012E** (which lifted net debt significantly) **still have to show its full returns potential, the stock looks undervalued**. Valuation seems to fail to reflect the structural growth potential driven by stricter regulation and increasing environmental awareness among consumers and OEMs. Sales growth should come at high EBIT margins given Nabaltec's high operational leverage. Moreover, capex should narrow D&A as capacities are sufficient to generate around € 180m in sales (at constant prices). Hence, cash generation should improve allowing to pay down debt (eH&A € 32m or € 4 per share between 2012-2014E). **Remains a BUY, new PT of € 12.00 (€ 14.00) which is conservatively based on FCFY '12E. Continued...**



Source: Company data, Hauck & Aufhäuser

**High/low 52 weeks:** 10.49 / 6.15  
**Price/Book Ratio:** 0.9  
**Relative performance (SDAX):**  
 3 months -8.8 %  
 6 months -16.3 %  
 12 months -37.5 %

### Changes in estimates

		Sales	EBIT	EPS
2012	old:	140.0	15.3	0.81
	Δ	-3.6%	-13.5%	-22.5%
2013	old:	153.6	19.0	1.17
	Δ	-2.2%	-5.6%	-8.0%
2014	old:	168.9	24.8	1.71
	Δ	-2.0%	-4.1%	-5.3%

### Key share data:

Number of shares: (in m pcs) 8.0  
 Authorised capital: (in € m) 4.0  
 Book value per share: (in €) 7.1  
 Ø trading volume: (12 months) 20,000

### Major shareholders:

Free Float 38.2 %  
 Family Heckmann 32.0 %  
 Family Witzany 29.8 %

### 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)	2008	2009	2010	2011	2012E	2013E	2014E
Sales	96.3	73.1	112.7	129.0	135.0	150.2	165.6
Sales growth	9 %	-24 %	54 %	14 %	5 %	11 %	10 %
EBITDA	9.3	3.7	14.3	20.6	22.4	27.8	33.7
EBIT	4.1	-2.7	6.5	12.5	13.2	18.0	23.8
Net income	1.1	-5.0	1.8	3.6	5.0	8.6	13.0
Net debt	42.9	57.6	52.9	60.7	52.5	43.9	28.3
Net gearing	87.5 %	128.4 %	115.0 %	121.4 %	92.2 %	65.7 %	29.6 %
Net Debt/EBITDA	4.6	15.4	3.7	2.9	2.3	1.6	0.8
EPS fully diluted	0.14	-0.63	0.22	0.45	0.63	1.08	1.62
CPS	0.63	0.02	0.40	0.27	1.36	1.24	1.53
DPS	0.00	0.00	0.00	0.00	0.10	0.18	0.52
Dividend yield	0.0 %	0.0 %	0.0 %	0.0 %	1.7 %	3.0 %	8.4 %
Gross profit margin	44.8 %	45.6 %	46.0 %	48.8 %	50.3 %	51.1 %	51.8 %
EBITDA margin	9.7 %	5.1 %	12.7 %	15.9 %	16.6 %	18.5 %	20.3 %
EBIT margin	4.3 %	-3.7 %	5.8 %	9.7 %	9.8 %	12.0 %	14.4 %
ROCE	4.2 %	-2.5 %	5.3 %	9.1 %	9.5 %	13.0 %	16.8 %
EV/sales	1.1	1.6	1.0	1.0	0.9	0.7	0.6
EV/EBITDA	11.0	31.8	8.1	6.0	5.2	3.9	2.7
EV/EBIT	24.9	-43.9	17.7	9.9	8.8	6.0	3.9
PER	45.0	-10.0	28.1	13.8	10.0	5.8	3.9
Adjusted FCF yield	4.1 %	0.2 %	7.5 %	9.3 %	10.7 %	14.7 %	18.6 %

