

Knaus Tabbert AG

Germany / Leisure Vehicles

Xetra

Bloomberg: KTA GR

ISIN: DE000A2YN504

Initiation of Coverage

RATING**PRICE TARGET**

Return Potential

Risk Rating

BUY**€ 95.00**

66.7%

Medium

HOME IS WHERE YOU PARK IT

Knaus Tabbert (KTA) is a leading company in the leisure vehicle (LV) industry. With 5 brands, the company is one of the most well-known leisure vehicle manufacturers in Europe. For the last 4 years, KTA has gained market share in both caravans and motorhomes. European LV unit sales began accelerating in 2015, showing compounded annual growth of 12.1% from 2014-2020. Since 2016, unit sales in the German market have doubled. Supply chain issues in 2021 should resolve in 2022, allowing a return to double-digit growth in 2023. With a backlog of €1.4bn, KTA's manufacturing capacity is already completely reserved for 2022 and well into 2023. By 2025, the company plans to double its manufacturing capacity to 50,000 vehicles. With a new brand introduction in 2022, along with the industry's first electric hybrid vehicle in 2023, KTA is on the cusp of a major vehicle replacement cycle as consumers move away from diesel-fuelled vehicles. KTA reduced its guidance for 2021 because of missing chassis. Nevertheless, strong revenue and profitability growth for the next decade make the company an excellent investment. Our financial model is conservative, leaving room for upside if the chip situation resolves sooner than expected. With KTA trading at just 0.7X 2021E enterprise value, the current share price is at an excellent entry point for this industry-leading innovator. We initiate coverage with a Buy rating and a price target of €95.

Industry-leading brand in the leisure vehicle industry Knaus Tabbert manufactures leisure vehicles for the premium segment of the LV industry. The company has a full range of brands across all vehicle types, winning numerous awards for design and function.

Strong competitive position and rising market share Knaus Tabbert has gained market share in each of the last four years, and is now the #2 player in caravans and the #3 player in motorhomes in an industry dominated by 4 major names.

p.t.o.

FINANCIAL HISTORY & PROJECTIONS

	2019	2020	2021E	2022E	2023E	2024E
Revenue (€ m)	780.39	794.59	850.23	890.36	1271.09	1461.75
Y-o-y growth	n.a.	1.8%	7.0%	4.7%	42.8%	15.0%
EBIT (€ m)	45.87	46.56	-12.82	-16.65	59.86	96.54
EBIT margin	5.9%	5.9%	-1.5%	-1.9%	4.7%	6.6%
Net income (€ m)	31.00	30.77	-13.61	-19.86	34.54	60.62
EPS (diluted) (€)	2.99	2.97	-1.31	-1.91	3.33	5.84
DPS (€)	0.00	0.00	1.50	0.00	0.00	0.00
FCF (€ m)	12.13	50.74	-90.32	-110.51	13.38	39.26
Net gearing	88.3%	36.9%	123.5%	273.0%	186.8%	104.5%
Liquid assets (€ m)	7.60	8.94	4.62	4.11	17.49	56.75

RISKS

Supply chain risk, labour risk, economic risk, competitive risk, regulatory risk

COMPANY PROFILE

Knaus Tabbert AG manufactures vehicles for the European leisure vehicle industry. One of the industry's top 3 players, Knaus Tabbert participates in all vehicle segments: caravans, motorhomes, camper vans and luxury motorhomes. The company has 4 manufacturing facilities, with 3 undergoing expansion to keep up with burgeoning demand.

MARKET DATA

As of 1/10/2022

Closing Price	€ 57.00
Shares outstanding	10.38m
Market Capitalisation	€ 591.50m
52-week Range	€ 50.70 / 72.70
Avg. Volume (12 Months)	3,614

Multiples	2020	2021E	2022E
P/E	17.5	n.a.	n.a.
EV/Sales	0.8	0.7	0.7
EV/EBIT	13.7	n.a.	n.a.
Div. Yield	0.0%	2.6%	0.0%

STOCK OVERVIEW



COMPANY DATA

As of 30 Sep 2021

Liquid Assets	€ 10.65m
Current Assets	€ 248.75m
Intangible Assets	€ 16.21m
Total Assets	€ 387.05m
Current Liabilities	€ 228.21m
Shareholders' Equity	€ 128.33m

SHAREHOLDERS

Willem Paulus de Punder	37.6%
Catalina Capital Ptnrs B.V.	25.1%
Caledonia Private Investmt	5.5%
Wolfgang Speck	2.1%
Free Float	29.7%



Enviably strong industry growth The European leisure vehicle industry has experienced strong growth not typically seen at industrial companies. New LV registrations in the European market are up 68.3% since 2015, with compounded annual growth of 12.1% for the last 5 years. In the largest market, Germany, unit sales have doubled since 2016. The growth was in place well before the pandemic, which should assuage investor fears that the 2020 growth trend is a flash that will fade.

Impressive backlog With a backlog of €1.4bn, KTA's manufacturing capacity is fully reserved for 2022 and well into 2023. Demand has been so strong the company has started the work of doubling manufacturing capacity by 2025.

Electric vehicle replacement cycle Knaus Tabbert was the first company in the industry to develop an electric leisure vehicle, of which a concept version was introduced at the 2021 Düsseldorf Caravan Salon. Currently undergoing the approval process within the EU, the vehicle is expected to be on the market after 2023. Electric vehicles have the potential to drive a major vehicle replacement cycle as consumers move away from diesel-fuelled toward hybrid electric ones.

Supply chain issues have temporarily delayed growth The entire LV industry has suffered from a shortage of chassis as well as other components: windows, plywood, heating and air conditioning systems and others. The company has not been able to produce as many vehicles as demanded. Once these supply issues resolve in 2H22, we anticipate a few very strong "catch-up" years in 2023-2024, followed by lower (but still double-digit) growth after 2025.

Undervalued investment opportunity Knaus Tabbert is trading at very low multiples based on EV/Sales (0.7x versus a peer average of 1.1x) and EV/EBITDA (9.5x versus a peer average of 12.6x). We view the company as significantly undervalued. Significant leverage will come with its plant expansion, leading to higher revenues and margin expansion for some years to come. Our price target is €95 with a Buy rating.



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INVESTMENT CASE

Strong Industry Growth Prior to Pandemic

The European leisure vehicle industry has shown accelerating growth that began in 2015. Structural trends include growing popularity of leisure vehicles with younger consumers and families, an increasing preference for local camping stays and more interest in eco-friendly vacations. Investors worried about pandemic-related sales can take comfort from the strong historical growth in place well before the pandemic. Once supply chain issues resolve, we expect Knaus Tabbert to return to double-digit top-line growth.

Backlog of more than €1.4 billion up +189% since 2019

Knaus Tabbert has enough orders that its entire 2022 manufacturing capacity is already reserved, as well as a portion for 2023. If all backlog orders were filled in 2022, the company would show year-over-year revenue growth of more than 50%.

Doubling of manufacturing capacity by 2025

After a significant capacity expansion in 2019, Knaus Tabbert is again in the position of needing more capacity to satisfy burgeoning demand. At the start of 2021, the company had the capacity to manufacture 23,000 vehicles. With a build-up already underway, Knaus Tabbert will be able to manufacture 30,000 vehicles in 2022, increasing to 50,000 by 2025.

Additional revenue opportunities

Knaus Tabbert has gained market share in both caravans and motorhomes during each of the last four years, and is one of the top 3 dominant manufacturers in the European leisure vehicle industry. For 2022, the company plans to roll out a new brand, which should continue KTA's trend of market share gains.

The first leisure vehicle manufacturer to offer an electric leisure vehicle

In 2023, Knaus Tabbert expects to begin delivering electric camper vans to its dealers. The advent of electric vehicles has the potential to start a huge replacement vehicle cycle for the industry. As the first company to offer a fully electric vehicle, Knaus Tabbert will greatly benefit as the industry begins the switch from diesel motors to electric batteries.

Outstanding manufacturing processes and research

Knaus Tabbert leads the industry in innovation. The company uses robotic labour, has developed unique plastic composites, slab insulation, lightweight frames and other materials for its vehicles, and has the most up to date manufacturing processes available, including multi-model assembly lines. A certified training program for assembly workers has allowed the company to attract needed employees in a tight labour market, especially important as the company embarks on a significant capacity expansion.



SWOT ANALYSIS

STRENGTHS

- **Broad product range** Knaus Tabbert has 5 brands with products in each of the industry segments: caravans, motorhomes, camper van conversions and luxury motorhomes. Models are continually refined according to buyer preferences.
- **Excellent name recognition in premier segment** Formed from a combination of 4 separate companies during 1912-2010, Knaus Tabbert's brands are the most well-established in the entire European leisure vehicle industry.
- **Large dealer network** The company has more than 500 dealers in more than 20 EU countries, some of which sell only Knaus Tabbert vehicles. About 200 dealers also participate in the company's Rent and Travel programme for vehicle rentals.
- **State of the art manufacturing** Knaus Tabbert has continually refined its manufacturing capabilities, and is an innovator in process, design and light-weight materials. A training programme for employees has been invaluable in attracting and retaining employees in a tight labour market.
- **Deep management expertise** The company's management has a combined 70+ years of experience in the leisure vehicle industry.

WEAKNESSES

- **Reliance on a few suppliers** The unique requirements of the leisure vehicle industry means there are only a few dedicated suppliers for many components. Shortages from supply chain disruptions lead to an inability to finish vehicles.
- **High capital needs for near-term expansion** Knaus Tabbert has the goal of doubling its manufacturing capacity in the next four years, requiring more than €220m for facilities and equipment. The large sum will require additional debt.
- **Heavy reliance on the German leisure vehicle market** Germany has been the primary growth driver for the entire European LV industry, and Knaus Tabbert is dependent on continued German growth to power sales. If the German market falters, all industry participants including Knaus Tabbert will be affected.

OPPORTUNITIES

- **Market share gains** For four consecutive years, Knaus Tabbert has been one of the few companies to gain market share in both caravans and motorhomes. The company has a huge backlog of €1.4bn, all from individual orders placed through dealers or at caravan trade shows. KTA's Rent and Travel programme is also a source for vehicle sales to both dealers as well as consumers.
- **Doubling of manufacturing capacity by 2025** Knaus Tabbert has more orders for vehicles than it can fill. The company is doubling capacity by 2025, giving it the ability to produce 50,000 vehicles versus 23,300 now. Increasing production will allow the company to show strong sales growth for the next decade.
- **New brand** In the next 12 months, Knaus Tabbert plans to roll out a new brand, which dealers are eagerly awaiting as a way to increase unit sales and expand the pipeline.
- **Advent of electric vehicles** At the recent Düsseldorf Caravan trade show, Knaus Tabbert was the first LV manufacturer in the industry to roll out an electric leisure vehicle. The company has a significant head start in a segment that is expected to drive a significant vehicle replacement cycle in coming years.



THREATS

- **Supply chain issues** The company relies heavily on Fiat for its motorhome chassis, which has had production shutdowns from semiconductor chip shortages. The missing chassis have led to the inability to deliver finished vehicles to dealers. Shortages in windows, components and appliances have also contributed to postponement of dealer deliveries. Sales can be affected well into 2022.
- **Order cancellations** To date, no backlog orders have been cancelled. And since the vehicles tend to be customized when ordered, cancelling isn't actually possible. But if vehicle delivery times are prolonged, dealers might come under pressure to make financial concessions to customers, having an indirect but negative effect on Knaus Tabbert in the form of rising costs.
- **Shortage of campgrounds** Leisure industry growth is heavily dependent on the availability of camping pitches at campgrounds. The growth in unit sales means more and more people are using available campsites, which will at some point reach capacity.

VALUATION

We calculate the fair value of Knaus Tabbert using a discounted cash flow model. Our model estimates free cash flow generated from 2021 to 2035 and discounts these FCFs back to the present value. The model has two phases: The Explicit Period covers the years 2021E-2035E. We have made assumptions on the most important model-relevant parameters (revenues, EBIT, capital expenditures and working capital). Terminal value cash flows cover the period from 2036 onward using a growth rate of 2.0%.

The forecasted cash flows are discounted using a Weighted Average Cost of Capital (WACC) estimate, which is based on the estimated cost of debt and the company-specific cost of equity. The cost of equity estimate is calculated using a capital asset pricing model which adds the risk-free interest rate and the market risk premium and multiplies this sum by the company-specific risk factor. We have assumed the risk-free rate to be 0.2%, based on the long-term rate on government bonds that are considered to be effectively risk-free. The market risk premium is assumed to be 5.0%, based on many financial empirical studies. Our cost of capital is influenced by our 10-factor proprietary risk model, which ranges from 1 (least risky) to 5 (most risky). Knaus Tabbert's risk factor score is 2.26, an above average score for companies of similar size and profile. The company gets high scores for quality of earnings, financial disclosure, management strength and competitive position. Average scores were awarded for corporate governance and regulatory uncertainty; below average points were given for free float of shares. The cost of equity is calculated as $0.2\% + (5.0\% \times 2.26) = 11.50\%$. The cost of debt is assumed to be 4.5%, and the company's tax rate is assumed to be 29.8% throughout, giving an after-tax cost of debt of 3.2%. The company's weighted average cost of capital is 10.12%.

