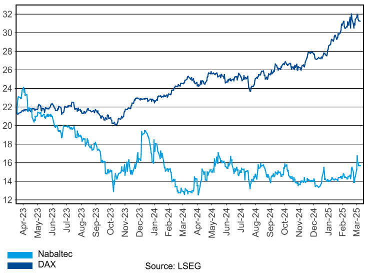
25 March 2025

Nabaltec

Germany

Chemicals	
Reuters: NTGG.DE	Bloomberg: NTG GY
Buy	
Closing price as of 24-Mar-25	EUR 15.70
Target price	**EUR 20.00**
High/Low (12M)	EUR 17.05/12.55
Market cap.	EUR mn 138
Enterprise value	EUR mn 145
Free float	45.0%
Avg. daily turnover	EUR mn 0.09

Price relative to Index



Performance (%)	1M	3M	6M
Absolute	9.4	15.9	8.3
rel. DAX	7.5	0.7	-12.0
rel. STOXX Europe 600	10.2	6.9	2.7
rel. SXXP Chemicals	10.9	8.5	11.4

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Potentially rather conservative outlook for FY25E after stronger 2024

Our conclusion

- **Results review:** Topline results were broadly in-line with our expectations (+1%), however EBIT surprised clearly positively (+15%). This was, in our view, driven by the ongoing strong demand for Functional Fillers (FF) for datacenter cables, from which in particular the US subsidiaries profited.
- We adjust our FY25/26E estimates after Nabaltec has released its preliminary 2024 figures earlier this month. **For 2025E, Nabaltec foresees revenue growth of 3-5% (2024: 1.8% prelim.) at 7-9% EBIT margin (2024: 10.8% prelim.).** While we expect the strong demand from AI datacenters to continue over 2025/26E, higher cost, associated with ramp-up of the Schwandorf capacity additions for aluminum hydroxides and viscosity-optimized hydroxides are offsetting higher organic contributions. We do not expect a positive impact from Germany's and EU's planned infrastructure and defense spending in 2025E but see the potential for those to stimulate electronic infrastructure investments (5G and rail) and therefore demand for Nabaltec's products from the cable and refractory markets.

Facts & Analysis

Key results & estimates

		2023 Actual	1Q24 Actual	2Q24 Actual	3Q24 Actual	4Q24E Baader/ Prelim.	2024E Baader/ Prelim.	2025E Baader	2026E Baader
Functional Fillers									
Sales	EUR mn	142.3	38.7	39.5	35.9	33.9	148.0	155.1	166.7
yoy	*(%)*	*-3.8*	*-3.5*	*15.7*	*0.7*	*4.6*	*4.0*	*4.8*	*7.4*
thereof battery-related	EUR mn	22.4					19.5	18.3	25.8
yoy	*(%)*	*1.4*					*-12.9*	*-6.2*	*40.9*
EBITDA	EUR mn	26.6	6.7	7.5	7.9	8.5	30.6	28.2	31.1
Margin	(%)	18.7	17.4	18.9	22.1	25.1	20.6	18.2	18.7
EBIT	EUR mn	16.9	4.5	5.2	5.8	5.4	20.8	16.6	18.4
Margin	(%)	11.9	11.6	13.1	16.1	15.9	14.0	10.7	11.0
Specialty Alumina									
Sales	EUR mn	57.8	15.4	14.8	13.9	11.5	55.6	56.7	57.0
yoy	*(%)*	*-18.4*	*-9.4*	*-0.6*	*-1.4*	*-2.9*	*-3.8*	*1.9*	*0.6*
EBITDA	EUR mn	4.4	1.3	1.4	1.0	0.7	4.5	4.5	4.7
Margin	(%)	7.6	8.6	9.7	7.0	6.2	8.0	8.0	8.2
EBIT	EUR mn	1.4	0.5	0.7	0.2	0.1	1.5	1.4	1.6
Margin	(%)	2.4	3.5	4.4	1.5	0.7	2.6	2.5	2.9
Group									
Sales	EUR mn	200.1	54.0	54.3	49.8	45.4	203.6	211.8	223.7
yoy	*(%)*	*-8.5*	*-5.2*	*10.7*	*0.1*	*2.6*	*1.8*	*4.0*	*5.6*
EBITDA	EUR mn	31.0	8.0	8.9	8.9	9.2	35.0	32.7	35.8
Margin	(%)	15.5	14.9	16.4	17.9	20.3	17.2	15.5	16.0
EBIT	EUR mn	18.3	5.0	5.8	6.0	5.5	22.3	18.1	20.0
Margin	(%)	9.2	9.3	10.7	12.0	12.0	10.9	8.5	8.9

Source: Company data, Baader Helvea Equity Research

Key financials

EUR mn	2023	2024E	2025E	2026E	CAGR (%)
Gross sales	200.1	203.6	211.8	223.7	3.8
EBIT adj.	18.3	22.3	18.1	20.0	2.9
EPS adj. (EUR)	1.30	1.79	1.45	1.61	7.4

Source: Company data, Baader Helvea Equity Research

Valuation ratios

x	2023	2024E	2025E	2026E
EV/Sales	0.9	0.7	0.7	0.6
EV/EBIT adj.	10.1	6.3	8.0	6.8
P/E adj.	15.7	8.8	10.8	9.8