Source: Company data, Hauck & Aufhäuser Close price as of: 31.07.2012

EURm	Q2 12	Q2 12 est	Q2 11	yoy	Q1 12	qoq	H1 12	H1 11	yoy
<b>Sales</b>	<b>34.2</b>	<b>33.9</b>	<b>34.8</b>	-1.9%	<b>34.1</b>	0.0%	<b>68.3</b>	<b>70.1</b>	-2.6%
<b>Functional fillers</b>	<b>23.8</b>	<b>23.4</b>	<b>23.5</b>	1.2%	<b>23.2</b>	2.2%	<b>47.0</b>	<b>47.6</b>	-1.3%
<b>Technical Ceramics</b>	<b>10.3</b>	<b>10.5</b>	<b>11.3</b>	-9.1%	<b>10.9</b>	-5.6%	<b>21.2</b>	<b>22.5</b>	-5.8%
<b>EBITDA</b>	<b>6.0</b>	<b>5.9</b>	<b>6.5</b>	-7.8%	<b>4.9</b>	22.5%	<b>10.9</b>	<b>12.4</b>	-12.1%
EBITDA margin (%)	17.6%	17.3%	18.8%	- 1.1 pp	14.4%	+ 3.2 pp	16.0%	17.7%	- 1.7 pp
<b>EBIT</b>	<b>3.9</b>	<b>3.8</b>	<b>4.5</b>	-13.5%	<b>2.8</b>	38.8%	<b>6.7</b>	<b>8.4</b>	-20.3%
EBIT margin (%)	11.5%	11.1%	13.0%	- 1.5 pp	8.3%	+ 3.2 pp	9.9%	12.1%	- 2.2 pp

Source: Company data; Hauck&Aufhäuser Institutional Research

Financials

Profit and loss (EUR m)	2008	2009	2010	2011	2012E	2013E	2014E
<b>Net sales</b>	<b>96.3</b>	<b>73.1</b>	<b>112.7</b>	<b>129.0</b>	<b>135.0</b>	<b>150.2</b>	<b>165.6</b>
<i>Sales growth</i>	9.3 %	-24.1 %	54.3 %	14.5 %	4.6 %	11.3 %	10.3 %
Increase/decrease in finished goods and work-in-process	4.4	-1.7	-0.1	3.7	0.0	0.0	0.0
<b>Total sales</b>	<b>100.6</b>	<b>71.4</b>	<b>112.6</b>	<b>132.8</b>	<b>135.0</b>	<b>150.2</b>	<b>165.6</b>
Other operating income	1.9	1.0	2.2	1.4	1.2	1.2	1.3
Material expenses	57.5	38.1	60.8	69.8	67.1	73.5	79.8
Personnel expenses	17.1	15.6	19.0	21.0	22.9	24.2	25.3
Other operating expenses	18.6	15.0	20.7	22.9	23.8	25.9	28.1
Total operating expenses	91.3	67.6	98.3	112.2	112.6	122.4	131.9
<b>EBITDA</b>	<b>9.3</b>	<b>3.7</b>	<b>14.3</b>	<b>20.6</b>	<b>22.4</b>	<b>27.8</b>	<b>33.7</b>
Depreciation	5.2	6.4	7.8	8.0	9.1	9.9	9.9
<b>EBITA</b>	<b>4.1</b>	<b>-2.7</b>	<b>6.5</b>	<b>12.5</b>	<b>13.2</b>	<b>18.0</b>	<b>23.8</b>
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
<b>EBIT</b>	<b>4.1</b>	<b>-2.7</b>	<b>6.5</b>	<b>12.5</b>	<b>13.2</b>	<b>18.0</b>	<b>23.8</b>
Interest income	0.6	0.1	0.2	0.6	0.3	0.1	0.1
Interest expenses	3.7	4.4	5.3	6.9	5.5	4.8	3.9
Other financial result	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial result	-3.1	-4.3	-5.1	-6.4	-5.3	-4.7	-3.8
<b>Recurring pretax income from continuing operations</b>	<b>1.0</b>	<b>-7.0</b>	<b>1.4</b>	<b>6.2</b>	<b>8.0</b>	<b>13.2</b>	<b>20.0</b>
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Earnings before taxes</b>	<b>1.0</b>	<b>-7.0</b>	<b>1.4</b>	<b>6.2</b>	<b>8.0</b>	<b>13.2</b>	<b>20.0</b>
Taxes	1.2	-1.7	-0.7	1.6	2.4	4.0	6.0
<b>Net income from continuing operations</b>	<b>-0.2</b>	<b>-5.3</b>	<b>2.1</b>	<b>4.5</b>	<b>5.6</b>	<b>9.2</b>	<b>14.0</b>
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income</b>	<b>-0.2</b>	<b>-5.3</b>	<b>2.1</b>	<b>4.5</b>	<b>5.6</b>	<b>9.2</b>	<b>14.0</b>
Minority interest	-1.3	-0.3	0.3	0.9	0.6	0.6	1.0
<b>Net income (net of minority interest)</b>	<b>1.1</b>	<b>-5.0</b>	<b>1.8</b>	<b>3.6</b>	<b>5.0</b>	<b>8.6</b>	<b>13.0</b>
Average number of shares	8.0	8.0	8.0	8.0	8.0	8.0	8.0
<b>EPS reported</b>	<b>0.14</b>	<b>-0.63</b>	<b>0.22</b>	<b>0.45</b>	<b>0.63</b>	<b>1.08</b>	<b>1.62</b>

