

27 April 2023

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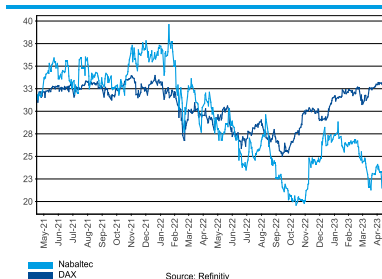
Germany

Chemicals

Reuters: NTGG.DE Bloomberg: NTG GY

Buy

Closing price as of 26-Apr-23	EUR 21.50
Target price	EUR 31.00
High/Low (12M)	EUR 32.10/19.60
Market cap.	EUR mn 189
Enterprise value	EUR mn 202
Free float	45.0%
Avg. daily turnover	EUR mn 0.07

Price relative to Index

Performance (%)	1M	3M	6M
Absolute	-9.7	-20.4	6.4
rel. DAX	-15.3	-24.8	-13.3
rel. STOXX Europe 600	-14.9	-22.4	-6.5
rel. SXXP Chemicals	-15.7	-23.4	-2.4

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Final FY22 numbers reported without surprises – Preliminary 1Q23 sales and EBIT slightly higher than expected; 2023 guidance reiterated**Our conclusion**

- Nabaltec's FY22 key numbers have been already pre-released. The dividend proposal for 2022 is as expected and the FY23 guidance have been reiterated. Therefore, only the comments on 1Q23 might be in the focus of the market today. Whereas 1Q23 sales were up 4% yoy (mainly price driven in our view), 1Q23 EBIT of 5.2mn is down 26.8% yoy but with an EBIT margin of 9.1% a bit better than we have expected. The 1Q23 run rate is in-line with Nabaltec FY23 guidance range but more at the upper than at the lower end. As 1H23 might be more difficult than 2H23 for all EU chemical companies (also stressed by BASF's CEO today), there might be a chance that Nabaltec might land at or above the current upper end of the guidance, in our view.

Facts & Analysis**Reported 2022 numbers, 2023 guidance versus our expectations**

EUR mn	2022 reported	2023E	
		Guidance	Baader
Sales	218.8	3-5% or EUR 225 to EUR 230mn	209.7
EBITDA	42.40	n.a.	36.3
EBIT	29.2	n.a.	20.6
EBIT margin	13.3%	8-10% or EUR 18 to 23mn	9.8%
DPS (EUR)	0.28	n.a.	0.30

Source: Company data, Bloomberg, Baader Helvea Equity Research

Nabaltec's key numbers for 2022 and 2023 at a glance

in EUR million	2022 (IFRS)	2021 (IFRS)	Change
Revenues			
Total revenues	218.8	187.0	17.0%
thereof			
Functional Fillers	148.0	130.6	13.3%
Specialty Alumina	70.9	56.4	25.7%
Foreign share (%)	73.7	75.5	
Earnings			
EBITDA	42.4	37.3	13.7%
EBIT	29.2	24.6	18.7%
Consolidated result after taxes ¹	26.4	16.3	62.0%
Earnings per share (EUR) ¹	3.00	1.85	62.2%
Financial position			
Cash flow from operating activities	32.4	33.2	-2.4%
Cash flow from investing activities	-25.7	-6.7	283.6%
Assets, equity and liabilities			
	12/31/22	12/31/21	
Total assets	281.1	220.7	27.4%
Equity	133.5	96.5	38.3%
Non-current assets	135.3	122.5	10.4%
Current assets	145.8	98.2	48.5%
Employees ² (number of persons)	506	481	5.2%