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Key data

FY 31 Dec.	2021	2022	2023	2024E	2025E	2026E
Share data						
EPS reported (EUR)	1.85	3.00	1.30	1.79	1.45	1.61
EPS adjusted (EUR)	**1.85**	**3.00**	**1.30**	**1.79**	**1.45**	**1.61**
Dividend (EUR)	0.25	0.28	0.28	0.28	0.33	0.38
Book value (EUR)	10.97	15.17	16.11	17.62	18.80	20.07
Free cash flow (EUR)	3.00	0.76	0.28	0.54	-0.20	1.39
Avg. no. of shares (mn)	8.8	8.8	8.8	8.8	8.8	8.8
Market cap. (avg./current, EUR mn)	283.9	243.2	180.0	138.2	138.2	138.2
Enterprise value (EUR mn)	290.9	246.4	185.0	140.8	145.1	135.8
Valuation	**2021**	**2022**	**2023**	**2024E**	**2025E**	**2026E**
P/E adj. (x)	**17.4**	**9.2**	**15.7**	**8.8**	**10.8**	**9.8**
P/BV (x)	2.9	1.8	1.3	0.9	0.8	0.8
FCF/EV (%)	9.1	2.7	1.3	3.4	-1.2	9.0
FCF yield (%), (FCF/Mcap.)	9.3	2.8	1.4	3.5	-1.3	8.8
Dividend yield (%)	0.8	1.0	1.4	1.8	2.1	2.4
EV/Sales (x)	1.6	1.1	0.9	0.7	0.7	0.6
EV/EBITDA adj. (x)	7.8	5.8	6.0	4.0	4.4	3.8
EV/EBIT adj. (x)	11.9	8.4	10.1	6.3	8.0	6.8
EV/CE (x)	2.0	1.6	1.1	0.8	0.8	0.7
ROCE/WACC adj. (x)	1.7	1.9	1.2	1.3	1.0	1.1
Key company data	**2021**	**2022**	**2023**	**2024E**	**2025E**	**2026E**
Sales growth (%)	17.2	17.0	-8.5	1.8	4.0	5.6
EBITDA adj. growth (%)	58.3	13.6	-26.8	12.9	-6.5	9.4
EBITDA adj. margin (%)	19.9	19.4	15.5	17.2	15.5	16.0
EBIT adj. margin (%)	**13.1**	**13.3**	**9.2**	**10.9**	**8.5**	**8.9**
Net adj. margin (%)	8.7	12.1	5.7	7.7	6.0	6.3
Free cash flow margin (%)	14.1	3.1	1.2	2.3	-0.8	5.5
Payout ratio (%)	13.5	9.3	21.6	15.6	22.7	23.6
Gearing (%), (net debt/equity)	7.3	2.4	3.5	1.7	4.2	-1.4
Net debt/EBITDA (x)	0.2	0.1	0.2	0.1	0.2	-0.1
Equity ratio (x), (equity/total assets)	43.7	47.5	50.5	52.1	54.3	55.7
Capital employed (EUR mn)	149.1	156.5	162.3	173.8	188.4	190.3
ROCE adj. (%)	11.5	13.0	7.9	9.0	6.7	7.4
Income statement (EUR mn)	**2021**	**2022**	**2023**	**2024E**	**2025E**	**2026E**
Turnover	187.0	218.8	200.1	203.6	211.8	223.7
EBITDA	37.3	42.4	31.0	35.0	32.7	35.8
EBITDA adj.	37.3	42.4	31.0	35.0	32.7	35.8
EBIT	24.6	29.2	18.3	22.3	18.1	20.0
EBIT adj.	24.6	29.2	18.3	22.3	18.1	20.0
EBT	22.8	27.5	16.1	22.3	18.1	20.0
Net profit after minorities	16.3	26.4	11.4	15.7	12.8	14.1
Net profit adj.	16.3	26.4	11.4	15.7	12.8	14.1
Balance sheet (EUR mn)	**2021**	**2022**	**2023**	**2024E**	**2025E**	**2026E**
Non-current assets	123	135	121	138	148	147
thereof goodwill	0	0	0	0	0	0
Current assets	98	146	160	160	156	170
Total assets	**221**	**281**	**281**	**298**	**305**	**317**
Shareholders' equity	96	133	142	155	165	177
Total equity and liabilities	**221**	**281**	**281**	**298**	**305**	**317**
Net debt	7	3	5	3	7	-2
Cash flow (EUR mn)	**2021**	**2022**	**2023**	**2024E**	**2025E**	**2026E**
Cash flow from operations	33.2	32.4	16.5	34.8	23.2	27.2
of which change in working capital	-1.4	-7.0	-8.5	6.3	-4.2	-2.8
Cash flow from investments	-6.7	-25.7	-14.0	-30.0	-25.0	-15.0
of which investment in fixed assets	-6.7	-10.8	-14.0	-30.0	-25.0	-15.0
Free cash flow	**26.4**	**6.7**	**2.5**	**4.8**	**-1.8**	**12.2**
Dividends paid	0.0	-2.2	-2.5	-2.5	-2.5	-2.9
Cash flow from financing activities	-1.4	28.0	-3.4	-2.5	-2.5	-2.9
Change in cash position	**25.0**	**34.7**	**-1.0**	**2.3**	**-4.3**	**9.3**

Source: Company data, Baader Helvea Equity Research

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Company	Date	Rating	Currency	Target price	Closing price as of		Analyst
Nabaltec	14-May-24	Buy	EUR	20.00	15.20	13-May-24	Konstantin Wiechert

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