Profit and loss (common size)	2008	2009	2010	2011	2012E	2013E	2014E
<b>Net sales</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>
Increase/decrease in finished goods and work-in-process	4.5 %	-2.3 %	0.0 %	2.9 %	0.0 %	0.0 %	0.0 %
<b>Total sales</b>	<b>104.5 %</b>	<b>97.7 %</b>	<b>100.0 %</b>	<b>102.9 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>
Other operating income	2.0 %	1.4 %	1.9 %	1.1 %	0.9 %	0.8 %	0.8 %
Material expenses	59.8 %	52.1 %	54.0 %	54.1 %	49.7 %	48.9 %	48.2 %
Personnel expenses	17.8 %	21.3 %	16.9 %	16.3 %	17.0 %	16.1 %	15.3 %
Other operating expenses	19.3 %	20.5 %	18.3 %	17.7 %	17.6 %	17.2 %	17.0 %
Total operating expenses	94.9 %	92.6 %	87.2 %	87.0 %	83.4 %	81.5 %	79.7 %
<b>EBITDA</b>	<b>9.7 %</b>	<b>5.1 %</b>	<b>12.7 %</b>	<b>15.9 %</b>	<b>16.6 %</b>	<b>18.5 %</b>	<b>20.3 %</b>
Depreciation	5.4 %	8.8 %	6.9 %	6.2 %	6.8 %	6.6 %	6.0 %
<b>EBITA</b>	<b>4.3 %</b>	<b>-3.7 %</b>	<b>5.8 %</b>	<b>9.7 %</b>	<b>9.8 %</b>	<b>12.0 %</b>	<b>14.4 %</b>
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 %
<b>EBIT</b>	<b>4.3 %</b>	<b>-3.7 %</b>	<b>5.8 %</b>	<b>9.7 %</b>	<b>9.8 %</b>	<b>12.0 %</b>	<b>14.4 %</b>
Interest income	0.6 %	0.2 %	0.2 %	0.4 %	0.2 %	0.1 %	0.1 %
Interest expenses	3.8 %	6.1 %	4.7 %	5.4 %	4.1 %	3.2 %	2.4 %
Other financial result	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Financial result	-3.2 %	-5.9 %	-4.5 %	-4.9 %	-3.9 %	-3.2 %	-2.3 %
<b>Recurring pretax income from continuing operations</b>	<b>1.1 %</b>	<b>-9.6 %</b>	<b>1.3 %</b>	<b>4.8 %</b>	<b>5.9 %</b>	<b>8.8 %</b>	<b>12.1 %</b>
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Earnings before taxes</b>	<b>1.1 %</b>	<b>-9.6 %</b>	<b>1.3 %</b>	<b>4.8 %</b>	<b>5.9 %</b>	<b>8.8 %</b>	<b>12.1 %</b>
Tax rate	118.3 %	24.2 %	-45.5 %	26.7 %	30.0 %	30.0 %	30.0 %
<b>Net income from continuing operations</b>	<b>-0.2 %</b>	<b>-7.3 %</b>	<b>1.9 %</b>	<b>3.5 %</b>	<b>4.1 %</b>	<b>6.2 %</b>	<b>8.4 %</b>
Income from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Net income</b>	<b>-0.2 %</b>	<b>-7.3 %</b>	<b>1.9 %</b>	<b>3.5 %</b>	<b>4.1 %</b>	<b>6.2 %</b>	<b>8.4 %</b>
Minority interest	-1.4 %	-0.4 %	0.3 %	0.7 %	0.4 %	0.4 %	0.6 %
<b>Net income (net of minority interest)</b>	<b>1.2 %</b>	<b>-6.9 %</b>	<b>1.6 %</b>	<b>2.8 %</b>	<b>3.7 %</b>	<b>5.7 %</b>	<b>7.8 %</b>