Our discounted cash flow model gives a fair shareholder value of €986m, equating to a stock price of €95. We recommend purchase of the stock at the current level.

DCF MODEL

Figure 1:

DCF valuation model								
All figures in EURm	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E
Net sales	850	890	1,271	1,462	1,664	1,874	2,089	2,303
NOPLAT	-13	-17	46	72	85	98	112	128
+ depreciation & amortisation	18	22	29	32	36	41	45	51
Net operating cash flow	5	5	75	104	121	138	157	178
- total investments (CAPEX and WC)	-95	-113	-50	-53	-87	-95	-103	-110
Capital expenditures	-68	-122	-57	-66	-73	-81	-88	-95
Working capital	-27	9	7	12	-14	-14	-14	-14
Free cash flows (FCF)	-90	-107	25	51	34	43	55	69
PV of FCF's	0	-98	20	38	23	27	31	35

All figures in EURm	
PV of FCFs in explicit period (2021E-2035E)	403
PV of FCFs in terminal period	629
Enterprise value (EV)	1,032
+ Net cash / - net debt	-46
+ Investments / minority interests	0
Shareholder value	986

Fair value per share in EUR	
	95

WACC		Terminal growth rate						
		0.5%	1.0%	1.5%	2.0%	2.5%	3.0%	3.5%
6.1%	Cost of equity	216.42	226.45	238.66	253.83	273.20	298.77	334.12
7.1%	Pre-tax cost of debt	169.24	174.83	181.43	189.31	198.90	210.81	226.02
8.1%	Tax rate	135.49	138.73	142.46	146.81	151.92	158.03	165.47
9.1%	After-tax cost of debt	110.40	112.32	114.49	116.96	119.81	123.12	127.02
10.1%	Share of equity capital	91.19	92.33	93.60	95.03	96.65	98.50	100.62
11.1%	Share of debt capital	76.13	76.80	77.55	78.37	79.29	80.33	81.50
12.1%		64.10	64.49	64.91	65.37	65.88	66.45	67.09
13.1%		54.34	54.54	54.77	55.01	55.28	55.58	55.90

* for layout purposes the model shows numbers only to 2028, but runs until 2035

LEISURE VEHICLES

VEHICLE TYPES

A recreational or leisure vehicle (LV) is like a small apartment on wheels. Most LVs have a bathroom, a kitchen and one or more sleeping areas. There are four basic types of LVs: caravans, motorhomes, camper vans and luxury (jumbo) motorhomes. Caravans, motorhomes and camper vans segments are further subdivided into budget, premium and luxury price points. Leisure vehicles of 3,500kg or less can be driven with a regular Class B driver's license. Anything above 3,500kg requires a Class C license, which is a commercial driving license for trucks. There is no equivalent license for private individuals, so anyone wanting to purchase an LV over 3,500kg must become Class C certified. Luxury motorhomes are mostly over the weight limit, and can go as high as 18,000kg. Most buyers will purchase a vehicle under the 3,500kg limit. This means that the largest caravans and non-luxury motorhomes have limits on the optional equipment that can be installed, since having one's entire option wish list fulfilled usually puts the vehicle over the weight limit.

Most LVs have electrical, water and plumbing systems. Lighting, kitchens (refrigerators, cooktops), heating and air-conditioning systems, water pumps for showering and other functions require electricity to operate, another factor that drives the decision on where to stay. Almost all LVs have a battery and/or gas propane system that allows them to operate "off the grid" for a limited amount of time. Longer stays at campgrounds or in the wild require that the battery be charged or that the LV connect directly to an electrical source. Not all campgrounds have the required electrical voltage or waste stations needed for a lengthy stay or to run voltage-hungry appliances such as refrigerators or AC systems.



Caravans

Caravans are recreational vehicles without motors that are towed by another vehicle. The sizes range from very small (519cm X 201cm) to very large (865cm X 250cm). The longer profile requires a larger pitch size to accommodate both the caravan as well as the towing vehicle. Some countries have an infrastructure that favors tent camping, meaning that there is limited space for larger caravans. Buyers of large caravans often place their units on permanent rental spaces, turning the unit into an affordable second home.



Motorhomes

These vehicles are basically a van engine with a living area attached to the chassis. The category is further subdivided into semi-integrated (same cabin as in the standard base vehicle), alcove (extra sleeping area above the driver), and fully integrated (a full motorhome). Motorhomes vary in size from 517cm to 201cm to 1027cm X 250cm. All of these LVs come with kitchens, bathrooms and one or more sleeping areas.



Camper Vans

This is the fastest growing category in the LV market. Camper vans are usually smaller than caravans and motorhomes, with sizes ranging from the smallest at 541cm X 205cm to a large model at 684cm X 204cm. The option of having a pop-out roof significantly expands the number of sleeping berths, giving a sleeping capacity comparable to a motorhome or caravan. Masterful interior space planning gives a functional kitchen and bathroom. The vehicle is small enough to be driven for city trips and can be parked in multi-story car parks. The smaller footprint also allows the vehicle to be used in campsites with small pitches. For a buyer that wants a vehicle for camping as well as everyday use, a camper van is the best choice.



Luxury Motorhomes

Luxury motorhomes range in size from 7.81m X 2.35m to as large as 11.99m X 2.55m, and with weight ranging from 5,800kg to 18,000kg. Being over the weight limit of 3,500kg, these jumbo vehicles are not limited in options as are vehicles straining to stay under 3,500kg. Luxury motorhomes are sufficiently large that the garage can literally hold a small automobile. These vehicles are niche offerings bought by corporate executives, rock stars on tour, by those in certain occupations such as traveling carnival workers and others who can afford the hefty price tag, which can exceed €600,000.

KNAUS TABBERT PROFILE

With a rich history going back to 1912, Knaus Tabbert is a long-time participant in the leisure vehicle industry. The company had its initial public offering (IPO) on 23 September 2020. Knaus Tabbert has five major brands: **Knaus**, **Tabbert**, **T@B**, and **Weinsberg** in the premium segment, and **Morelo**, the company's brand in the luxury motorhome market. While the leisure vehicle industry has a budget category, Knaus Tabbert participates only in the premium and luxury segments. The premium segment has a range of price points, with each brand targeting a particular customer type. The company has four manufacturing sites in Germany with expansion plans at three of them.

The trend in consumer preferences has been for more variety in layouts, optional features, fabrics and storage options. Families want different layouts than retirees or singles, and Knaus Tabbert has customisation to satisfy multiple customer segments. Our table below shows the wide range of Knaus Tabbert brands and the models within each brand.



Figure 2: Knaus Tabbert Family of Brands

Vehicle Type	Models	# of Lay-outs	Size Range of Models Length X Width	Weight Range	Price Range w/o Options
KNAUS					
Caravans	Deseo	1	599cm X 230cm	1500kg	from €24,590+
	Sport	3	605cm X 232cm to 865cm X 250cm	1100kg to 2000kg	from €16,790+
	Sport&Fun	1	625cm X 232cm	1300kg	from €18,690+
	Südwind	1	647cm X 232cm to 865cm X 250cm	1300kg to 2000kg	from €21,190+
Motorhomes	Van TI	3	599cm X 220cm to 696cm X 220cm	3500kg	from €54,990+
	Van TI Plus	2	699cm X 220cm to 747cm X 220cm	3500kg	from €66,990+
	L'Ve TI	4	644cm X 232cm to 752cm X 232cm	3500kg	from €58,550+
	Sky TI	3	696cm X 232cm to 750cm X 232cm	3500kg	from €69,550+
	L'Ve Wave	5	698cm X 232cm to 752cm X 232cm	3500kg	from €62,890+
	Sky Wave	3	698cm X 232cm to 752cm X 232cm	3500kg	from €71,390+
	Van I	2	596cm X 220cm to 700cm X 220cm	3500kg	from €67,850+
	L'Ve I	3	697cm X 232cm to 859cm X 232cm	5000kg	from €66,990+
	Sun I	3	765cm X 234cm to 882cm X 234cm	5000kg	from €114,250+
Camper Vans	Boxstar 540	1	541cm X 205cm	3300kg	from €48,850+
	Boxstar 600	4	599cm X 205cm	3300kg to 3500kg	from €52,450+
	Boxstar 630	1	636cm X 205cm	3500kg	from €56,090+
	Boxstar XL	2	599cm X 205cm	3500kg	from €59,190+
	CUV pop-up roof	7	541cm X 205cm to 599cm X 205cm	3300kg	from €48,850+
	Boxdrive	1	684cm X 204cm	3500kg	from €66,890+
	Boxdrive XL	1	598cm X 204cm	3500kg	from €73,470+
	Boxlife 540	1	541cm X 205cm	3300kg	from €50,950+
	Boxlife 600	3	599cm X 205cm	3300kg to 3500kg	from €54,690+
	Boxlife 630	1	636cm X 205cm	3500kg	from €58,290+
	TABBERT				
Caravans	Rossini	7	669cm X 230cm to 831cm X 250cm	1400kg to 2000kg	€21,290 to €28,860
	Rossini Fin. Edition	7	669cm X 230cm to 831cm X 250cm	1700kg to 2500kg	€23,999 to €31,499
	Da Vinci	9	604cm X 230cm to 948cm X 250cm	1400kg to 2300kg	€21,490 to €35,550
	Vivaldi	9	694cm X 230cm to 894cm X 250cm	1600kg to 2200kg	€27,150 to €36,390
	Puccini	6	790cm X 230cm to 948cm X 250cm	1800kg to 2500kg	€35,550 to €45,890
Cellini	2	936cm X 250cm to 1027cm X 250cm	2500kg to 3500kg	€65,990 to €85,390	
WEINSBERG					
Caravans	CaraOne	11	593cm X 220cm to 761cm X 250cm	1100kg to 1500kg	€12,450+
	CaraCito	5	593cm X 220cm to 719cm X 232cm	1100kg to 1350kg	€11,790+
Semi-Integrated Motorhomes	CaraCompact	2	675cm X 220cm	3500kg	from €58,350+
	CaraCompact Pepper	2	675cm X 220cm	3500kg	from €57,999+
	CaraLoft	3	645cm X 232cm to 699cm X 232cm	3500kg	from €53,990+
Semi-Integr., Pull Down Bed	CaraSuite	3	699cm X 232cm to 741cm X 232cm	3500kg	from €57,780+
Alcove Motorhomes	CaraHome	4	597cm X 230cm to 699cm X 230cm	3500kg	from €51,790+
Fully Integrated Motorhomes	CaraCore	3	699cm X 232cm to 741cm X 232cm	3500kg	€62,520+
Camper Vans	CaraBus	7	541cm X 205cm to 636cm X 205cm	3300kg to 3500kg	from €43,850+
	CaraTour	7	541cm X 205cm to 636cm X 205cm	3300kg to 3500kg	from €44,360+
	CUV pop-up roof	10	541cm X 205cm to 636cm X 205cm	3300kg to 3500kg	from €43,850+
	CaraOutlaw	2	636cm X 205cm	3500kg	from €50,780+
T@B					
Caravans	Basic T@B 320	1	517cm X 201cm	620kg	from €11,470+
	Basic T@B 400	1	597cm X 225cm	910kg	from €20,350+
	Mexican Sunset T@B 320	1	517cm X 201cm	620kg	from €12,567+
	Mexican Sunset T@B 400	1	597cm X 225cm	910kg	from €21,781+
	Metropolis T@B 320	1	517cm X 201cm	620kg	from €12,567+
	Metropolis T@B 400	1	597cm X 225cm	910kg	from €21,781+
	Offroad T@B 320	1	517cm X 201cm	620kg	from €14,950+
MORELO					
Luxury Motorhomes	Home	3	7.81m X 2.35m to 8.21m X 2.35m	5800kg	from €167,300+
	Loft	8	8.28m X 2.35m to 9.08m X 2.35m	7490kg	from €193,500+
	Loft Liner	5	8.28m X 2.40m to 8.65m X 2.40m	7490kg-10000kg	from €232,850+
	Palace	7	8.69m X 2.40m to 9.54m X 2.50m	7490kg	from €234,350+
	Palace Alcove	5	8.07m X 2.40m to 9.99m X 2.40m	7490kg	from €222,850+
	Palace Liner	17	8.69m X 2.50m to 11.28m X 2.50m	10,000kg to 11,990 kg	from €283,750+
	Empire Liner	12	9.65m X 2.55m to 11.99m X 2.55m	11,900kg to 18,000kg	from €405,800+
Grand Empire	custom	10.45m X 2.55m to 11.99m X 2.55m	18,000kg	from €635,700+	

Source: First Berlin Equity Research, Knaus Tabbert AG

BRANDS



The *Knaus* brand targets the upper tier of the premium segment. It is an all-around brand that offers caravans, motor homes and camper vans, each with a multitude of layouts and sizes. The Knaus buyer wants more space and comfort than found in the lower end of the premium range, and these tend to be younger retirees or upper-income families.

