

Nabaltec

Q324 results

Resilience and margin expansion

Chemicals

25 November 2024

Nabaltec recorded revenue growth across the group of 1.5% y-o-y to €158.2m at 9M24, with sales volumes increasing 7.9% y-o-y despite selling prices falling. Functional Fillers revenue grew by 3.8% y-o-y to €114.1m due to strong demand for its viscosity optimised and fine precipitated aluminium hydroxides. Speciality Alumina revenue, however, decreased 4.1% y-o-y, partially offsetting group revenue growth due to a lack of impetus for reactive alumina in the wider market. Group EBIT grew 28.2% y-o-y to €16.8m (10.3% margin), due to higher capacity utilisation and lower costs of materials, energy and maintenance, particularly in Q324.

| Year end | Revenue (€m) | EBIT* (€m) | EPS* (€) | DPS (€) | P/E (x) |
|----------|--------------|------------|----------|---------|---------|
| 12/22 | 218.8 | 29.2 | 3.00 | 0.25 | 6.5 |
| 12/23 | 200.1 | 18.3 | 1.30 | 0.28 | 14.9 |
| 12/24e | 204.1 | 18.2 | 1.27 | 0.29 | 11.0 |
| 12/25e | 212.3 | 19.1 | 1.35 | 0.34 | 10.4 |

Note: *EBIT and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments.

Diverse product range enabling resilience and growth

Fine precipitated hydroxides remain the driving factor within Nabaltec's Functional Filler segment, with the macroeconomic trend of AI data centre expansion. Nabaltec's high-quality flame-retardant wire and cable is increasingly attractive in the long run, positioning the company strongly to capture further market upside. Despite strong growth in viscosity optimised hydroxides, the e-mobility market experienced continued deceleration throughout 2024. Boehmite revenue declined 46% in Q324 compared to Q323, reflecting weaker demand in the e-mobility sector and intensified competition from China. However, Nabaltec's diverse product portfolio has maintained resilience, offsetting market weakness and navigating challenges of shorter customer order cycles, which are expected to continue over the short and medium term.

Preparation for momentum shifts

Nabaltec maintains a strong balance sheet (net debt/EBITDA of -0.1x and net cash of €2.4m at 9M24). This financial strength has supported €21.4m in capex spending so far this year, focusing on capacity expansion of boehmites and viscosity optimised hydroxides as the main projects. These investments signal Nabaltec's strategic positioning to benefit from potential future momentum shifts in the EV battery market. Management reaffirmed its FY24e guidance, anticipating slight revenue growth of 2–4% on an FY23 basis and an EBIT margin of 8–10%. Our forecasts remain unchanged, with FY24e revenue of €204m and an EBIT and EBIT margin of €18.2m and 8.9%, respectively.

Valuation: Unwarranted discount to peers

We maintain our valuation of €29.9 per share (c 113% above its current share price). Nabaltec trades at a discount to peers on a multiple basis, with an FY25e EV/EBITDA discount of 25% and an FY25e P/E discount of 47%. We view this discount as unwarranted given Nabaltec's diversified portfolio mix, strong position in high-growth markets and robust EBIT margins.

Price €14.05
Market cap €124m

€1.18/£

| | |
|------------------------------------|-------|
| Net cash (€m) at 30 September 2024 | 2.4 |
| Shares in issue | 8.8m |
| Free float | 45% |
| Code | NTG |
| Primary exchange | Xetra |
| Secondary exchange | N/A |

Share price performance



| % | 1m | 3m | 12m |
|------------------|--------|--------|--------|
| Abs | (8.3) | (12.3) | (11.2) |
| Rel (local) | (7.8) | (16.1) | (26.7) |
| 52-week high/low | €19.35 | €12.45 | |

Business description

Nabaltec develops, manufactures and distributes environmentally friendly, specialised products based on aluminium hydroxide and aluminium oxide. It is one of the world's leading suppliers of mineral flame-retardant fillers and speciality alumina.

Next events

FY24 results 6 May 2025

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Exhibit 1: Financial summary