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2008	2009	2010	2011	2012E	2013E	2014E
<b>Intangible assets</b>	<b>0.4</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>
Property, plant and equipment	96.9	108.5	109.0	116.4	122.3	120.4	118.5
Financial assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>FIXED ASSETS</b>	<b>97.3</b>	<b>108.7</b>	<b>109.2</b>	<b>116.6</b>	<b>122.5</b>	<b>120.6</b>	<b>118.8</b>
Inventories	28.4	19.2	21.4	26.3	26.0	28.9	31.8
Accounts receivable	1.3	0.5	1.6	2.2	2.4	2.6	2.9
Other current assets	3.2	3.0	3.5	2.9	2.9	0.0	0.0
Liquid assets	1.9	0.5	29.0	16.3	17.4	10.0	11.7
Deferred taxes	0.0	0.0	1.3	0.9	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
<b>CURRENT ASSETS</b>	<b>34.9</b>	<b>23.1</b>	<b>56.8</b>	<b>48.8</b>	<b>48.7</b>	<b>41.5</b>	<b>46.4</b>
<b>TOTAL ASSETS</b>	<b>132.2</b>	<b>131.8</b>	<b>166.0</b>	<b>165.4</b>	<b>171.2</b>	<b>162.1</b>	<b>165.2</b>
SHAREHOLDERS EQUITY	49.0	44.9	46.0	50.0	56.9	66.9	95.6
MINORITY INTEREST	-4.0	-4.0	-4.0	-3.1	0.0	0.0	0.0
Long-term debt	34.6	53.4	73.6	68.9	61.9	48.9	35.0
Provisions for pensions and similar obligations	9.6	11.1	13.1	13.7	13.7	13.7	13.7
Other provisions	1.5	1.3	0.8	0.7	0.7	0.0	0.0
<b>Non-current liabilities</b>	<b>45.8</b>	<b>65.8</b>	<b>87.4</b>	<b>83.3</b>	<b>76.4</b>	<b>62.6</b>	<b>48.7</b>
short-term liabilities to banks	10.2	4.7	8.3	8.1	8.0	5.0	5.0
Accounts payable	9.5	6.1	11.2	10.0	12.9	14.4	15.9
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)	17.6	13.1	14.2	13.2	13.2	13.2	0.0
Deferred taxes	3.9	2.1	2.7	3.8	3.8	0.0	0.0
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Current liabilities</b>	<b>41.3</b>	<b>25.9</b>	<b>36.5</b>	<b>35.2</b>	<b>37.9</b>	<b>32.6</b>	<b>20.9</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>132.2</b>	<b>132.7</b>	<b>166.0</b>	<b>165.4</b>	<b>171.2</b>	<b>162.1</b>	<b>165.2</b>