Awards:

2020 European Innovation Award: Winner, Overall Concept Motorhome

2021 König Kunde Awards: 3rd place Overall, 3rd place Customer Loyalty, 2nd Price/Performance, 3rd place Quality, 2nd place Travel Comfort, 3rd place Living Comfort

2021 Auto Zeitung: Winner Semi-Integrated category (Van TI Vansation)

2021 AutoBild: 2nd place "Das Goldene Reisemobil" (Van Ti 550 MF Vansation, SUN I 900 LEG)



The *T@B* brand is KTA's smallest, offering just four models of the iconic egg-shaped caravan that was the basis of the Knaus company's first product. These KTA caravans do not have kitchens or bathrooms, and are differentiated in their brightly-coloured exteriors. The target customer is a young, sporty millennial individual or couple.

Awards:

Caravan & Motorhome Club 2018: Winner, Lightweight Leisure Trailer Award

TABBERT

B e w e g e n d e M o m e n t e

Tabbert offers only caravans, and targets the highest price segment of the premium range. The target consumer is an older retiree who wants the ultimate in caravan luxury. The models within the Tabbert brand are named after opera composers, artists and musicians, a nod to the buyer's sophistication. Options including fabrics, cabinets, lighting and technology are the most luxurious in the caravan segment.

Awards:

2021 König Kunde Awards, Caravan Category: Winner for: Overall, Design, Quality, Travel Comfort, Living Comfort; 2nd Place Awards for: Service, Customer Loyalty/Retention, Garage; 3rd Place Award for: Cost/Performance; Special Awards for: High Safety Standards, Fan Contact, Exclusive Models, Innovation,

WEINSBERG

Dein Urlaub!

Weinsberg, like Knaus, offers caravans, motorhomes and camper vans, with the greatest selection of motorhomes within the Knaus Tabbert brand family. The price point for Weinsberg is the lower end of the premium price segment, making it a popular choice for families who are seeking maximum features at the lowest price.

Awards:

2020 Golden Motorhome Reisemobil Awards: Winner, Overall (Edition Pepper), Caravan of the Year (CaraOne), 2nd Place, Caravan of the Year (CaraTwo), 2020 ProMobil Awards: 2nd Place Best Alcove Motorhome <€50K (CaraCore), 2nd Place, Motorhomes <€80K (CaraCore)



MORELO

Morelo is Knaus Tabbert's offering in the Luxury Motor Home segment. Interiors are the ultimate in luxury. These mammoth vehicles are not limited in their options, and prices can exceed €650,000.

Awards:

2021 König Kunde Awards, Luxury Motor Home Category:
Winner for: Overall, Service, Price/Performance
Special mention for Innovation, Exclusive Models, Social Media Presence,

Sales by Brand

Our table below shows the company's unit sales by brand for 2017-2020. White label is the category of vehicles produced for other manufacturers. The year 2020 was a tough year for Knaus Tabbert, with six months of lockdown in Germany during which dealers were closed. The company also suffered from a 60% drop in attendance at industry trade shows that are key contributors to vehicle orders. Yet, despite a 5.4% drop in total units sold, Knaus Tabbert still managed to grow 2020 revenue by 1.8% (€794.6m in 2020 versus €780.4m in 2019). Growth came from a higher price per unit as motorhome sales helped the top line. This is an important trend that investors should not overlook. As consumers move away from caravans (average Knaus Tabbert sales price of €22,500) to motorhomes (average Knaus Tabbert sales price of €35,000) and camper vans (average Knaus Tabbert sales price of €50,000), the company can still show strong revenue growth and margin expansion.

**Figure 3: Knaus Tabbert Units Sold by Brand 2017-2020**

Knaus Tabbert Unit Sales by Brand				
Brand Name	2017	2018	2019	2020
Knaus	10,364	10,838	11,469	10,940
Tabbert	2,925	3,912	3,832	3,287
T@B	400	657	495	326
Weinsberg	6,237	7,862	8,871	8,813
Morelo	334	383	422	452
White Label	541	939	640	531
Total	20,801	24,591	25,729	24,349

Yr/Yr % Change	2017	2018	2019	2020
Knaus	n/a	4.6%	5.8%	-4.6%
Tabbert	n/a	33.7%	-2.0%	-14.2%
T@B	n/a	64.3%	-24.7%	-34.1%
Weinsberg	n/a	26.1%	12.8%	-0.7%
Morelo	n/a	14.7%	10.2%	7.1%
White Label	n/a	73.6%	-31.8%	-17.0%
Total	n/a	18.2%	4.6%	-5.4%

Source: First Berlin Equity Research, Knaus Tabbert AG

THE INDUSTRY'S FIRST ELECTRIC VEHICLE

Electric motorhomes must offer a long driving range and a payload similar to internal combustion engines. Electric motorhomes can't be any heavier or more expensive than fuel-powered vehicles. A battery with enough kilowatts to fully power a leisure vehicle is heavier than a diesel-powered motor, which makes it difficult to remain under the weight limit of 3,500kg for a Class B driving license. Electric batteries therefore are smaller than is optimal with a range of only 100-150km, requiring frequent charging when traveling long distances. Consumers have shown little desire for the frequent stops required for small LV batteries. At the Düsseldorf Caravan Salon in September 2021, Knaus Tabbert introduced the industry's first electric motorhome - a hybrid with an electric motor combined with a range extender. The latter device is a small internal combustion engine that functions as a generator for the electric battery. The combustion engine (which requires fuel) never directly drives the van's wheels, leading to less fuel consumption and making it an eco-friendly option. The system is modular, meaning the combustion engine can be swapped for future engines using alternative fuels. Using just the battery, the LV will have zero emissions for up to 90km. The range extender allows the vehicle to travel 600km without stopping for refueling or a battery charge. The electric motorhome is undergoing the approval process to allow its operation within the EU, and is expected to be ready for production by 2023. The company's goal is to have an electric option for all of its brands.

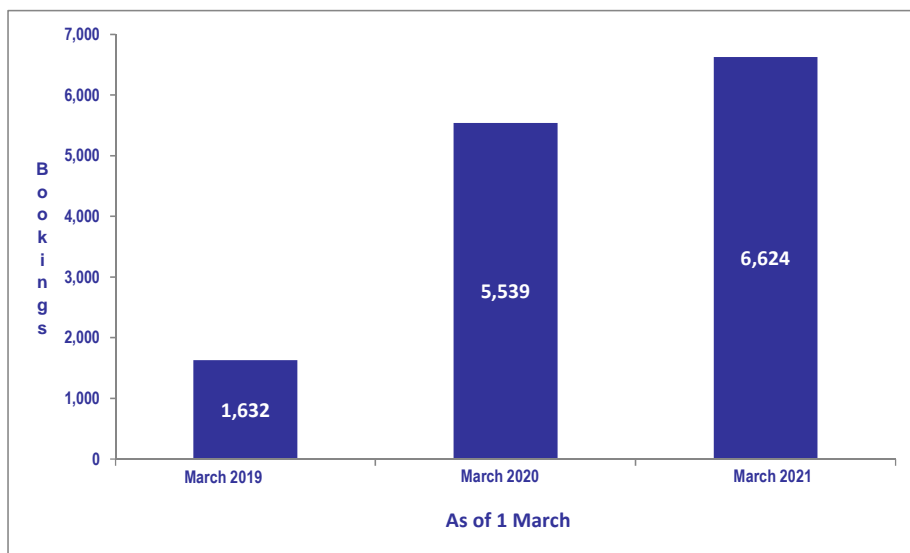
Knaus Tabbert is not just focusing on electric vehicles, but wants to provide a variety of eco-friendly options to buyers. The company has devoted a great deal of research to light weight materials for vehicles that then require less fuel to operate. For caravans, Knaus Tabbert has developed a "recuperative axle" that charges while driving. Since caravans do not have motors, this charges the battery for interior operations (refrigerator, lighting, etc), giving the caravan more flexibility in choice of campgrounds. The company hopes to provide the axle on all of its caravan models. Another product of the company's R&D is the Weinsberg Caracito gas-free caravan, for which all interior functions run on batteries rather than electricity or propane gas canisters.



RENT AND TRAVEL

Rent and Travel® is a recent programme established by Knaus Tabbert that allows customers to rent a recreational vehicle through one of its dealers. Customers who rent LVs are a completely new customer group which is heavily weighted to those aged 35 and younger. Rent and Travel has a website called www.rentandtravel.de (also available as a phone app) that allows the customer to book a recreational vehicle through a dealer based on city, desired vehicle size and length of rental. Rent and Travel is available in most European countries. The rental vehicles are owned by the dealers, and they benefit from the rental income. In addition to dealers, Knaus Tabbert has relationships with more than 350 travel agencies that book vehicles for their customers. As of 30/9/2021, there were around 2,500 Knaus Tabbert rental vehicles available through approximately 180 dealers. Bookings growth has been very promising, with double-digit growth for the last two years. The bar chart below shows bookings at 1 March during the past three years.

Figure 4: Bookings Through Knaus Tabbert’s Rent & Travel Programme

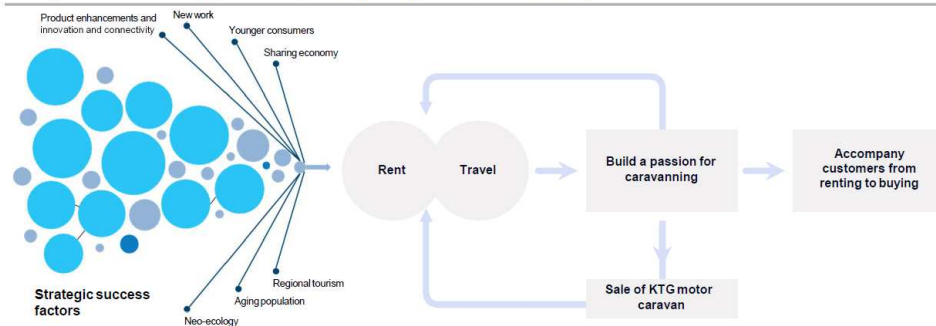


Source: First Berlin Equity Research, Knaus Tabbert AG

Knaus Tabbert views the rental programme as a bridge to eventual ownership. Renting is appealing to first-time users who are not sure if they want to purchase a vehicle. The programme has been sufficiently popular that renters must book far in advance to secure the vehicle of their choice during popular vacation periods. This in turn leads to dealer orders for a well-rounded fleet of rental vehicles and has been a two-pronged driver of sales – dealers as well as consumers. The figure below shows how consumers with varying reasons for renting a caravan eventually arrive at a purchase decision.

Figure 5: A Path to Purchase

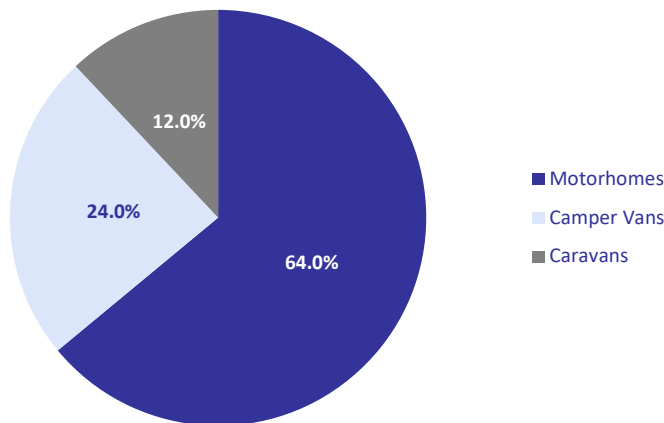
RENTING A MOTOR CARAVAN IS OFTEN THE PRELIMINARY STAGE TOPURCHASE



Source: Knaus Tabbert AG

Motorhomes and camper vans are preferred as rental vehicles over caravans, which require a vehicle with a hitch for towing. The figure shows that nearly 90% of renters opt for motorized vehicles.

