

7 March 2023

Nabaltec

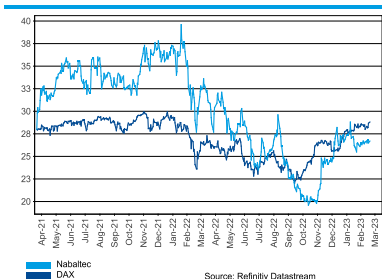
Germany

Chemicals

Reuters: NTGG.DE Bloomberg: NTG GY

Buy

Closing price as of 06-Mar-23	EUR 26.70
Target price	EUR 31.00
High/Low (12M)	EUR 33.60/19.60
Market cap.	EUR mn 235
Enterprise value	EUR mn 248
Free float	45.0%
Avg. daily turnover	EUR mn 0.04

Price relative to Index

Performance (%)	1M	3M	6M
Absolute	4.7	8.5	7.2
rel. DAX	2.7	-0.6	-14.4
rel. STOXX Europe 600	3.2	2.8	-4.8
rel. SXXP Chemicals	4.7	6.7	-3.8

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Preliminary FY22 EBIT 11% ahead of consensus – 2023 outlook better than expected at 2023E sales but broadly in-line with our 2023E EBIT forecast**Our conclusion**

- Nabaltec reported strong preliminary results today. In particular, the EBIT margin 30bps above the upper part of Nabaltec's guidance corridor (which was lifted twice) in an environment with significantly higher raw material and energy costs is a strong success. In contrast, Nabaltec's 2023 margin guidance looks again conservative. We reiterate our bullish view on the stock as we see Nabaltec's long-term investment story fully on track.

Facts & Analysis

- Prelim. 2022 numbers at a glance:** **1)** FY22 sales up 17% yoy at EUR 218.8mn (slightly below consensus and our forecasts), but **2)** 2022 EBIT jumped 18.7% yoy to EUR 29.2mn which was 11% ahead of consensus and our forecasts, **3) Functional Fillers** was with EUR 148mn **below our forecasts** of EUR 150.7mn but **Specialty Oxides were** with EUR 70.9mn 2022 sales **better than we have expected** (we forecasted EUR 69.9mn).
- 4Q22 reported slight revenue decline and also start of 2023 was said to be muted as well from the demand side but with further rising product prices.**
- 2023 guidance:** Given the far better than expected 2022 EBIT margin and the (since October 2022) falling energy prices we think Nabaltec is again guiding cautiously on 2023E margins. 2023 guidance assumption is a stable business environment for the relevant end customer business

2022 preliminary numbers versus consensus and expectations for 2023E

EUR mn	2022		2022E		2023E	
	Guidance	Reported	Consensus	Deviation (%)	Guidance	Baader
Sales	15-17% or EUR 215 to 219mn	218.8	220.6	-0.8	3-5% or EUR 225 to 230mn	209.7
EBITDA	n.a.	n.a.	40.5	n.m.0	n.a.	36.3
EBIT	n.a.	29.2	26.3	11.0	n.a.	20.6
EBIT margin	12-13	13.3	11.9	n.m.	8-10% or EUR 18mn to 23mn EBIT	9.8
DPS (EUR)	n.a.	n.a.	0.30	n.m.	n.a.	0.30

Source: Company data, Refinitiv, Baader Helvea Equity Research

Key financials

EUR mn	2021	2022E	2023E	2024E	CAGR (%)
Gross sales	187.0	220.6	209.7	212.0	4.3
EBIT adj.	24.6	26.3	20.6	24.8	0.3
EPS adj. (EUR)	1.85	2.75	1.61	1.95	1.8

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.	13.6	10.6	12.0	10.7
P/E adj.	17.4	10.1	16.6	13.7

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	235.0	235.0
Enterprise value (EUR mn)	365.6	284.4	334.2	278.6	247.8	264.3
Valuation						
P/E adj. (x)	24.1	-	17.4	10.1	16.6	13.7
P/BV (x)	2.8	2.7	2.9	2.0	1.7	1.5
FCF/EV (%)	0.6	9.3	8.5	4.9	5.4	0.2
FCF yield (%) (FCF/Mcap.)	0.8	12.8	10.0	5.6	5.7	0.3
Dividend yield (%)	0.7	0.0	0.9	1.1	1.1	1.7
EV/Sales (x)	2.0	1.8	1.8	1.3	1.2	1.2
EV/EBITDA adj. (x)	10.7	12.1	9.0	6.9	6.8	6.5
EV/EBIT adj. (x)	17.8	-17.9	13.6	10.6	12.0	10.7
EV/CE (x)	1.9	1.9	2.2	1.7	1.4	1.5
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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