| | €'000s | 2020 | 2021 | 2022 | 2023 | 2024e | 2025e |
|---|--------|-----------|----------|-----------|-----------|-----------|-----------|
| Year-end 31 December | | IFRS | IFRS | IFRS | IFRS | IFRS | IFRS |
| PROFIT & LOSS | | | | | | | |
| Revenue | | 159,576 | 187,017 | 218,839 | 200,133 | 204,102 | 212,266 |
| Cost of Sales | | (74,987) | (88,151) | (106,399) | (101,856) | (102,051) | (106,133) |
| Gross Profit | | 83,244 | 101,755 | 120,042 | 102,018 | 105,113 | 109,317 |
| EBITDA | | 23,552 | 37,288 | 42,369 | 31,003 | 31,395 | 34,193 |
| Operating profit (before amort. and excepts.) | | (15,863) | 24,551 | 29,167 | 18,339 | 18,175 | 19,108 |
| Exceptionals | | 0 | 0 | 0 | 0 | 0 | 0 |
| Operating Profit | | (15,863) | 24,551 | 29,167 | 18,339 | 18,175 | 19,108 |
| Other | | 0 | 0 | 0 | 0 | 0 | 0 |
| Net Interest | | (1,972) | (1,768) | (1,714) | (2,200) | (2,373) | (1,061) |
| Profit Before Tax (norm) | | (17,835) | 22,783 | 27,453 | 16,139 | 15,802 | 18,048 |
| Profit Before Tax (reported) | | (17,835) | 22,783 | 27,453 | 16,139 | 15,802 | 18,048 |
| Tax | | (1,818) | (6,522) | (1,078) | (4,721) | (4,582) | (5,234) |
| Profit After Tax (norm) | | (19,653) | 16,261 | 26,375 | 11,418 | 11,219 | 12,814 |
| Profit After Tax (FRS 3) | | (19,653) | 16,261 | 26,375 | 11,418 | 11,219 | 12,814 |
| Minority interests | | 0 | 0 | 0 | 0 | 0 | 0 |
| Discontinued activities / Other | | (1,137) | 3,398 | 12,796 | (609) | 0 | 0 |
| Average Number of Shares Outstanding (000's) | | 8,800 | 8,800 | 8,800 | 8,800 | 8,800 | 8,800 |
| Net income (normalised) | | (19,653) | 16,261 | 26,375 | 11,418 | 11,219 | 12,814 |
| Net income (FRS3) | | (20,790) | 19,659 | 39,171 | 10,809 | 11,219 | 12,814 |
| EPS - normalised (€) | | (2.23) | 1.85 | 3.00 | 1.30 | 1.27 | 1.35 |
| EPS - normalised fully diluted (€) | | (2.23) | 1.85 | 3.00 | 1.30 | 1.27 | 1.35 |
| EPS - reported (€) | | (2.23) | 1.85 | 3.00 | 1.30 | 1.27 | 1.35 |
| Final distributed dividend per share (€) | | 0.15 | 0 | 0.25 | 0.28 | 0.29 | 0.34 |
| Gross Margin (%) | | 52.2% | 54.4% | 54.9% | 51.0% | 51.5% | 51.5% |
| EBITDA Margin (%) | | 14.8% | 19.9% | 19.4% | 15.5% | 15.4% | 16.1% |
| Operating Margin (before GW and except.) (%) | | -9.9% | 13.1% | 13.3% | 9.2% | 8.9% | 9.0% |
| BALANCE SHEET | | | | | | | |
| Fixed Assets | | 128,127 | 122,516 | 135,315 | 120,716 | 137,495 | 147,411 |
| Intangible Assets | | 452 | 396 | 575 | 880 | 880 | 880 |
| Tangible Assets | | 124,018 | 119,982 | 118,789 | 118,985 | 135,764 | 145,680 |
| Right of use assets | | 0 | 0 | 15,000 | 0 | 0 | 0 |
| Investments/Other | | 3,657 | 2,138 | 951 | 851 | 851 | 851 |
| Current Assets | | 70,485 | 98,190 | 145,754 | 160,166 | 155,209 | 155,396 |
| Stocks | | 32,888 | 33,935 | 45,737 | 51,131 | 48,984 | 46,699 |
| Debtors | | 11,243 | 12,049 | 12,503 | 23,080 | 23,472 | 24,411 |
| Cash | | 26,354 | 52,206 | 87,514 | 85,955 | 82,753 | 84,287 |
| Other | | 0 | 0 | 0 | 0 | 0 | 0 |
| Current Liabilities | | (16,947) | (79,625) | (24,918) | (16,511) | (18,220) | (20,833) |
| Creditors | | (16,442) | (24,034) | (27,084) | (16,524) | (18,646) | (21,259) |
| Short term borrowings | | (505) | (59,268) | (783) | (971) | (558) | (558) |
| Long Term Liabilities | | (104,830) | (44,587) | (122,686) | (122,561) | (122,561) | (122,567) |
| Long term borrowings | | (58,977) | 0 | (89,954) | (89,962) | (89,962) | (89,968) |
| Other long term liabilities | | (45,853) | (44,587) | (32,732) | (32,599) | (32,599) | (32,599) |
| Net Assets (ex minority) | | 76,835 | 96,494 | 133,465 | 141,810 | 151,924 | 159,407 |
| CASH FLOW | | | | | | | |
| Operating Cash Flow | | 30,193 | 33,280 | 33,235 | 20,724 | 25,944 | 30,798 |
| Net Interest | | (1,765) | (1,423) | (781) | (949) | (2,373) | (1,061) |
| Tax | | (5,745) | (2,767) | (2,944) | (6,011) | (4,582) | (5,234) |
| Capex | | (10,323) | (6,736) | (25,810) | (13,994) | (30,000) | (25,000) |
| Acquisitions/disposals | | 0 | 0 | 77 | 0 | 0 | 0 |
| Financing | | 0 | 0 | 0 | 0 | 0 | 0 |
| Dividends | | (1,320) | 0 | (2,200) | (2,464) | (2,580) | (3,203) |
| Other | | (13,536) | 3,614 | 2,262 | 5,407 | 4,582 | 5,234 |
| Net Cash Flow | | (2,496) | 25,968 | 3,839 | 2,713 | (9,009) | 1,534 |
| Opening net debt/(cash) | | 41,900 | 33,128 | 7,062 | 3,223 | 4,978 | 7,767 |
| HP finance leases initiated | | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | | 11,268 | 98 | 0 | (4,468) | 6,220 | (6) |
| Closing net debt/(cash) | | 33,128 | 7,062 | 3,223 | 4,978 | 7,767 | 6,239 |

Source: Nabaltec accounts, Edison Investment Research

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