Figure 6: Rentals by Vehicle Type, 2020



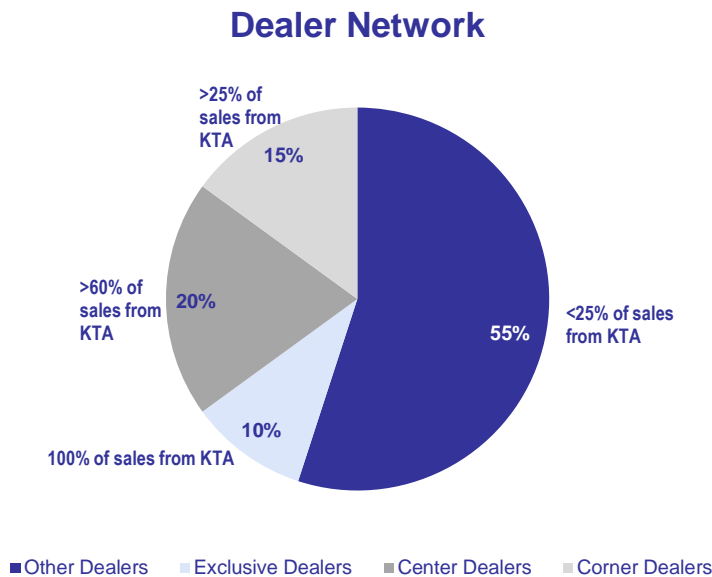
Source: First Berlin Equity Research, Knaus Tabbert AG

DEALER NETWORK

Knaus Tabbert has more than 500 dealers in 20 countries. Approximately 25% of the dealers are in Germany, the company’s largest market. The CAPP (Caravanning Partnership Programme) supports dealers with marketing materials, sales promotions, training and customer loyalty incentives. Before stepping into the dealer showroom, a customer will typically attend a caravanning trade show or spend time on the manufacturer’s website looking at available options. The dealers are the key component in Knaus Tabbert’s drive to gain market share. Knaus Tabbert provides a guarantee for dealer financing of vehicle purchases. This keeps receivables low and contributes to a positive cash flow cycle. It does, however, come with the risk of potential bankruptcies among its dealers, an event which is seen as unlikely given the current strong sales trends in the industry. The figure below shows the percentage of sales from each dealer category.



Figure 7: Percentage of Sales by Dealer Type



Source: Knaus Tabbert AG

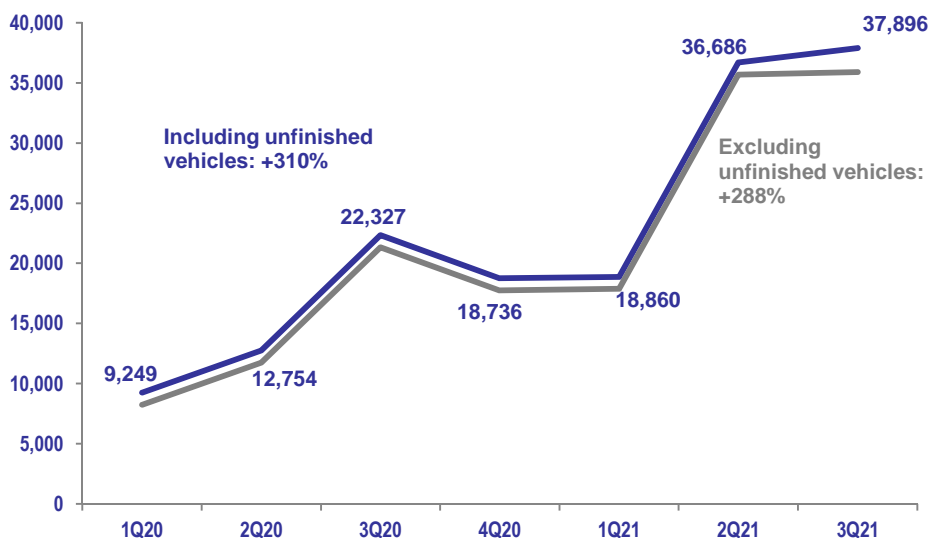
CARAVAN SALONS

Caravan salons, or trade shows, are a very important sales and marketing tool for the LV industry. There are numerous regional salons throughout Europe, but the biggest by far is the Düsseldorf Caravan Salon. In 2019, the tradeshow attracted more than 270,000 visitors. The 2020 Salon had just 107,000 visitors due to the pandemic - a drop of 60%. In 2021, 250,000 visitors braved anti-corona measures to see the industry’s best LV offerings. At the salons, potential customers have the opportunity to compare models from every LV manufacturer, and can place orders directly on the showroom floor. Knaus Tabbert generates as much as 10% of its annual vehicle orders from the Düsseldorf Salon alone. Other important tradeshows are the Paris Salon, which attracts from 100K-110K visitors annually, as well as the Parma (Italy) salon (60K+). With its 5 brands, Knaus Tabbert usually has more floor space than any other manufacturer.

ORDER BACKLOG

Our graph below shows that orders for Knaus Tabbert vehicles have continued to accelerate into 2021. Dealers have indicated that many consumers rushed to place orders by year-end 2020 because of the reduced pandemic-related Value-Added Tax of 16% versus the normal rate of 19%. These orders are included in the 18,736 figure for year-end 2020. However, the VAT returned to a normal level on 1 January 2021, and vehicle orders have continued the strong trend in each of the three quarters in 2021. The company has indicated that about 2,000 vehicles in the backlog are unfinished due to supply-chain related. If the 2,000 vehicles are removed from the backlog, the upward trend is still incredibly strong. This should assuage fears that growth will fall off trend once the pandemic ends.

Figure 8: Knaus Tabbert Order Backlog 2019-2021YTD



Source: First Berlin Equity Research, Knaus Tabbert AG

MANUFACTURING CAPABILITIES

Knaus Tabbert has four manufacturing facilities: three in Germany (Jandelsbrunn, Mottgers and Schlüsselfeld) and a plant in Nagyoroszi, Hungary. At the end of 2020, the facilities were able to produce approximately 23,400 vehicles per year. The backlog at the end of 2020 was 18,736 vehicles, a figure which has more than doubled to 37,896 at the end of the Q3/21. Since a large number of orders tend to be placed during the European Caravan Salon season from April to October, some of the increase is expected, but a doubling obviously exceeds the company's production capacity. Knaus Tabbert has begun a significant expansion of its Jandelsbrunn and Nagyoroszi plants, bringing capacity to a current level of 30,000 vehicles. Additional investment will bring capacity to 50,000 by 2025. The cost of the expansion will be €350 million, of which €220m will be directly used for construction and hiring. The remaining €130m will be for rationalisation of assets, in-house development, tool replacement and purchase of rental vehicles for the company's two owned dealerships. Expansion plans include the construction of two new van assembly lines, new furniture shops at both Jandelsbrunn and Nagoroyzi, a new plywood storage area and a new logistics centre to coordinate finished vehicle transport.

Figure 9: Knaus Tabbert Production Capacity

KNAUS TABBERT MANUFACTURING SITES				
Site	Vehicle Brands Produced	Production Capacity		
		2020	2021	2025
Germany:				
Jandelsbrunn	Knaus & Weinsberg caravans & motorhome	11,500	14,000	23,000
Schlüsselfeld	Morelo jumbo luxury motorhomes	440	440	1,000
Mottgers	Knaus & Tabbert caravans	3,800	3,800	5,000
Hungary:				
Nagyoroszi	Knaus, Weinsberg & T@B caravans	7,700	11,500	21,000
	Weinsberg motorhomes, camper vans			
	Knaus camper vans			
Total Vehicle Production Capacity		23,440	29,740	50,000

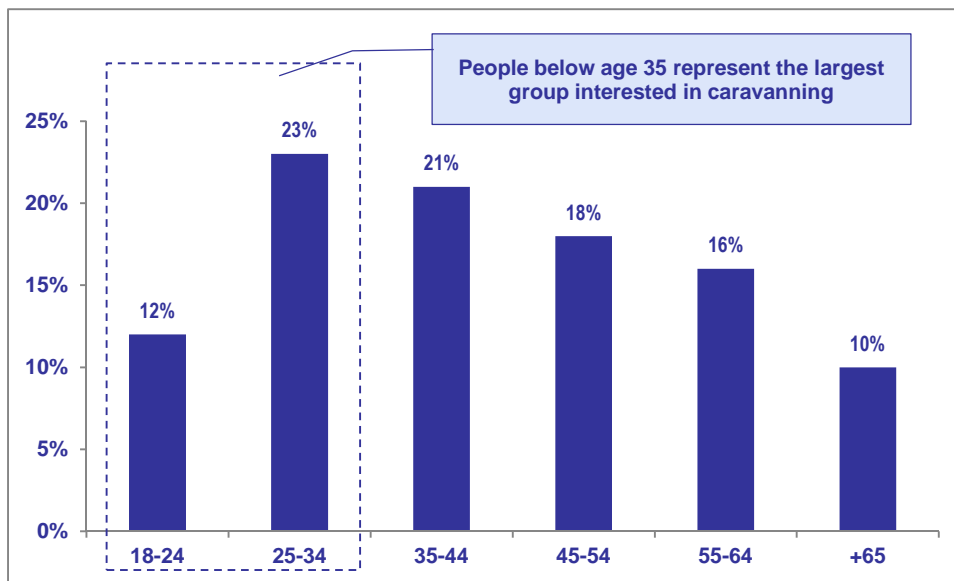
Source: First Berlin Equity Research, Knaus Tabbert AG



The manufacturing area is often overlooked by investors. In our view, well-executed manufacturing capabilities are an essential skill set that confers a competitive advantage for an industrial company. We divide manufacturing competencies into materials, process and labour. Knaus Tabbert excels in all three. Of special importance is the company's competence in lightweight materials for leisure vehicles. LVs are heavy and need adequate structural support, which historically has meant using heavy metal components. Recent advances in materials engineering have enabled Knaus Tabbert to develop glass reinforced plastic composites that are lightweight yet strong. Pieces are stackable and easily assembled, shortening assembly times and storage requirements. Other developments include huge insulation slabs made in house that would otherwise not be of a size for shipping. Cutting a large slab into the shapes needed to insulate LVs is much more economical, with less waste and lower costs. Knaus Tabbert has also developed a special lightweight metal caravan frame that is unique to the industry, again with the aim of making the vehicles lighter. And lighter vehicles require less fuel to operate. The use of robots for some assembly tasks has lowered the injury rate as well as personnel costs. Multi-line assembly processes allow different models to be assembled on the same line. In the last two years, KTA has initiated the *Knaus Tabbert Academy* to train workers in woodworking and vehicle electronics assembly. The multi-year training programme has received an official approved training designation from the German Federal Ministry for Vocational Training and Research (Bundesministerium für Bildung und Forschung), and enrolls about 20 new trainees annually with a full group of 70 trainees. The training programme allows KTA to hire less skilled individuals (who are in more abundant supply than fully-trained hires) and bring the less-skilled up to a higher level. In addition, KTA also offers advanced training and certificates for manual as well as salaried employees to aid in career advancement at the company. These programmes have been valuable tools in attracting and training labour in a tight hiring market for manual workers.

LEISURE VEHICLE MARKET

The leisure vehicle market had its start in Germany, but almost all European countries have campgrounds for tents, caravans or motorhomes. Industry growth drivers include the vehicles themselves, which allow "camping" with a high degree of comfort. As the number of available LV options has expanded, so has consumer interest. Families are the biggest purchaser of leisure vehicles, but the LV rental programmes are introducing a new generation of customers, mostly young and single, to the attractions of camping. A push to more eco-friendly vacations and getting closer to nature is another major factor in increasing sales (source: CIVD). The aging population of baby boomers, while not the biggest purchaser of LVs, equates to more buyers by increasing the base of >65 individuals. And finally, having adequate electricity and water at campgrounds is an important factor driving the purchase decision in some countries. The figure shows that 35% of those interested in caravanning are less than 35 years of age.