Balance sheet (common size)	2008	2009	2010	2011	2012E	2013E	2014E
<b>Intangible assets</b>	<b>0.3 %</b>	<b>0.2 %</b>	<b>0.1 %</b>	<b>0.1 %</b>	<b>0.1 %</b>	<b>0.1 %</b>	<b>0.1 %</b>
Property, plant and equipment	73.3 %	81.8 %	65.7 %	70.4 %	71.4 %	74.3 %	71.8 %
Financial assets	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>FIXED ASSETS</b>	<b>73.6 %</b>	<b>81.9 %</b>	<b>65.8 %</b>	<b>70.5 %</b>	<b>71.6 %</b>	<b>74.4 %</b>	<b>71.9 %</b>
Inventories	21.5 %	14.5 %	12.9 %	15.9 %	15.2 %	17.8 %	19.3 %
Accounts receivable	1.0 %	0.4 %	1.0 %	1.4 %	1.4 %	1.6 %	1.7 %
Other current assets	2.4 %	2.2 %	2.1 %	1.8 %	1.7 %	0.0 %	0.0 %
Liquid assets	1.5 %	0.4 %	17.4 %	9.9 %	10.2 %	6.2 %	7.1 %
Deferred taxes	0.0 %	0.0 %	0.8 %	0.6 %	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 %
<b>CURRENT ASSETS</b>	<b>26.4 %</b>	<b>17.4 %</b>	<b>34.2 %</b>	<b>29.5 %</b>	<b>28.4 %</b>	<b>25.6 %</b>	<b>28.1 %</b>
<b>TOTAL ASSETS</b>	<b>100.0 %</b>	<b>99.4 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>
SHAREHOLDERS EQUITY	37.1 %	33.8 %	27.7 %	30.2 %	33.2 %	41.3 %	57.9 %
MINORITY INTEREST	-3.0 %	-3.0 %	-2.4 %	-1.9 %	0.0 %	0.0 %	0.0 %
Long-term debt	26.2 %	40.3 %	44.3 %	41.7 %	36.2 %	30.2 %	21.2 %
Provisions for pensions and similar obligations	7.3 %	8.4 %	7.9 %	8.3 %	8.0 %	8.4 %	8.3 %
Other provisions	1.2 %	1.0 %	0.5 %	0.4 %	0.4 %	0.0 %	0.0 %
<b>Non-current liabilities</b>	<b>34.7 %</b>	<b>49.6 %</b>	<b>52.7 %</b>	<b>50.4 %</b>	<b>44.6 %</b>	<b>38.6 %</b>	<b>29.5 %</b>
short-term liabilities to banks	7.7 %	3.6 %	5.0 %	4.9 %	4.7 %	3.1 %	3.0 %
Accounts payable	7.2 %	4.6 %	6.8 %	6.1 %	7.6 %	8.9 %	9.6 %
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)	13.3 %	9.8 %	8.6 %	8.0 %	7.7 %	8.2 %	0.0 %
Deferred taxes	3.0 %	1.6 %	1.6 %	2.3 %	2.2 %	0.0 %	0.0 %
Deferred income	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Current liabilities</b>	<b>31.2 %</b>	<b>19.6 %</b>	<b>22.0 %</b>	<b>21.3 %</b>	<b>22.2 %</b>	<b>20.1 %</b>	<b>12.6 %</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>

Source: Company data, Hauck & Aufhäuser

Cash flow statement (EUR m)	2008	2009	2010	2011	2012E	2013E	2014E
Net profit/loss	-0.2	-5.3	2.1	4.5	5.6	9.2	14.0
Depreciation of fixed assets (incl. leases)	5.2	6.4	7.8	8.0	9.1	9.9	9.9
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	0.0	-0.9	-0.8	2.8	0.0	0.0	0.0
Cash flow from operations before changes in w/c	5.0	0.2	9.1	15.4	14.7	19.1	23.8
Increase/decrease in inventory	-10.6	9.2	-2.2	-4.9	0.4	-2.9	-3.0
Increase/decrease in accounts receivable	1.5	1.4	-1.7	-0.6	-0.1	-0.3	-0.3
Increase/decrease in accounts payable	-1.9	-10.5	4.1	-1.2	2.9	1.5	1.5
Increase/decrease in other working capital positions	6.5	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in working capital	-4.5	0.0	0.1	-6.8	3.2	-1.7	-1.8
<b>Cash flow from operating activities</b>	<b>0.6</b>	<b>0.2</b>	<b>9.2</b>	<b>8.6</b>	<b>17.9</b>	<b>17.4</b>	<b>22.1</b>
CAPEX	21.5	20.4	7.5	15.4	10.0	8.0	5.0
Payments for acquisitions	0.0	0.0	0.0	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	5.2	0.0	0.0	0.0	0.0	0.0	0.0
<b>Cash flow from investing activities</b>	<b>-16.3</b>	<b>-20.4</b>	<b>-7.5</b>	<b>-15.4</b>	<b>-10.0</b>	<b>-8.0</b>	<b>-5.0</b>
Cash flow before financing	-15.8	-20.2	1.7	-6.8	7.9	9.4	17.1
Increase/decrease in debt position	9.9	18.8	28.7	-5.6	-7.1	-16.0	-13.9
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	0.0	0.0	0.0	0.0
Dividends paid	0.8	0.0	0.0	0.0	0.0	0.8	1.5
Others	6.8	0.0	-2.0	0.0	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.1	0.0	0.0	0.0	0.0	0.0	0.0
<b>Cash flow from financing activities</b>	<b>15.9</b>	<b>18.8</b>	<b>26.7</b>	<b>-5.6</b>	<b>-7.1</b>	<b>-16.8</b>	<b>-15.4</b>
Increase/decrease in liquid assets	0.2	-1.4	28.4	-12.4	0.8	-7.4	1.7
<b>Liquid assets at end of period</b>	<b>2.0</b>	<b>0.6</b>	<b>29.0</b>	<b>16.7</b>	<b>17.4</b>	<b>10.0</b>	<b>11.7</b>

