

Baader Helvea Equity Research

COMPANY FLASH

/ BAADER /

25 August 2022

Nabaltec

Germany

Chemicals

Reuters: NTGG.DE Bloomberg: NTG GY

Add

Closing price as of
24-Aug-22 EUR 27.40

Target price EUR 33.00

High/Low (12M) EUR 39.60/23.50

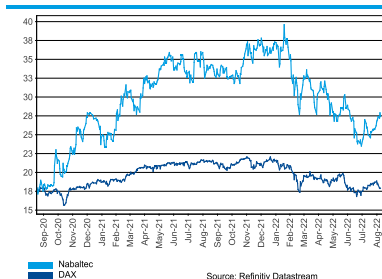
Market cap. EUR mn 241

Enterprise value EUR mn 286

Free float 44.0%

Avg. daily turnover EUR mn 0.05

Price relative to Index



Performance (%)	1M	3M	6M
Absolute	1.5	2.2	-9.3
rel. DAX	1.7	7.3	-3.4
rel. STOXX Europe 600	0.0	2.1	-7.7
rel. SXXP Chemicals	-0.1	8.2	-5.9

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Strong catch-up in profitability despite slightly lower than expected sales

Our conclusion

- Following a strong first half with a beat in profitability, the company expects a slowdown in growth in the second half of 2022E. While we agree with this tendency, we still believe FY22E revenue will be above Nabaltec's raised guidance. We remain cautious for 2023/24E.

Facts & Analysis

- Sales were specifically below expectations in the Specialty Alumina, however due to successful price increases profitability jumped by 610bps qoq in this segment. Together with an overall favorable product mix and sequential margin increase in Functional Filler too, EBIT margin increased by 230bps on a group level.

2Q22 vs. our estimates

EUR mn	2Q22 Rep.	Baader (E)	Dev. (%)	2Q21	yoy (%)	1Q22	qoq (%)
Key divisional numbers							
Functional Fillers							
Sales	38.5	38.6	-0.2	33.3	15.8	36.9	4.3
EBIT	5.7	5.2	10.3	4.7	23.3	5.3	9.2
Specialty Alumina							
Sales	17.4	20.2	-13.9	14.6	18.8	17.9	-2.8
EBIT	2.9	1.7	66.4	1.9	48.2	1.8	55.2
Key P&L numbers							
Gross sales	55.9	58.8	-4.9	47.9	16.7	54.8	2.0
EBITDA	11.8	10.6	11	9.7	21.5	10.5	12.2
EBIT	8.5	6.9	23.1	6.6	29.5	7.1	20.1
EBIT margin (%)	15.3	11.8	n.m	13.7	n.m.	13	n.m.

Source: Company data, Baader Helvea Equity Research

- The company carefully raised its revenue guidance from 10-12% growth to 12-14% growth, while keeping their 10-12% EBIT margin guidance. In our view, this might still be too cautious for FY22E (Baader Helvea (E): 16.4% topline growth).

Key financials

EUR mn	2021	2022E	2023E	2024E	CAGR (%)
Gross sales	187.0	217.7	225.6	236.4	8.1
EBIT adj.	22.6	22.9	25.0	28.3	7.7
EPS adj. (EUR)	1.61	1.71	1.90	2.19	10.8

Source: Company data, Baader Helvea Equity Research

Valuation ratios

x	2021	2022E	2023E	2024E
EV/Sales	1.8	1.3	1.2	1.2
EV/EBIT adj.	14.8	12.5	10.6	10.0
P/E adj.	20.0	16.0	14.4	12.5