Figure 10: Caravanning Interest by Age Group

Source: Knaus Tabbert AG, Study done by GfK for CIVD (2019)

CAMPGROUNDS

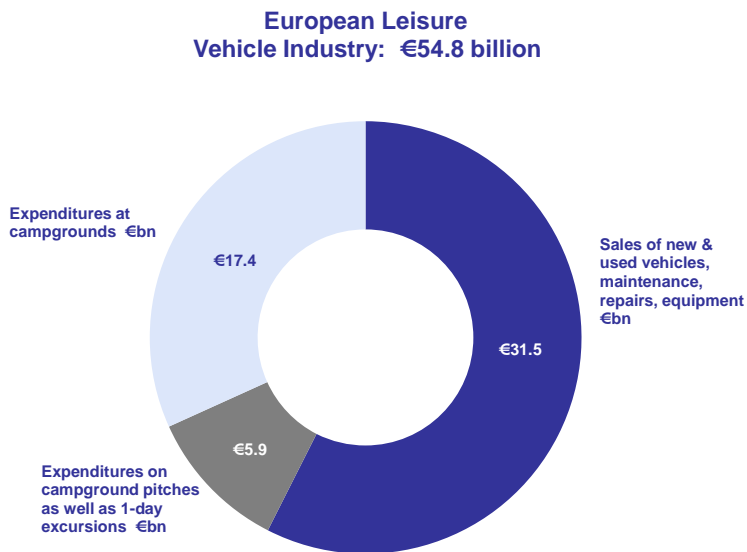
Leisure vehicles are typically used at campgrounds, which are mostly privately-owned plots set up for an outdoor vacation. These campgrounds have individual areas for LVs called “pitches” which can be rented on a short-term or long-term basis. Almost all campgrounds have basic toilet facilities as well as shower areas and water outlets. Campgrounds vary in the provision of electricity and the availability of waste disposal areas. While some campgrounds are open year-around, others are open only in the spring and summer months. Regulation varies by country with no standard that exists across the EU. Campers pay for the pitch by the night, for a season or indefinitely, with extra charges for electricity, water, gas, WiFi and the family pet. Campgrounds usually have other equipment for rent such as awnings, beach chairs, recreational equipment such as bicycles, kayaks, etc.

Campgrounds are often close to a body of water, and many have additional amenities (children’s playgrounds, recreational fields, private beaches, laundry facilities, etc). A driving factor for LV growth is the availability of electricity and potable water at almost all sites, along with WiFi for internet access. A large LV can function as a home away from home with cooking facilities, television, internet access, heating, air conditioning, etc., all of which require electricity to fully operate as intended. As mentioned previously, batteries can power the LV for a certain period, but batteries eventually require charging. Having an electrical source nearby allows the camper to recharge without leaving the campground. Another factor favoring the purchase of leisure vehicles is having pitches that are of a size that can accommodate larger caravans and motorhomes. The largest vehicles need plenty of space on access roads or corridors so they can be backed into the pitch, which must be at least 100m². The pitch must also be large enough to accommodate both a caravan as well as the towing vehicle. Many countries have campgrounds originally set up for tent camping, and pitches are small and lack electricity. Without these amenities, we believe LV sales are limited for those locations. And indeed, where the camping infrastructure includes all factors that favor larger caravans and motorhomes, the growth significantly exceeds growth in countries without it. As a sales driver, we believe additional amenity-rich campgrounds are needed to satisfy the underlying demand for a vacation that brings people closer to nature.

SIZING UP THE EUROPEAN LEISURE VEHICLE MARKET

The German Caravanning Industrie Verband e.V. (CIVD) has estimated that the size of the European leisure vehicle market was €54.8 billion in 2019. Revenue generated is not just from vehicle sales. Campers spend significant sums on pitch rental, amenity purchases such as kayak rentals, awnings, beach chairs, one-day excursions in the vicinity of the site as well as ancillary costs of ownership (maintenance, repairs and accessory purchases). Our figure below shows the contribution to the whole from the spending categories.

Figure 11: Value of European LV Market, 2019

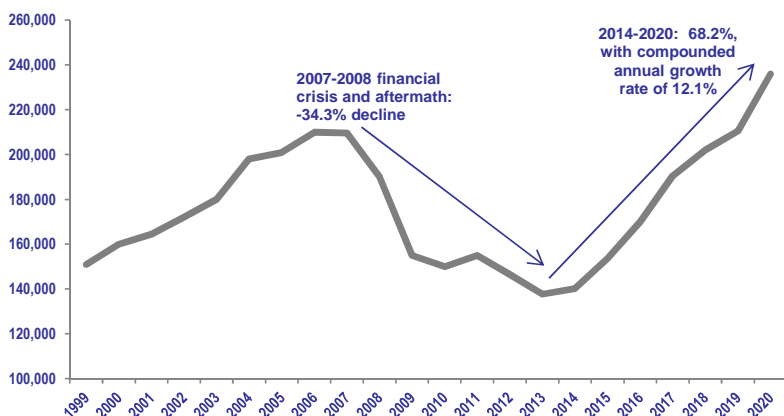


Source: First Berlin Equity Research, CIVD

While some investors have hesitated to invest in leisure vehicle companies, believing that the spike in motorhome orders in 2020 was a fluke, the industry has been growing at a double-digit rate since 2015. Our graph below shows total European new vehicle registrations from 1999 to 2020. As can be seen, the industry is very sensitive to economic growth. There was a pronounced fall-off in sales starting with the 2007-2008 financial crisis, from which the industry struggled to recover. With falling GDP throughout Europe, coaxing customers to buy LVs during that period was difficult. By 2014, the negative sales trend had bottomed and reversed. Total industry growth since 2014 is up 68%, with a compounded annual growth rate of 12.1%.



Figure 12: European Leisure Vehicle New Registrations by Year



Source: First Berlin Equity Research, CIVD

Figure 13: European Leisure Vehicle Market 2016-2020

New Caravan Registrations	EUROPEAN CARAVAN MARKET					New Motorhome Registrations	EUROPEAN MOTORHOME MARKET				
	2016	2017	2018	2019	2020		2016	2017	2018	2019	2020
Germany	19,748	22,702	24,327	26,941	29,148	Germany	35,135	40,568	46,859	53,922	78,055
France	7,745	8,128	8,124	7,728	7,080	France	19,698	21,333	23,878	23,776	24,961
Norway	2,607	2,883	2,779	2,725	2,460	United Kingdom	12,332	14,062	14,691	15,342	12,613
United Kingdom	23,371	24,033	20,480	18,266	15,098	Sweden	5,321	6,405	7,212	4,147	4,011
Sweden	3,487	3,440	3,349	3,293	3,613	Italy	4,263	5,101	6,157	6,092	6,515
Italy	745	764	773	777	514	Switzerland	4,042	4,516	4,460	5,345	6,731
Switzerland	1,573	1,637	1,659	1,584	1,562	Belgium	3,866	4,110	4,613	5,007	5,437
Belgium	1,107	1,157	1,177	1,195	1,145	Spain	2,675	3,953	4,857	5,977	6,149
Spain	1,401	1,767	1,829	2,217	1,688	Norway	3,052	3,630	4,166	3,590	3,384
Netherlands	6,149	6,716	6,631	7,034	6,948	Netherlands	1,328	1,751	1,994	2,099	2,449
Finland	545	652	681	783	870	Finland	1,171	1,390	1,573	1,727	1,984
Austria	805	940	956	980	998	Austria	1,118	1,230	1,480	1,704	2,969
Denmark	2,457	2,322	2,358	2,551	2,875	Denmark	240	347	592	764	1,298
Slovenia	117	105	141	138	119	Slovenia	127	230	278	380	311
Portugal	105	76	57	104	49	Portugal	105	219	252	282	309
Luxembourg	36	71	77	59	48	Luxembourg	171	194	217	237	321
Other	1,552	1,645	1,618	1,658	1,682	Other	1,684	1,730	1,771	2,105	2,529
Total EU	73,550	79,038	77,016	78,033	75,897	Total EU	96,328	110,769	125,050	132,496	160,026
Yr/Yr % Change		7.5%	-2.6%	1.3%	-2.7%	Yr/Yr % Change		15.0%	12.9%	6.0%	20.8%
EU without Germany	53,802	56,336	52,689	51,092	46,749	EU without Germany	61,193	70,201	78,191	78,574	81,971
Yr/Yr % Change		4.7%	-6.5%	-3.0%	-8.5%	Yr/Yr % Change		14.7%	11.4%	0.5%	4.3%

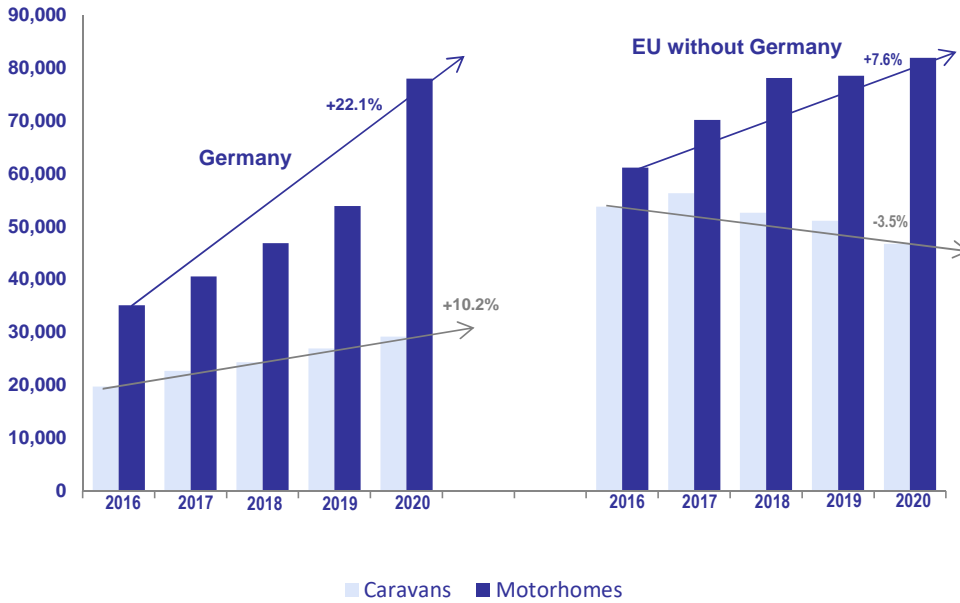
Source: First Berlin Equity Research, CIVD Annual Report 2020

The growth in the European market has been driven by Germany. LV sales in other European countries have been in the low-single digit range. Another notable trend is that the European caravan market has declined while European motorhome sales have demonstrated good growth. Our table below shows new LV registrations by country from 2016-2020. Note the “EU without Germany” row at the bottom and how it is significantly less than the German market.

The graph overleaf is for caravans and motorhomes combined, and shows the sharp difference between growth in the German market and Europe without Germany. Both caravans and motorhomes have continued to grow in Germany, while caravans in Europe without Germany show a decline of -3.5%.



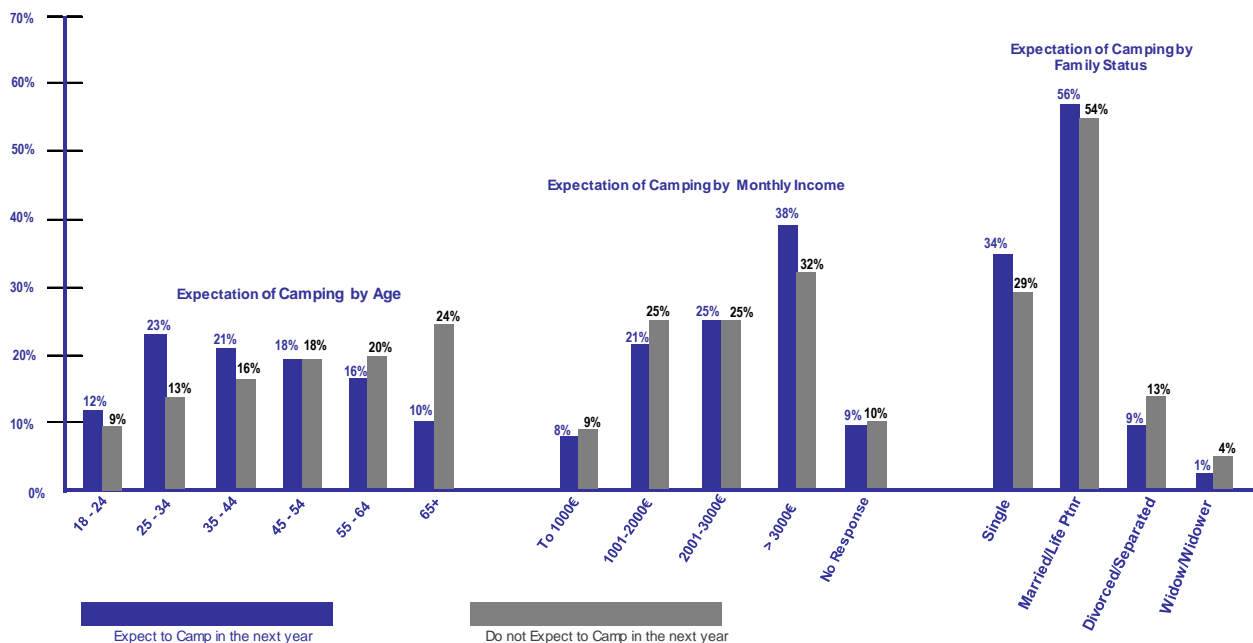
Figure 14: Comparison of Leisure Vehicle Unit Growth in Germany and EU



Source: First Berlin Equity Research, CIVD, 2020

While some have attributed the overall industry growth to an aging population, we believe it is only a part of the story. Data shows that the age group from 25-54 is the most significant driver of leisure vehicle purchases. A 2019 study commissioned by the German CIVD and carried out by GfK evaluated consumer interest in caravanning. The resulting report details characteristics of the 10.1 million consumers who indicated they are interested in a caravanning vacation sometime in the next five years. As the figure below shows, interest was strongest among ages 25-54. Income levels are above average for those who expect to be using leisure vehicles, and the overwhelming majority is married couples who presumably have children.