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2008	2009	2010	2011	2012E	2013E	2014E
Domestic	33.7	22.0	35.1	40.7	42.8	45.0	47.5
yoy change	19.5 %	-34.8 %	59.4 %	16.2 %	5.1 %	5.1 %	5.6 %
Rest of Europe	48.9	37.3	50.2	58.3	62.0	66.0	69.5
yoy change	0.7 %	-23.7 %	34.6 %	16.2 %	6.4 %	6.5 %	5.3 %
NAFTA	7.8	7.8	17.1	16.8	18.0	20.0	22.0
yoy change	26.0 %	0.6 %	119.5 %	-2.1 %	7.4 %	11.1 %	10.0 %
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	5.9	6.0	10.4	13.3	17.2	22.6	29.9
yoy change	4.6 %	0.9 %	72.8 %	27.8 %	29.8 %	31.4 %	32.3 %
<b>TTL</b>	<b>96.3</b>	<b>73.1</b>	<b>112.7</b>	<b>129.0</b>	<b>140.0</b>	<b>153.6</b>	<b>168.9</b>
yoy change	8.7 %	-24.1 %	54.3 %	14.5 %	8.5 %	9.7 %	10.0 %

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2008	2009	2010	2011	2012E	2013E	2014E
<b>P&amp;L growth analysis</b>							
Sales growth	9.3 %	-24.1 %	54.3 %	14.5 %	4.6 %	11.3 %	10.3 %
EBITDA growth	11.5 %	-59.9 %	283.5 %	43.6 %	8.7 %	24.5 %	21.0 %
EBIT growth	3.6 %	-165.6 %	-342.1 %	91.3 %	5.7 %	35.6 %	32.5 %
EPS growth	-52.9 %	-550.9 %	-135.5 %	102.4 %	39.3 %	71.5 %	50.8 %
<b>Efficiency</b>							
Total operating costs / sales	94.9 %	92.6 %	87.2 %	87.0 %	83.4 %	81.5 %	79.7 %
Sales per employee	285.7	210.5	312.2	328.3	341.7	370.8	408.9
EBITDA per employee	27.6	10.8	39.7	52.3	56.6	68.7	83.2
<b>Balance sheet analysis</b>							
Avg. working capital / sales	15.3 %	23.2 %	11.3 %	11.7 %	12.6 %	10.8 %	10.9 %
Inventory turnover (sales/inventory)	3.4	3.8	5.3	4.9	5.2	5.2	5.2
Trade debtors in days of sales	4.9	2.5	5.2	6.4	6.4	6.4	6.4
A/P turnover [(A/P*365)/sales]	36.0	30.3	36.4	28.4	35.0	35.0	35.0
Cash conversion cycle (days)	124.9	128.4	66.2	91.5	77.2	78.3	79.4
<b>Cash flow analysis</b>							
Free cash flow	-20.9	-20.2	1.7	-6.8	7.9	9.4	17.1
Free cash flow/sales	-21.7 %	-27.6 %	1.5 %	-5.2 %	5.8 %	6.3 %	10.3 %
FCF / net profit	-1882.6	402.6 %	97.5 %	-186.4 %	156.7 %	109.2 %	131.8 %
FCF yield	-41.8 %	-40.3 %	3.5 %	-13.5 %	15.7 %	18.8 %	34.2 %
Capex / depn	413.9 %	316.8 %	96.5 %	191.5 %	109.7 %	81.0 %	50.6 %
Capex / maintenance capex	413.9 %	370.9 %	125.0 %	237.2 %	214.3 %	106.7 %	81.0 %
Capex / sales	22.3 %	27.9 %	6.7 %	11.9 %	n/a	n/a	n/a
<b>Security</b>							
Net debt	42.9	57.6	52.9	60.7	52.5	43.9	28.3
Net Debt/EBITDA	4.6	15.4	3.7	2.9	2.3	1.6	0.8
Net debt / equity	0.9	1.3	1.1	1.2	0.9	0.7	0.3
Interest cover	1.1	0.0	1.2	1.8	2.4	3.7	6.0
Dividend payout ratio	0.0 %	0.0 %	0.0 %	0.0 %	16.7 %	17.2 %	32.3 %
<b>Asset utilisation</b>							
Capital employed turnover	1.0	0.7	0.8	0.9	1.0	1.1	1.1
Operating assets turnover	0.8	0.6	0.9	1.0	1.0	1.1	1.2
Plant turnover	1.0	0.7	1.0	1.1	1.1	1.2	1.4
Inventory turnover (sales/inventory)	3.4	3.8	5.3	4.9	5.2	5.2	5.2
<b>Returns</b>							
ROCE	4.2 %	-2.5 %	5.3 %	9.1 %	9.5 %	13.0 %	16.8 %
ROE	2.3 %	-11.2 %	3.9 %	7.3 %	8.8 %	12.9 %	13.6 %
<b>Other</b>							
Interest paid / avg. debt	9.1 %	8.6 %	7.6 %	8.7 %	7.5 %	7.8 %	8.4 %
No. employees (average)	337	347	361	393	395	405	405
Number of shares	8.0	8.0	8.0	8.0	8.0	8.0	8.0
DPS	0.0	0.0	0.0	0.0	0.1	0.2	0.5
EPS reported	0.14	-0.63	0.22	0.45	0.63	1.08	1.62
<b>Valuation ratios</b>							
P/BV	1.0	1.1	1.1	1.0	0.9	0.7	0.5
EV/sales	1.1	1.6	1.0	1.0	0.9	0.7	0.6
EV/EBITDA	11.0	31.8	8.1	6.0	5.2	3.9	2.7
EV/EBITA	24.9	-43.9	17.7	9.9	8.8	6.0	3.9
EV/EBIT	24.9	-43.9	17.7	9.9	8.8	6.0	3.9
EV/FCF	-4.9	-5.9	66.9	-18.4	14.8	11.5	5.4
Dividend yield	0.0 %	0.0 %	0.0 %	0.0 %	1.7 %	3.0 %	8.4 %