Source: Company data

Nabaltec

Key data

FY 31 Dec.	2019	2020	2021	2022E	2023E	2024E
Share data						
EPS reported (EUR)	1.31	-2.23	1.85	2.75	1.61	1.95
EPS adjusted (EUR)	1.31	-2.23	1.85	2.75	1.61	1.95
Dividend (EUR)	0.21	0.00	0.30	0.30	0.30	0.45
Book value (EUR)	11.34	8.73	10.97	13.71	15.32	17.27
Free cash flow (EUR)	0.27	3.01	3.22	1.55	1.52	0.07
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	243.2	189.2	189.2
Enterprise value (EUR mn)	365.6	284.4	334.2	278.6	202.1	218.5
Valuation						
P/E adj. (x)	24.1	-	17.4	10.1	13.4	11.0
P/BV (x)	2.8	2.7	2.9	2.0	1.4	1.2
FCF/EV (%)	0.6	9.3	8.5	4.9	6.6	0.3
FCF yield (%) (FCF/Mcap.)	0.8	12.8	10.0	5.6	7.1	0.3
Dividend yield (%)	0.7	0.0	0.9	1.1	1.4	2.1
EV/Sales (x)	2.0	1.8	1.8	1.3	1.0	1.0
EV/EBITDA adj. (x)	10.7	12.1	9.0	6.9	5.6	5.4
EV/EBIT adj. (x)	17.8	-17.9	13.6	10.6	9.8	8.8
EV/CE (x)	1.9	1.9	2.2	1.7	1.2	1.2
ROCE/WACC adj. (x)	0.9	-1.5	1.4	1.7	1.0	1.2
Key company data						
Sales growth (%)	1.8	-11.3	17.2	18.0	-4.9	1.1
EBITDA adj. growth (%)	12.2	-31.3	58.3	8.7	-10.4	11.5
EBITDA adj. margin (%)	19.1	14.8	19.9	18.4	17.3	19.1
EBIT adj. margin (%)	11.4	-9.9	13.1	11.9	9.8	11.7
Net adj. margin (%)	6.4	-12.3	8.7	11.0	6.7	8.1
Free cash flow margin (%)	1.3	16.6	15.2	6.2	6.4	0.3
Payout ratio (%)	16.1	0.0	16.2	10.9	18.7	23.0
Gearing (%) (net debt/equity)	42.0	43.1	7.3	-7.2	-21.9	-8.8
Net debt/EBITDA (x)	1.2	1.4	0.2	-0.2	-0.8	-0.3
Equity ratio (x) (equity/total assets)	41.5	38.7	43.7	47.2	47.6	54.9
Capital employed (EUR mn)	188.8	150.9	149.1	164.5	171.9	181.6
ROCE adj. (%)	7.1	-11.6	11.8	15.6	8.6	9.8
Income statement (EUR mn)						
Turnover	180.0	159.6	187.0	220.6	209.7	212.0
EBITDA	34.3	23.6	37.3	40.5	36.3	40.5
EBITDA adj.	34.3	23.6	37.3	40.5	36.3	40.5
EBIT	20.6	-15.9	24.6	26.3	20.6	24.8
EBIT adj.	20.6	-15.9	24.6	26.3	20.6	24.8
EBT	17.7	-17.8	22.8	24.8	19.6	23.9
Net profit after minorities	11.5	-19.7	16.3	24.2	14.1	17.2
Net profit adj.	11.5	-19.7	16.3	24.2	14.1	17.2
Balance sheet (EUR mn)						
Non-current assets	159	129	123	133	143	152
thereof goodwill	0	0	0	0	0	0
Current assets	81	70	97	123	141	125
Total assets	240	199	221	256	283	277
Shareholders' equity	100	77	96	121	135	152
Total equity and liabilities	240	199	221	256	283	277
Net debt	42	33	7	-9	-30	-13
Cash flow (EUR mn)						
Cash flow from operations	22.4	36.8	35.1	37.7	37.5	24.8
of which change in working capital	1.8	2.1	-3.5	-3.8	0.1	0.0
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	26.4	28.4	13.7	13.4	0.6
Dividends paid	-1.7	-1.8	0.0	-2.6	-2.6	-2.6
Cash flow from financing activities	-3.7	-14.6	-1.2	-17.6	3.8	-3.2
Change in cash position	-1.3	9.8	28.0	1.2	20.8	-16.1

Source: Company data, Baader Helvea Equity Research

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Company	Date	Rating	Currency	Target price	Closing price as of	Analyst
Nabaltec	08-Feb-23	Buy	EUR	31.00	26.40	07-Feb-23 Markus Mayer
Nabaltec	28-Nov-22	Buy	EUR	30.00	24.60	25-Nov-22 Markus Mayer
Nabaltec	18-Oct-22	Add	EUR	24.00	20.60	17-Oct-22 Markus Mayer
Nabaltec	24-May-22	Add	EUR	33.00	27.60	23-May-22 Markus Mayer

Nabaltec

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