Figure 15: Consumer Interest in a Camping Vacation Over the Next Five Years



Source: First Berlin Equity Research, Study done by GfK for CIVD, 2019



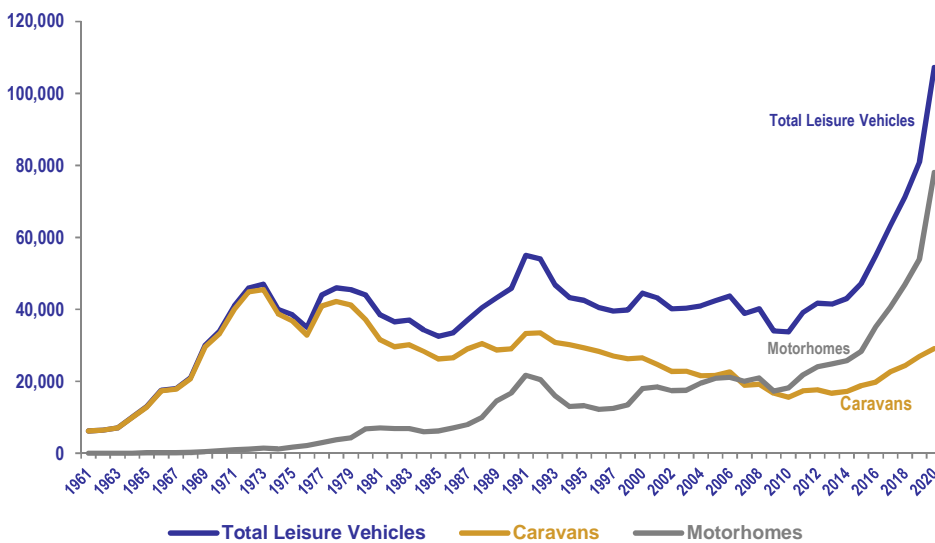
All countries comprising the European caravan market have a similar demographic trend, so the growth in Germany must be driven by something else. We believe an important factor is the underlying structure for campgrounds. Germany has structural factors favoring the development of campgrounds, which in turns leads to greater vehicle sales. Another factor spurring growth in Germany is that it has a very active and sophisticated industry association. The Caravanning Industrie Verband (CIVD) has bolstered the German leisure vehicle industry since 2015 with advertising, trade shows and marketing events geared to raising consumer awareness of the appeal of camping/caravanning. Other EU countries rely more heavily on the less active European Caravanning Federation, which by design is not specific to any particular country.

To show our rationale, we provide detailed information for the two largest EU caravan markets: Germany and France.

German Caravan Market

Germany was where the caravan market had its beginnings. Our graph shows the growth of the German leisure vehicle market from 1961 to 2020. In the beginning, the market was almost entirely caravans. Motorhomes were few until the introduction of the Weinsberg camper van in 1969. Sales growth of LVs was initially rapid, but the graph shows that economic weakness can have a pronounced impact on sales trends. From 1972-74, the world experienced its first oil crisis with a corresponding spike in gasoline prices and a correlated downturn in LV sales. A recession in 1980-82 also affected growth, as did the recession following the financial crisis of 2007-08. In each recession, unit sales continued to fall for a few years after the end of the economic difficulties. Since 2015, growth in RV sales has accelerated. While caravan sales have been weak in Europe, Germany has continued to show caravan sales growth, albeit at a lower rate than that seen for motorhomes.

Figure 16: New Registrations in German Leisure Vehicle Market 1961-2020



Source: First Berlin Equity Research, CIVD, 2020 Annual Report



Germany has a large number of regulated campgrounds that have an average size of 250 pitches. Certain designated pitches are permanent, meaning they can be rented indefinitely. There are three times as many permanent pitches as temporary ones. Our table shows the campgrounds by state with both permanent and seasonal pitches. The “Other” category includes campgrounds that are unregulated, and those that have only permanent pitches.

Figure 17: German Campgrounds by State

State	# of Sites	Seasonal Pitches	Long-Term Pitches
Baden-Württemberg	52	6,078	8,071
Bayern	44	5,447	4,949
Berlin	0	0	0
Brandenburg	25	1,979	2,663
Hamburg	0	0	0
Hessen	24	1,994	3,434
Mecklenburg-Vorpommern	57	9,196	3,324
Niedersachsen	56	10,659	8,612
Nordrhein-Westfalen	41	3,183	7,513
Rheinland-Pfalz	26	2,796	1,450
Saarland	2	200	360
Sachsen	10	829	420
Sachsen-Anhalt	5	315	625
Schleswig-Holstein	51	8,277	8,933
Thüringen	12	985	1,586
Subtotal	405	51,938	51,940
Other (Long-term only & unregulated)	<u>4,269</u>	<u>19,497</u>	<u>158,060</u>
Total	4,674	71,435	210,000

Source: First Berlin Equity Research, Bundesverband der Camping Wirtschaft in Deutschland e.V., Deutsches Wirtschaftswissenschaftliches Institut für Fremdenverkehr e.V.

We believe the availability of long-term pitches (Dauerplätze) is another significant driver of sales of larger caravans and motorhomes in Germany. These sites can be rented at prices ranging from €1,000 per year to as high as €8,000. Long-term pitches allow city dwellers to bring in a large caravan or motorhome and park it year-around, solving the dilemma of where to keep that large LV during the off-season. Families in particular use these as vacation homes, returning year after year to the same location, where they develop relationships with other families with children of similar ages. It is a very economical way for middle class families to have a second home during the hot summer months. While retirees are active participants in this market, it is really the younger group of prime earners (18-45) that purchase these larger RVs (caravans and motorhomes).

Thus far, there seem to be sufficient seasonal pitches in Germany to handle demand, except at the most popular sites during peak school vacation times. The number of regulated permanent pitches seems nearer capacity with the most popular locations having no availability. Unregulated pitches remain a source of growth. Continued strong growth in the larger caravans and motorhomes could be upheld by adding more permanent pitches at regulated sites that provide electricity, water and internet access.



French Caravan Market

With more than 11,000 sites and 1 million pitches, France prides itself on having more campgrounds than any other European country. Most of the campgrounds are small (25 or fewer “pitches”) that were originally set up for tents. Official French campgrounds are regulated by the government and fall into 3 general categories: 1) “loisirs” (leisure) where more than half of the pitches are fixed accommodation such as cabins, cottages or permanent mobile homes; 2) “tourisme” where more than 50% of the pitches are for movable accommodation such as tents, caravans, vans and motor homes; and 3) “aire naturelle” (traditional) which are campgrounds with no fixed accommodation on site such as cabins, cottages or trailer homes. Until 2014, these traditional campgrounds were limited to 25 spaces, but can now have up to 30. Campgrounds are also assigned star ratings from 1 to 5 depending on amenities and comfort.

Table 18 shows the French star system and the number of campgrounds in each category. Most of these are small (<25 pitches) with pitch sizes that were originally set up for tents. Our table shows the minimum pitch size required for each star level. Caravans require a minimum of 100m², and often more, while the largest size required under the star system is only 80m². This affects the growth potential of the market for larger caravans and motorhomes in France. The pitches are also limited in their access to electricity, with usually only a quarter or fewer of the regulated sites having direct electrical access. This is in contrast to Germany, where almost all available camping pitches have private electrical hookups. Loisirs sites (i.e., those with more than 50% of the pitches allocated to permanent accommodation) overwhelmingly have trailer homes that are bought and sold as regular real estate. The French have shown a trailer home preference for their in-country vacation getaways. Nevertheless, the French market is growing, albeit at a slower rate than Germany. LV buyers in France often travel to other countries rather than stay home. Knaus Tabbert’s recuperative axle caravan is independent of an electricity supply, which has the potential to spur sales in France.

Figure 18: French Campground Star System

FRENCH CAMPGROUND STAR SYSTEM		
Campsite Site Category	Total #	Minimum Requirements for Category
One Star ★	1,400	<ul style="list-style-type: none"> Individual shower cubicles with cold water General washing area with large sink Dish-washing sink Pitches of at least 70m²
Two Stars ★ ★	1,000	<ul style="list-style-type: none"> All of the above plus: Closed individual shower cubicles with hot & cold water Individual washbasins Electrical plugs for small electrical devices Internet access via wireless LAN Reception speaking French and one other European language Equipped children's play area
Three Stars ★ ★ ★	2,500	<ul style="list-style-type: none"> All requirements for 1 & 2 Stars plus: Campsite reception desk 24/7 Tiled floors in washing/shower areas Private washing area with at least cold water 10% of pitches with at least 2amps of electricity Safe-keeping for valuables Foodstore on site or close by At least one English-speaking employee Pitch of at least 80m²
Four Stars ★ ★ ★ ★	1,146	<ul style="list-style-type: none"> All requirements for 1-3 Stars plus: 30% of pitches with at least 10amps of electricity Reception in at least 3 languages, including English Minimum of a snack machine for food availability Private shower cubicles with hot & cold water Dish-washing and clothes-washing sinks with hot water Game room, common room, activity field Presence of a bar on site during tourist season
Five Stars ★ ★ ★ ★ ★	468	<ul style="list-style-type: none"> All of the above plus: 50% of pitches with at least 10amps of electricity Equipped Children's club Swimming pool Internet access At least one optional service, such as a spa, tennis, etc
Total Number of Starred Campsites	6,514	
Regulated Campsites without Stars	4,486	
TOTAL	11,000	

Source: First Berlin Equity Research, République Française Code du Tourisme, Statista
République Française Code du Tourisme, Statista

COMPETITIVE POSITIONING

THE BIG FOUR

Knaus Tabbert is in the top three of four major players in the European recreational vehicle market. Our table below shows market shares based on units/new registrations. Aside from the big four players, the leisure vehicle market is very fragmented with many small manufacturers. Of the leading companies, Hobby Group, Erwin Hymer and Knaus Tabbert are all German manufacturers (Hymer is the German subsidiary of US-based Thor Industries). The fourth company, Trigano Group, is based in France. As the table shows, Knaus Tabbert is in third place at 11.4% for overall European market share based on total leisure vehicles. Since Knaus Tabbert does not participate in the budget segment (which has the largest number of vehicle sales), the third place slot is quite impressive and is an indication of the company's dominance of the premium segment.

Figure 19: Competitive Positioning 2020

TOTAL EU NEWLY REGISTERED LEISURE VEHICLES BY MANUFACTURER, 2020										
Country	Erwin Hymer	Trigano Group	Knaus Tabbert	Hobby Group	Pössl Group	Rapido Group	Pilote Group	Carthago Group	Other Mfrs	Total Reg's
Germany	30,250	16,490	17,463	12,937	10,421	1,515	1,410	3,421	13,296	107,203
France	4,756	11,622	2,259	2,494	1,084	4,560	3,080	217	1,969	32,041
United Kingdom	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0
Sweden	1,124	2,181	863	950	87	248	295	155	1,721	7,624
Italy	1,735	3,296	579	147	78	358	49	333	454	7,029
Switzerland	1,665	1,072	736	448	638	187	179	279	3,089	8,293
Belgium	1,332	2,988	354	269	214	304	156	155	810	6,582
Spain	1,419	3,839	683	184	133	722	208	21	628	7,837
Norway	1,570	1,625	481	611	130	230	130	200	867	5,844
Netherlands	2,496	1,406	1,788	2,606	139	77	28	209	648	9,397
Finland	914	515	288	338	112	82	17	11	577	2,854
Austria	994	380	480	273	391	115	9	142	1,183	3,967
Denmark	643	1,619	430	732	30	9	6	23	681	4,173
Slovenia	32	237	28	13	0	16	3	16	85	430
Portugal	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0
Luxembourg	145	46	35	21	22	15	7	12	66	369
Other	598	935	387	277	49	58	40	73	29,863	32,280
Total Registrations	49,673	48,251	26,854	22,300	13,528	8,496	5,617	5,267	55,937	235,923
% Total	21.1%	20.5%	11.4%	9.5%	5.7%	3.6%	2.4%	2.2%	23.7%	100.0%

Source: First Berlin Equity Research, CIVD, 2020

The market share data is split into caravans and motorhomes. Figure 20 below shows statistics for both. The long-standing RV manufacturers all have caravans in their product lines, while newer market entrants produce only motorhomes.

