

OUR KNOW-HOW FOR YOUR SAFETY

Nabaltec: a leading supplier of eco-friendly flame retardant fillers and specialty alumina

Q2 2024 Highlights



The company in brief

REVENUES 2023

EUR **200.1** MILLION

EBIT 2023

EUR **18.3** MILLION

SECTOR

**CHEMICAL
INDUSTRY**

EMPLOYEES 2023

516

PRODUCTION
SITES

3

EXPORT-
RATIO 2023

75.0%

ABOUT **800** CUSTOMERS

ABOUT **50** REPRESENTATIVE
OFFICES

IN BUSINESS SINCE

1937

ANNUAL CAPACITY APPROX.

265,000 t

Nabaltec Q2 2024 Highlights

Revenue EUR **54.3** million (+10.6% yoy)











EBIT EUR **5.8** million (+75.8% yoy)

EBIT Margin **10.4 %** (Q2/23: 6.7%)

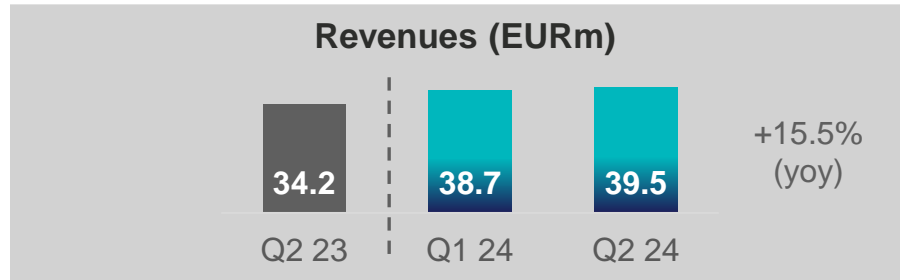
EPS EUR **0.46** (+70.4% yoy)

Net Debt EUR **-2.5** million (31.12.23: 5.0 m)

- **Revenue growth in the second quarter** of 2024 especially due to the good performance in the "Functional Fillers" product segment.
- The increase in revenues was **driven by volumes and accompanied by falling prices.**
- **Higher capacity utilization and lower energy costs** improved margin in the second quarter.
- Cash and **cash equivalents of EUR 93.1 million** as of 30 June 2024 secure high investment program.

Product segments	Functional Fillers	Specialty Alumina
Product range	Ground Hydroxides Viscosity optimized Hydroxides Fine precipitated Hydroxides Boehmite	Oxides Reactive aluminas Ceramic bodies
Properties	Eco-friendly, smoke-reducing, flame retardant, non-abrasive	Resistant to wear and tear, electrically insulating, resistant to corrosion, resistant to temperature changes
Market segments	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  Wire & Cable </div> <div style="text-align: center;">  Battery </div> <div style="text-align: center;">  Other </div> </div> <div style="display: flex; justify-content: space-around; margin-top: 20px;"> <div style="text-align: center;">  Resins & Dispersions </div> <div style="text-align: center;">  Elastomers </div> </div>	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  Refractory </div> <div style="text-align: center;">  Technical Ceramics </div> <div style="text-align: center;">  Other </div> </div> <div style="display: flex; justify-content: space-around; margin-top: 20px;"> <div style="text-align: center;">  Adsorbents & Catalysts </div> <div style="text-align: center;">  Polishing </div> </div>

Nabaltec Q2 2024 Functional Fillers



Revenue in the “Functional Fillers” product segment increased by 15.5% yoy. **Highlight is the continued good demand for fine precipitated hydroxides**, especially for the cable market. Boehmite recorded an increase in revenue of just over 20% in the second quarter of 2024 compared to the low figure of the second quarter in the previous year.

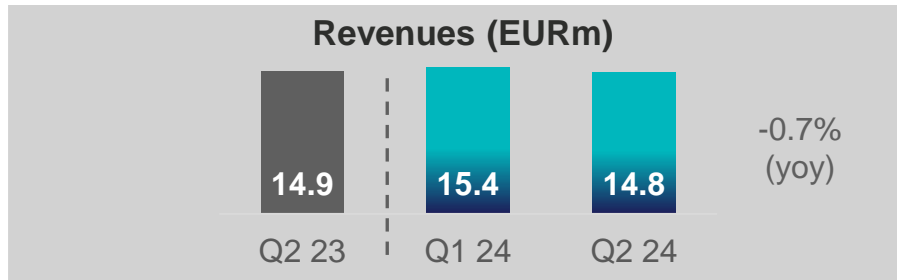


The operating result (EBIT) improved to EUR 5.2 million, **resulting in an EBIT margin of 13.2% in this segment**. The fine precipitated hydroxide product area made a significant contribution to this good result.



Capex in the “Functional Fillers” product segment increased significantly to EUR 8.1 million. Investments in the capacity expansion of boehmite and viscosity optimized hydroxides are the main reason for the higher capex.

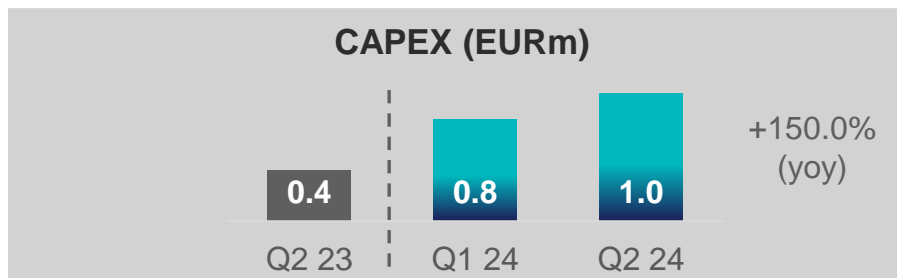
Nabaltec Q2 2024 Specialty Alumina



Revenue in the “Specialty Alumina” product segment remained slightly below the previous year’s level in the second quarter. There is currently a lack of impetus here, particularly from the reactive alumina product area (higher value-added products).



