

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

Analysts

Andrew Keen +44 (0)20 3077 5700

Harry Kilby +44 (0)20 3077 5700

industrials@edisongroup.com

[Edison profile page](#)

**Nabaltec is a research client of
Edison Investment Research
Limited**

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

General disclaimer and copyright

This report has been commissioned by Nabaltac and prepared and issued by Edison, in consideration of a fee payable by Nabaltac. Edison Investment Research standard fees are £60,000 pa for the production and broad dissemination of a detailed note (Outlook) following by regular (typically quarterly) update notes. Fees are paid upfront in cash without recourse. Edison may seek additional fees for the provision of roadshows and related IR services for the client but does not get remunerated for any investment banking services. We never take payment in stock, options or warrants for any of our services.

Accuracy of content: All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable, however we do not guarantee the accuracy or completeness of this report and have not sought for this information to be independently verified. Opinions contained in this report represent those of the research department of Edison at the time of publication. Forward-looking information or statements in this report contain information that is based on assumptions, forecasts of future results, estimates of amounts not yet determinable, and therefore involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of their subject matter to be materially different from current expectations.

Exclusion of Liability: To the fullest extent allowed by law, Edison shall not be liable for any direct, indirect or consequential losses, loss of profits, damages, costs or expenses incurred or suffered by you arising out of or in connection with the access to, use of or reliance on any information contained on this note.

No personalised advice: The information that we provide should not be construed in any manner whatsoever as, personalised advice. Also, the information provided by us should not be construed by any subscriber or prospective subscriber as Edison's solicitation to effect, or attempt to effect, any transaction in a security. The securities described in the report may not be eligible for sale in all jurisdictions or to certain categories of investors.

Investment in securities mentioned: Edison has a restrictive policy relating to personal dealing and conflicts of interest. Edison Group does not conduct any investment business and, accordingly, does not itself hold any positions in the securities mentioned in this report. However, the respective directors, officers, employees and contractors of Edison may have a position in any or related securities mentioned in this report, subject to Edison's policies on personal dealing and conflicts of interest.

Copyright: Copyright 2024 Edison Investment Research Limited (Edison).

Australia

Edison Investment Research Pty Ltd (Edison AU) is the Australian subsidiary of Edison. Edison AU is a Corporate Authorised Representative (1252501) of Crown Wealth Group Pty Ltd who holds an Australian Financial Services Licence (Number: 494274). This research is issued in Australia by Edison AU and any access to it, is intended only for "wholesale clients" within the meaning of the Corporations Act 2001 of Australia. Any advice given by Edison AU is general advice only and does not take into account your personal circumstances, needs or objectives. You should, before acting on this advice, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. If our advice relates to the acquisition, or possible acquisition, of a particular financial product you should read any relevant Product Disclosure Statement or like instrument.

New Zealand

The research in this document is intended for New Zealand resident professional financial advisers or brokers (for use in their roles as financial advisers or brokers) and habitual investors who are "wholesale clients" for the purpose of the Financial Advisers Act 2008 (FAA) (as described in sections 5(c) (1)(a), (b) and (c) of the FAA). This is not a solicitation or inducement to buy, sell, subscribe, or underwrite any securities mentioned or in the topic of this document. For the purpose of the FAA, the content of this report is of a general nature, is intended as a source of general information only and is not intended to constitute a recommendation or opinion in relation to acquiring or disposing (including refraining from acquiring or disposing) of securities. The distribution of this document is not a "personalised service" and, to the extent that it contains any financial advice, is intended only as a "class service" provided by Edison within the meaning of the FAA (i.e. without taking into account the particular financial situation or goals of any person). As such, it should not be relied upon in making an investment decision.

United Kingdom

This document is prepared and provided by Edison for information purposes only and should not be construed as an offer or solicitation for investment in any securities mentioned or in the topic of this document. A marketing communication under FCA Rules, this document has not been prepared in accordance with the legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research.

This Communication is being distributed in the United Kingdom and is directed only at (i) persons having professional experience in matters relating to investments, i.e. investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "FPO") (ii) high net-worth companies, unincorporated associations or other bodies within the meaning of Article 49 of the FPO and (iii) persons to whom it is otherwise lawful to distribute it. The investment or investment activity to which this document relates is available only to such persons. It is not intended that this document be distributed or passed on, directly or indirectly, to any other class of persons and in any event and under no circumstances should persons of any other description rely on or act upon the contents of this document.

This Communication is being supplied to you solely for your information and may not be reproduced by, further distributed to or published in whole or in part by, any other person.

United States

Edison relies upon the "publishers' exclusion" from the definition of investment adviser under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. This report is a bona fide publication of general and regular circulation offering impersonal investment-related advice, not tailored to a specific investment portfolio or the needs of current and/or prospective subscribers. As such, Edison does not offer or provide personal advice and the research provided is for informational purposes only. No mention of a particular security in this report constitutes a recommendation to buy, sell or hold that or any security, or that any particular security, portfolio of securities, transaction or investment strategy is suitable for any specific person.