CARAVAN COMPETITORS

In the European caravan market, Hobby Group has the top market share at 26.7% with Knaus Tabbert in second place at 17.2%, Erwin Hymer in third at 15.7% and Trigano Group in fourth place at 13.9%. The "Other Manufacturers" category holds predominantly UK registrations. Competitive positioning in caravans is heavily dependent on the German market. The Hobby Group and Erwin Hymer have strong positions in the lower price category, where Knaus Tabbert does not participate. In France, KTA has the #4 market position. France has had slower growth trends than Germany but is still the second largest country for RVs in the EU. In the next two fastest-growing markets, the Netherlands and Sweden, Knaus Tabbert has the #3 market position in both. Knaus Tabbert has continued to



grow its caravan business despite declining growth in Europe excluding the German market. This indicates the company is gaining caravan market share from competitors.

Figure 20: Caravan Market Share

2020 NEW EU CARAVAN REGISTRATIONS BY MANUFACTURER										
Country	Hobby Group	Knaus Tabbert	Erwin Hymer	Trigano Group	Pilote Group	Pössl Group	Rapido Group	Carthago Group	Other Mfrs	Total Reg's
Germany	11,401	6,915	7,249	2,796	0	0	0	0	787	29,148
France	2,377	2,026	529	1,987	0	0	0	0	161	7,080
United Kingdom	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Sweden	788	505	119	1,000	0	0	0	0	1,201	3,613
Italy	141	180	85	93	0	0	0	0	15	514
Switzerland	408	300	507	197	0	0	0	0	150	1,562
Belgium	245	159	352	364	0	0	0	0	25	1,145
Spain	169	339	176	936	0	0	0	0	68	1,688
Norway	600	293	374	580	0	0	0	0	613	2,460
Netherlands	2,591	1,419	1,648	856	0	0	0	0	434	6,948
Finland	298	70	109	185	0	0	0	0	208	870
Austria	255	246	277	159	0	0	0	0	61	998
Denmark	669	353	355	1,248	0	0	0	0	250	2,875
Slovenia	13	20	16	70	0	0	0	0	0	119
Portugal	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Luxembourg	20	8	14	3	0	0	0	0	3	48
Other	267	226	131	78	0	0	0	0	16,127	16,829
Total Registrations	20,242	13,059	11,941	10,552	0	0	0	0	20,103	75,897

2020 NEW EU CARAVAN REGISTRATIONS BY MANUFACTURER: % MARKET SHARE										
Country	Hobby Group	Knaus Tabbert	Erwin Hymer	Trigano Group	Pilote Group	Pössl Group	Rapido Group	Carthago Group	Other Mfrs	Total Reg's
Germany	39.1%	23.7%	24.9%	9.6%	0.0%	0.0%	0.0%	0.0%	2.7%	100.0%
France	33.6%	28.6%	7.5%	28.1%	0.0%	0.0%	0.0%	0.0%	2.3%	100.0%
United Kingdom	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Sweden	21.8%	14.0%	3.3%	27.7%	0.0%	0.0%	0.0%	0.0%	33.2%	100.0%
Italy	27.4%	35.0%	16.5%	18.1%	0.0%	0.0%	0.0%	0.0%	2.9%	100.0%
Switzerland	26.1%	19.2%	32.5%	12.6%	0.0%	0.0%	0.0%	0.0%	9.6%	100.0%
Belgium	21.4%	13.9%	30.7%	31.8%	0.0%	0.0%	0.0%	0.0%	2.2%	100.0%
Spain	10.0%	20.1%	10.4%	55.5%	0.0%	0.0%	0.0%	0.0%	4.0%	100.0%
Norway	24.4%	11.9%	15.2%	23.6%	0.0%	0.0%	0.0%	0.0%	24.9%	100.0%
Netherlands	37.3%	20.4%	23.7%	12.3%	0.0%	0.0%	0.0%	0.0%	6.2%	100.0%
Finland	34.3%	8.0%	12.5%	21.3%	0.0%	0.0%	0.0%	0.0%	23.9%	100.0%
Austria	25.6%	24.6%	27.8%	15.9%	0.0%	0.0%	0.0%	0.0%	6.1%	100.0%
Denmark	23.3%	12.3%	12.3%	43.4%	0.0%	0.0%	0.0%	0.0%	8.7%	100.0%
Slovenia	10.9%	16.8%	13.4%	58.8%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Portugal	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Luxembourg	41.7%	16.7%	29.2%	6.3%	0.0%	0.0%	0.0%	0.0%	6.3%	100.0%
Other	1.6%	1.3%	0.8%	0.5%	0.0%	0.0%	0.0%	0.0%	95.8%	100.0%
Total Mkt Share, Units	26.7%	17.2%	15.7%	13.9%	0.0%	0.0%	0.0%	0.0%	26.5%	100.0%

Source: First Berlin Equity Research, CIVD, 2020

MOTORHOME COMPETITORS

With several newer entrants who produce only motorhomes in the low-cost category, the motorhome segment is more crowded than the caravan market. Hobby Group, dominant in caravans, manufactures very few motorhomes and has a tiny market share of 1.3%. Erwin Hymer, Knaus Tabbert and Trigano take the top 3 positions in the motorhome segment with Knaus Tabbert in 3rd at 8.6%. Close behind is Pössl Group at 8.5%. We expect Knaus



Tabbert's strong order book for camper vans to result in market share gains in coming years. "Other Manufacturers" is largely comprised of UK companies.

Competitive positioning in motorhomes is dependent on the German market, which has seen a powerful sales trend in motorhomes driven by camper vans. KT has its Knaus and Weinsberg brands in the lower and the mid-range of the premium segment. Motorhomes including camper vans comprise 57% of KT's order backlog, up from 53% last year.

Figure 21: Motorhome Market Share

2020 NEW EU MOTORHOME REGISTRATIONS BY MANUFACTURER										
Country	Erwin Hymer	Trigano Group	Knaus Tabbert	Pössl Group	Rapido Group	Pilote Group	Carthago Group	Hobby Group	Other Mfrs	Total Reg's
Germany	23,001	13,694	10,548	10,421	1,515	1,410	3,421	1,536	12,509	78,055
France	4,227	9,635	233	1,084	4,560	3,080	217	117	1,808	24,961
United Kingdom	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Sweden	1,005	1,181	358	87	248	295	155	162	520	4,011
Italy	1,650	3,203	399	78	358	49	333	6	439	6,515
Switzerland	1,158	875	436	638	187	179	279	40	2,939	6,731
Belgium	980	2,624	195	214	304	156	155	24	785	5,437
Spain	1,243	2,903	344	133	722	208	21	15	560	6,149
Norway	1,196	1,045	188	130	230	130	200	11	254	3,384
Netherlands	848	550	369	139	77	28	209	15	214	2,449
Finland	805	330	218	112	82	17	11	40	369	1,984
Austria	717	221	234	391	115	9	142	18	1,122	2,969
Denmark	288	371	77	30	9	6	23	63	431	1,298
Slovenia	16	167	8	0	16	3	16	0	85	311
Portugal	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Luxembourg	131	43	27	22	15	7	12	1	63	321
Other	467	857	161	49	58	40	73	10	13,736	15,451
Total Registrations	37,732	37,699	13,795	13,528	8,496	5,617	5,267	2,058	35,834	160,026

2020 NEW EU MOTORHOME REGISTRATIONS BY MANUFACTURER: % MARKET SHARE										
Country	Erwin Hymer	Trigano Group	Knaus Tabbert	Pössl Group	Rapido Group	Pilote Group	Carthago Group	Hobby Group	Other Mfrs	Total Reg's
Germany	29.5%	17.5%	13.5%	13.4%	1.9%	1.8%	4.4%	2.0%	16.0%	100.0%
France	16.9%	38.6%	0.9%	4.3%	18.3%	12.3%	0.9%	0.5%	7.2%	100.0%
United Kingdom	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Sweden	25.1%	29.4%	8.9%	2.2%	6.2%	7.4%	3.9%	4.0%	13.0%	100.0%
Italy	25.3%	49.2%	6.1%	1.2%	5.5%	0.8%	5.1%	0.1%	6.7%	100.0%
Switzerland	17.2%	13.0%	6.5%	9.5%	2.8%	2.7%	4.1%	0.6%	43.7%	100.0%
Belgium	18.0%	48.3%	3.6%	3.9%	5.6%	2.9%	2.9%	0.4%	14.4%	100.0%
Spain	20.2%	47.2%	5.6%	2.2%	11.7%	3.4%	0.3%	0.2%	9.1%	100.0%
Norway	35.3%	30.9%	5.6%	3.8%	6.8%	3.8%	5.9%	0.3%	7.5%	100.0%
Netherlands	34.6%	22.5%	15.1%	5.7%	3.1%	1.1%	8.5%	0.6%	8.7%	100.0%
Finland	40.6%	16.6%	11.0%	5.6%	4.1%	0.9%	0.6%	2.0%	18.6%	100.0%
Austria	24.1%	7.4%	7.9%	13.2%	3.9%	0.3%	4.8%	0.6%	37.8%	100.0%
Denmark	22.2%	28.6%	5.9%	2.3%	0.7%	0.5%	1.8%	4.9%	33.2%	100.0%
Slovenia	5.1%	53.7%	2.6%	0.0%	5.1%	1.0%	5.1%	0.0%	27.3%	100.0%
Portugal	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Luxembourg	40.8%	13.4%	8.4%	6.9%	4.7%	2.2%	3.7%	0.3%	19.6%	100.0%
Other	3.0%	5.5%	1.0%	0.3%	0.4%	0.3%	0.5%	0.1%	88.9%	100.0%
Total Mkt Share, Units	23.6%	23.6%	8.6%	8.5%	5.3%	3.5%	3.3%	1.3%	22.4%	100.0%

Source: First Berlin Equity Research, CIVD, 2020

MARKET SHARE WINNERS AND LOSERS

Who is gaining market share and who is losing? Our table below shows the top four competitors in the caravan and motorhome categories.

Figure 22: Market Share for Top Manufacturers 2017-2020

European Caravan New Registrations				
Total Units	2017	2018	2019	2020
Hobby Group	19,387	18,722	20,282	20,242
Erw in Hymer	11,127	11,442	12,054	11,941
Trigano	9,370	9,624	10,317	10,552
Knaus Tabbert	9,827	11,222	12,318	13,059
Others	<u>29,327</u>	<u>26,020</u>	<u>23,062</u>	<u>20,103</u>
	79,038	77,030	78,033	75,897
Market Share				
Hobby Group	24.5%	24.3%	26.0%	26.7%
Erw in Hymer	14.1%	14.9%	15.4%	15.7%
Trigano	11.9%	12.5%	13.2%	13.9%
Knaus Tabbert	12.4%	14.6%	15.8%	17.2%
Others	<u>37.1%</u>	<u>33.8%</u>	<u>29.6%</u>	<u>26.5%</u>
	100.0%	100.0%	100.0%	100.0%

European Motorhome New Registrations				
Total Units	2017	2018	2019	2020
Pössl Group	6,224	7,854	9,096	13,528
Erw in Hymer	25,085	27,775	30,051	37,732
Trigano	28,567	32,208	33,767	37,699
Knaus Tabbert	7,356	9,203	10,588	13,795
Others	<u>43,537</u>	<u>48,020</u>	<u>48,994</u>	<u>57,272</u>
	110,769	125,060	132,496	160,026
Market Share				
Pössl Group	5.6%	6.3%	6.9%	8.5%
Erw in Hymer	22.6%	22.2%	22.7%	23.6%
Trigano	25.8%	25.8%	25.5%	23.6%
Knaus Tabbert	6.6%	7.4%	8.0%	8.6%
Others	<u>39.3%</u>	<u>38.4%</u>	<u>37.0%</u>	<u>35.8%</u>
	100.0%	100.0%	100.0%	100.0%

Source: First Berlin Equity Research, CIVD

In the caravanning category, Knaus Tabbert increased its market share from 12.4% in 2017 to 17.2% in 2020 - the most gains of any of the top four manufacturers. In motorhomes, the company increased its market share from 6.6% in 2017 to 8.6% in 2020, a hair ahead of the Pössl Group.

To show which motorhome vehicles are growing the fastest, the table below shows new motorhome registrations from the German market, where European motorhome growth has been the strongest. Camper van conversions have shown the highest growth within the motorhome category, a trend that is expected to continue.