The operating result (EBIT) improved slightly year-on-year to EUR 0.7 million due to lower maintenance costs. **The EBIT margin of 4.7% is still weak.** The overcapacity on the market is having a negative impact on both sales volumes and sales prices.



Capex increased on a moderate basis to EUR 1.0 million in the “Specialty Alumina” product segment. The expenses here are mainly for replacement investments.

Profit & Loss Statement Nabaltec Group

in EUR million	6M/2024	6M/2023	Change
Revenues	108.4	106.1	2.2%
Total Performance	109.9	105.0	4.7%
Gross Profit	55.3	52.9	4.5%
EBITDA	16.9	14.9	13.4%
EBITDA margin (from the total performance)	15.4%	14.2%	
EBIT	10.9	8.5	28.2%
EBIT margin (from the total performance)	9.9%	8.1%	
Net income	7.5	5.5	36.4%
EPS (EUR)	0.85	0.63	34.9%

- **Revenues growth driven by higher sales volumes of 8%.** Selling prices fell in the first half of 2024 compared to the same period of the previous year. Export ratio is at 76.4%.
- **Gross Profit margin** as a percentage of total performance of 50.3% at the same level as in the first half of 2023 (50.4%) despite lower sales prices.
- **EBITDA margin was 15.4%** in the first half of the year 2024.
- **EBIT margin increased** from 8.1% to 9.9% yoy.
- **Earnings per share** in the first six months 2024 was **EUR 0.85** after EUR 0.63 in the same period of the previous year (+34.9%).

Cash Flow Statement Nabaltec Group

in EUR million	6M/2024	6M/2023	Change
Operating income before changes in Wc	16.9	14.9	13.4%
+/- Working capital	+10.6	+3.9	171.8%
- Taxes paid	-3.4	-4.4	-22.7%
Cash flow from operating activity	24.1	14.4	67.4%
Cash flow from investment activity	-14.2	-5.1	178.4%
Free Cash flow	9.9	9.3	6.5%
Cash flow from financing activity	-3.3	-3.2	3.1%
Cash at end of the period	93.1	93.3	-0.2%

- **The improved operative result** for the period 6M/2024 and the **changes in working capital** had a **positive impact on cash flow** from operating activities: Inventories decreased significantly, while trade payables increased.
- The investment focus was on **expanding the capacity of boehmite and viscosity optimized hydroxides**, as well as process optimization at the Schwandorf site.
- **Cash and cash equivalents** amounted to **EUR 93.1 million** on 30 June 2024.

Balance Sheet Nabaltec Group

in EUR million	06/30/24	12/31/23	Change
Intangible assets	1.4	0.9	55.6%
Property, plant and equipment	127.4	119.0	7.1%
Other non-current assets	15.9	0.9	
Inventories	44.6	51.1	-12.7%
Receivables and other assets	11.8	23.1	-48.9%
Cash and cash equivalents	93.1	86.0	8.3%
Total assets	294.2	280.9	4.7%
Equity	147.8	141.8	4.2%
Non-current liabilities	123.1	122.6	0.4%
Current liabilities	23.3	16.5	41.2%
Total liabilities	294.2	280.9	4.7%

- Intangible assets and property, plant and equipment **increased due to higher CAPEX** in 2024.
- Other non-current assets as of 06/30/24 include a **fixed-term deposit in the amount of EUR 15 million** with a term of 2 years.
- Inventories decreased by EUR 6.5 million** mainly due to the decline in raw material stocks.
- The **equity ratio is 50.2%** as of the reporting date 06/30/24 (12/31/23: 50.5%).
- Non-current liabilities as of 06/30/24 include provisions for pensions in the amount of EUR 28.4 million and **financial liabilities of EUR 90.0 million**.
- Current liabilities increased by EUR 6.8 million** due to higher trade payables of EUR 5.9 million.

Outlook 2024*

- So far in 2024, demand has been characterized by short-termism. However, **Nabaltec expects demand to remain stable for the majority of product areas** in the current financial year.
- At the end of the first half of the year, **Nabaltec substantiates the forecast for financial year 2024 presented** in the 2023 consolidated management report and makes a **slight upward adjustment to the EBIT margin range**.
- Based on the economic and industry-specific environment, the company expects slight **revenues growth** in the range of **2% to 4%** in 2024 and thus, as originally forecast, total revenues slightly above the level of the previous year, 2023 (EUR 200.1 million).
- On the earnings side, Nabaltec expects an **EBIT margin** in the range of **8% to 10%** due to the solid performance in the first half of 2024, compared to the previously forecast range of 7% to 9%.

*The forecast is based on the assumption that the economy and the industries relevant to Nabaltec will remain stable. At the time the forecast was prepared, it remains unclear at what speed or with what dynamics the economic situation will recover globally and in the markets relevant to Nabaltec. Inflation, high interest rates and an uncertain situation are slowing consumption and investment worldwide. In the event of continued negative economic distortions due to the geopolitical situation, negative effects on the net assets, financial position and results of operations cannot be ruled out. Furthermore, the other statements made in the outlook report remain valid.

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Rounding

Due to computational reasons, rounding differences may appear in the percentages and figures in the tables, graphics and text.

Statements relating to the future

This presentation contains forward-looking statements based on current estimates and forecasts made by the Management Board and currently available information. These forward-looking statements are not to be understood as guarantees of projected future developments and results. Rather, future developments and results are subject to a variety of risks and uncertainties and are based on assumptions that may not prove to be accurate. We assume no obligation to update these forward-looking statements.

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