Source: Company data, Hauck & Aufhäuser

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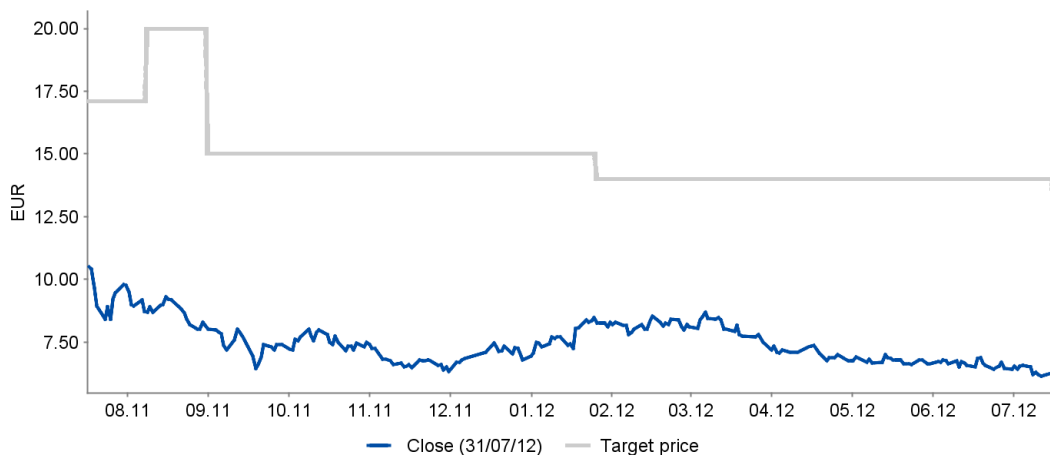
Company	Disclosure
Nabaltec AG	2, 5

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

**Price and Rating History  
Nabaltec AG as of 01/08/12**

**Initiation coverage**  
14-April-11



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