Nabaltec

Key data

FY 31 Dec.	2019	2020	2021	2022E	2023E	2024E
Share data						
EPS reported (EUR)	1.31	-3.70	1.61	1.71	1.90	2.19
EPS adjusted (EUR)	1.31	-3.70	1.61	1.71	1.90	2.19
Dividend (EUR)	0.21	0.00	0.30	0.30	0.30	0.35
Book value (EUR)	11.34	8.73	10.97	12.67	14.57	16.76
Free cash flow (EUR)	0.27	1.59	3.00	1.40	1.99	0.57
Avg. no. of shares (mn)	8.8	8.8	8.8	8.8	8.8	8.8
Market cap. (avg./current; EUR mn)	277.4	206.8	283.9	241.1	241.1	241.1
Enterprise value (EUR mn)	365.6	284.4	334.2	285.9	265.9	282.9
Valuation						
P/E adj. (x)	24.1	-	20.0	16.0	14.4	12.5
P/BV (x)	2.8	2.7	2.9	2.2	1.9	1.6
FCF/EV (%)	0.6	4.9	7.9	4.3	6.6	1.8
FCF yield (%) (FCF/Mcap.)	0.8	6.8	9.3	5.1	7.3	2.1
Dividend yield (%)	0.7	0.0	0.9	1.1	1.1	1.3
EV/Sales (x)	2.0	1.8	1.8	1.3	1.2	1.2
EV/EBITDA adj. (x)	10.7	25.6	9.7	7.5	6.6	6.5
EV/EBIT adj. (x)	17.8	-10.0	14.8	12.5	10.6	10.0
EV/CE (x)	1.9	1.9	2.2	1.8	1.5	1.5
ROCE/WACC adj. (x)	0.9	-2.6	1.3	1.1	1.2	1.4
Key company data						
Sales growth (%)	1.8	-11.3	17.2	16.4	3.6	4.8
EBITDA adj. growth (%)	12.2	-67.6	209.4	10.8	5.6	8.2
EBITDA adj. margin (%)	19.1	7.0	18.4	17.5	17.8	18.4
EBIT adj. margin (%)	11.4	-17.7	12.1	10.5	11.1	12.0
Net adj. margin (%)	6.4	-20.4	7.6	6.9	7.4	8.2
Free cash flow margin (%)	1.3	8.8	14.1	5.6	7.8	2.1
Payout ratio (%)	16.1	0.0	18.6	17.6	15.8	16.0
Gearing (%) (net debt/equity)	42.0	43.1	7.3	0.2	-16.3	-3.6
Net debt/EBITDA (x)	1.2	3.0	0.2	0.0	-0.5	-0.1
Equity ratio (x) (equity/total assets)	41.5	38.7	43.7	45.2	42.6	45.7
Capital employed (EUR mn)	188.8	150.9	149.1	162.8	173.3	184.3
ROCE adj. (%)	7.1	-20.2	10.9	10.1	10.4	11.1
Income statement (EUR mn)						
Turnover	180.0	159.6	187.0	217.7	225.6	236.4
EBITDA	34.3	11.1	34.4	38.1	40.2	43.5
EBITDA adj.	34.3	11.1	34.4	38.1	40.2	43.5
EBIT	20.6	-28.3	22.6	22.9	25.0	28.3
EBIT adj.	20.6	-28.3	22.6	22.9	25.0	28.3
EBT	17.7	-30.2	20.6	20.9	23.2	26.8
Net profit after minorities	11.5	-32.6	14.2	15.0	16.7	19.3
Net profit adj.	11.5	-32.6	14.2	15.0	16.7	19.3
Balance sheet (EUR mn)						
Non-current assets	159	129	123	132	142	151
thereof goodwill	0	0	0	0	0	0
Current assets	81	70	97	113	155	142
Total assets	240	199	221	247	301	323
Shareholders' equity	100	77	96	112	128	148
Total equity and liabilities	240	199	221	247	301	323
Net debt	42	33	7	0	-21	-5
Cash flow (EUR mn)						
Cash flow from operations	22.4	24.3	33.2	36.4	41.6	29.2
of which change in working capital	1.8	2.1	-3.5	-2.7	-0.1	-0.1
Cash flow from investments	-20.0	-10.3	-6.7	-24.1	-24.1	-24.2
of which investment in fixed assets	-19.9	-10.2	-6.7	-25.0	-25.0	-25.0
Free cash flow	2.3	14.0	26.4	12.3	17.6	5.0
Dividends paid	-1.7	-1.8	0.0	-2.6	-2.6	-2.6
Cash flow from financing activities	-3.7	-14.6	-1.4	-3.2	25.9	-18.2
Change in cash position	-1.3	-2.6	25.8	6.8	41.1	-15.5

Source: Company data, Baader Helvea Equity Research

Nabaltec**Disclaimer**

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Research Documents with recommendation changes (rating or target price) published in the twelve months prior to the publication of this Research Document covering the same financial instruments or issuers.

Company	Date	Rating	Currency	Target price	Closing price as of	Analyst
Nabaltec	24-May-22	Add	EUR	33.00	27.60 23-May-22	Markus Mayer
Nabaltec	02-Feb-22	Add	EUR	39.00	36.60 01-Feb-22	Markus Mayer

Nabaltec

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