

# Nabaltec

## Tighter margin in Q1, but guidance confirmed

Nabaltec confirmed its FY24 results and released preliminary Q125 results. FY24 results were in line with previously announced provisional figures, showing top-line revenue growth of 1.7% y-o-y to €203.6m, in line with our estimate of €204m but just short of management guidance of 2–4% growth. Nabaltec achieved a 10.8% FY24 EBIT margin, exceeding its target of 8–10%. The preliminary Q125 results show a 1.2% increase in revenue in what is described as a ‘persistently challenging market’. These challenges seem to be primarily driven by price and margin, rather than volume. The EBIT margin in Q125 was 7.5%, within the lower bottom end of Nabaltec’s FY25 guidance of 7–9%, which was reiterated alongside full year revenue growth of 3–5%. Price increases implemented at the start of Q2 should offset some energy costs and other inflation to insulate margins. Our forecast and valuation are under review.

Year end	Revenue (€m)	EBIT (€m)	EPS (€)	DPS (€)	P/E (x)
12/22	218.8	29.2	3.00	0.25	5.3
12/23	200.1	18.3	1.30	0.28	12.2
12/24	203.6	22.3	1.62	0.29	9.8
12/25e	211.7	19.6	1.39	0.35	11.4

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

Nabaltec generated revenues of €148m in its Functional Filler product segment (4% y-o-y growth), driven by strong demand with volume increases of 11.8% y-o-y. However, price concessions had to be made up during the year, which explained the lag in revenue growth. The company’s Speciality Alumina segment recorded a revenue decline of 3.9% y-o-y to €55.6m. Despite this decrease, sales volumes increased slightly by 2.3% y-o-y. The continued weakness in the steel industry has prevented any significant improvement in overall momentum in this segment. Cash flow from operating activity increased significantly by 113.7% y-o-y to €35.2, due to positive changes in working capital movements (decreased inventories and increased trade payables). Nabaltec continued to strengthen its balance sheet, improving its equity ratio to 51.4% (up from 50.5% in FY23) and reducing its net debt/EBITDA ratio to 0.1x (vs 0.2x at end FY23).

Nabaltec has continued to increase its capex to enable further growth, funded by strong operating cash flows throughout FY24. Its Functional Filler segment saw total capex spending of c €25.7m in FY24, with key investment in capacity expansion in its high-growth boehmite products and viscosity optimised hydroxides, which are used in electric vehicle batteries. Capex in its Speciality Alumina segment totalled around €6.3m, including the general overhaul of two rotary kilns.

Guidance for FY25 is unchanged (revenue growth of 3–5% and EBIT margin of 7–9%). The reduced EBIT margin guidance (from 10.8% in FY24) is primarily due to Nabaltec’s exposure to greater volatility in its energy prices (power and gas), given the expiration of its long-term gas contract. Management stated that it has partially hedged (c 50%) its energy prices for the next three months and continues to monitor the gas market for an opportunity to hedge. Nabaltec stated that it does not expect to see any increase in raw materials prices as a result of current US tariffs due to the fact that its chemicals (predominately hydroxides) are exempt from any tariffs.

## Preliminary Q125 results

Basic materials

15 May 2025

<b>Price</b>	<b>€15.85</b>
<b>Market cap</b>	<b>€135m</b>
Shares in issue	8.8m
Code	NTG
Primary exchange	XETRA
Secondary exchange	N/A

### Share price performance



### 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.

### Analysts

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