Figure 23: Total New German Motorhome Registrations by Type

Newly Registered Motorhomes by Type			
Type	2018	2019	2020
Camper Van Conversions	19,017	22,570	37,041
Alcove Motorhomes	3,425	3,666	3,890
Partially Integrated Motorhomes	17,224	20,234	27,747
Fully Integrated Motorhomes	5,373	6,061	7,637
Undefined	<u>1,820</u>	<u>1,391</u>	<u>1,740</u>
Total Motorhomes	46,859	53,922	78,055
Year/Year % Growth:			
Camper Van Conversions	n/a	18.7%	64.1%
Alcove Motorhomes	n/a	7.0%	6.1%
Partially Integrated Motorhomes	n/a	17.5%	37.1%
Fully Integrated Motorhomes	n/a	12.8%	26.0%
Undefined	<u>n/a</u>	<u>-23.6%</u>	<u>25.1%</u>
Total Motorhomes	15.5%	15.1%	44.8%

Source: First Berlin Equity Research, CIVD, 2020

FINANCIAL HISTORY AND OUTLOOK

SUPPLY CHAIN AND THE REVENUE IMPACT

In late September, Knaus Tabbert suspended its 2021 guidance of €1 billion in revenue and an 8% EBITDA margin. The shortfall stemmed from missing chassis as well as other components such as windows, appliances, plywood and heating/air conditioning systems. While the company can assemble vehicles with missing components and wait for supplies, without a chassis, the assembly can't begin. With lockdowns worldwide in 2020, many auto manufacturers and their suppliers cancelled semiconductor chip orders. The chip companies in turn shifted production to other customers, leaving no capacity for automakers once the lockdowns ended. Semiconductor chips for the auto industry are produced at a limited number of factories around the world. A semiconductor plant fire in Taiwan, a Covid-related plant shutdown in Malaysia and a weeks-long loss of power in Texas conspired in a perfect storm to create a worldwide semiconductor chip shortage among auto manufacturers and their suppliers. They have responded by routing the chips they do receive to electric cars and new models. Leisure vehicle chassis do not fall into either category, and plants producing them have been subject to chip shortages. The chip shortage accounts for around 2,000 missing chassis. Another 2,000 vehicles are partially finished but still missing critical components such as windows, appliances and others (partially finished vehicles are not included in the company's backlog numbers). This equates to roughly €160 million in missing revenue for 2021, cutting the original estimate to €850 million.

Our table shows the dominant chassis manufacturers for leisure vehicles in Germany. Because of the unique technical requirements of LVs across Europe, we believe the German data is a proxy for the rest of Europe. Fiat is dominant, although its market share has fallen from 66.7% in 2016 to 56.0% in 2020. We believe Fiat's supply woes will lead to further decreases in market share. Volkswagen and Mercedes will be the likely gainers.

Figure 24: German Leisure Vehicle Chassis Manufacturers

Manufacturer	2016	2017	2018	2019	2020
Fiat	23,450	26,478	28,343	30,343	43,693
Citroen	3,303	3,662	6,070	7,831	10,883
Volksw agen	2,039	1,998	2,340	3,070	6,815
Mercedes	2,228	3,053	3,013	4,259	6,012
Ford	1,826	2,151	2,853	2,915	3,759
Peugeot	264	1,075	1,751	2,691	3,215
Renault	1,008	1,034	1,169	1,278	1,527
Iveco	640	775	832	942	950
Other	377	342	488	593	1,201
Total	35,135	40,568	46,859	53,922	78,055

Manufacturer	2016	2017	2018	2019	2020
Fiat	66.7%	65.3%	60.5%	56.3%	56.0%
Citroen	9.4%	9.0%	13.0%	14.5%	13.9%
Volksw agen	5.8%	4.9%	5.0%	5.7%	8.7%
Mercedes	6.3%	7.5%	6.4%	7.9%	7.7%
Ford	5.2%	5.3%	6.1%	5.4%	4.8%
Peugeot	0.8%	2.6%	3.7%	5.0%	4.1%
Renault	2.9%	2.5%	2.5%	2.4%	2.0%
Iveco	1.8%	1.9%	1.8%	1.7%	1.2%
Other	1.1%	0.8%	1.0%	1.1%	1.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Source: First Berlin Equity Research, CIVD, 2020



In 2021, Knaus Tabbert received 70% to 80% of its vehicle chassis from the Fiat Sevel Süd plant in Atessa, Italy, which produces chassis for commercial vans and leisure vehicles. While production there has resumed since Knaus Tabbert's September announcement, work stoppages were longer than expected and at least one shift has been eliminated for the foreseeable future. Because the chip supply issues at the Fiat chassis plant have been more severe than at other auto companies, Knaus Tabbert has added two additional chassis suppliers from this list for the purposes of supplying chassis for new models in 2022. The company has indicated that new models are expected to supply 52% of 2022 revenue, which will greatly lessen Knaus Tabbert's dependence on Fiat for chassis.

Our market checks indicate it is too early to declare victory for 2022 in terms of a supply chain recovery. Automakers have indicated that chip orders placed today are taking anywhere from 22 - 52 weeks to get filled. There are some early indications of a shortage in rubber used to make tires. It is also not clear if the other missing LV components will be back on track. As a result, we have assumed that 2022 will be a slow year for Knaus Tabbert, with +4.7% sales growth and higher than normal expenses as the company incurs training costs for new employees ahead of its capacity expansion. Nevertheless, Knaus Tabbert management has a more optimistic outlook. We have given an upside projection along with our existing model. Because of the lower cash flow in the conservative case, the company would need to take on slightly more debt than with the upside case. Hence the small difference in EPS estimates for 2023 and 2024 between the two scenarios. If management's view prevails, our valuation would increase from €95 to €100.

Figure 25: Upside Case versus Conservative Case

Conservative Scenario	2021	2022	2023	2024
Revenue (€m)	850.2	890.4	1,271.1	1,461.7
EBIT (€m)	-12.8	-15.8	53	96.5
Net Income (€m)	-13.5	-18.6	30.3	61.2
EPS	-€1.30	-€1.91	€3.33	€5.84
DCF Valuation (€ per share)		€95		

Upside Scenario	2021	2022	2023	2024
Revenue (€m)	850.2	1,105.3	1,271.1	1,582.5
EBIT (€m)	-12.8	54.8	59.9	107.1
Net Income (€m)	-13.5	31.5	35.1	76.2
EPS	-€1.30	€2.94	€3.35	€5.86
DCF Valuation (€ per share)		€100		

First Berlin Equity Research

REGIONAL SALES TRENDS

Knaus Tabbert's revenue is heavily dependent on the German leisure vehicle market. As such, lockdowns or issues specific to Germany have had a meaningful impact on revenue. Nevertheless, the company's revenue showed modest growth in 2020 despite a fall-off in units sold. Our table shows the contribution by country to new registrations, which we use as a rough proxy for total units sold. The company gets 65% of its sales from Germany, with France, the Netherlands and Sweden accounting for a combined 18.3%.



Figure 26: Knaus Tabbert Sales/Registrations by Country

New Registrations by Country, 2020		
Country	Units Registered	% of Total
Germany	17,463	65.0%
France	2,259	8.4%
Netherlands	1,788	6.7%
Sweden	863	3.2%
Switzerland	736	2.7%
Spain	683	2.5%
Italy	579	2.2%
Norway	481	1.8%
Austria	480	1.8%
Denmark	430	1.6%
Other	387	1.4%
Belgium	354	1.3%
Finland	288	1.1%
Luxembourg	35	0.1%
Slovenia	<u>28</u>	<u>0.1%</u>
	26,854	100.0%

Source: First Berlin Equity Research, CIVD

Our revenue detail for Knaus Tabbert shows sales by vehicle type, product segment (premium and luxury) as well as by region. Under sales by vehicle type, caravan and motorhome revenues were both lower year-over-year, while camper vans were up strongly, followed by a solid contribution from luxury motorhomes (the sole brand in the luxury segment). Under sales by region, the revenue contribution from Germany was nearly 72% while the contribution of units sold was 65%.



Figure 27: Knaus Tabbert Revenue Detail 2016-2020

Sales by Vehicle Type €000s	2016	2017	2018	2019	2020
Caravans	140,438	169,061	202,118	215,382	207,949
Motorhomes	175,072	211,692	323,654	300,499	288,086
Camper Vans	82,216	128,329	106,777	149,720	169,958
Luxury Motorhomes	53,857	63,766	79,157	93,981	105,439
Other sales	<u>16,021</u>	<u>19,120</u>	<u>16,307</u>	<u>20,804</u>	<u>23,159</u>
Total Sales	467,604	591,968	728,013	780,386	794,591
<i>% of Total</i>					
Caravans	30.0%	28.6%	27.8%	27.6%	26.2%
Motorhomes	37.4%	35.8%	44.5%	38.5%	36.3%
Camper Vans	17.6%	21.7%	14.7%	19.2%	21.4%
Luxury Motorhomes	11.5%	10.8%	10.9%	12.0%	13.3%
Other sales	<u>3.4%</u>	<u>3.2%</u>	<u>2.2%</u>	<u>2.7%</u>	<u>2.9%</u>
Total Sales	100.0%	100.0%	100.0%	100.0%	100.0%
Sales by Product Segment €000s	2016	2017	2018	2019	2020
Premium	412,800	526,809	647,486	684,946	687,302
Luxury	<u>54,804</u>	<u>65,159</u>	<u>80,527</u>	<u>95,441</u>	<u>107,289</u>
Total Sales	467,604	591,968	728,013	780,386	794,591
Sales by Region €000s	2016	2017	2018	2019	2020
Germany Premium	261,750	342,233	416,150	459,373	484,695
Germany Luxury	<u>38,849</u>	<u>46,160</u>	<u>57,289</u>	<u>64,539</u>	<u>86,479</u>
	300,599	388,393	473,439	523,912	571,174
Germany as % Total	64.3%	65.6%	65.0%	67.1%	71.9%
Rest of Europe Premium	149,720	180,908	226,447	214,963	191,205
Rest of Europe Luxury	<u>15,788</u>	<u>18,568</u>	<u>23,078</u>	<u>30,879</u>	<u>20,359</u>
	165,508	199,476	249,525	245,842	211,564
Rest of Europe as % Total	35.4%	33.7%	34.3%	31.5%	26.6%
Rest of World Premium	1,330	3,668	4,889	10,609	11,402
Rest of World Luxury	<u>167</u>	<u>431</u>	<u>160</u>	<u>22</u>	<u>451</u>
	1,497	4,099	5,049	10,632	11,853
Rest of World as % Total	0.3%	0.7%	0.7%	1.4%	1.5%
Total Revenue	467,604	591,968	728,013	780,386	794,591

Source: First Berlin Equity Research, Knaus Tabbert AG

Our revenue projections assume a continued strong growth trend in camper vans and luxury motorhomes, which gives a positive mix effect due to higher average prices than vehicles sold prior to 2020. We expect that 2023 will show a sharp increase in sales because of the large order backlog and what we expect will be pent-up demand from supply chain delays. Our revenue growth projection for 2023 is 42.8%, followed by 15% in 2024. After that, we expect sales growth to decline as a function of a growing revenue base and a backlog that settles at a normalized level. Our table below shows our projections for unit sales by vehicle type.

**Figure 28: Knaus Tabbert Sales by Vehicle Type 2021-2028**

KT Revenue Detail	2021E	2022E	2023E	2024E
<i>Units Sold</i>				
Caravans	12,000	12,105	12,705	13,105
Motorhomes	6,500	7,065	9,770	11,670
Camper Vans	4,526	4,826	9,111	11,611
Luxury Motor Homes	450	460	560	660
Total LVs Sold	23,476	24,456	32,146	37,046
<i>Revenue by Vehicle Type</i>				
Caravans	276,000	278,415	294,756	285,034
Motorhomes	227,500	247,275	351,720	408,450
Camper Vans	238,725	254,548	489,102	615,383
Luxury Motor Homes	108,000	110,118	135,512	152,886
Total Revenue	850,225	890,356	1,271,090	1,461,753
Yr/Yr % Change	7.0%	4.7%	42.8%	15.0%

Source: First Berlin Equity Research

We project negative net income for 2021 and 2022, due to a shortfall in chassis. Our table below gives our assumptions for major parameters. A full income statement can be found at the end of the report.

Figure 29: Knaus Tabbert Financial Summary

in €m	2019A	2020A	2021E	2022E	2023E	2024E
Sales	780.4	794.6	850.2	890.4	1,271.1	1,461.8
Growth	n/a	1.8%	7.0%	4.7%	42.8%	15.0%
Gross profit	214.9	236.5	204.1	213.7	355.9	409.3
Margin	27.5%	29.8%	24.0%	24.0%	28.0%	28.0%
EBITDA	64.27	66.01	5.10	5.39	88.85	128.63
Margin	8.2%	8.3%	0.6%	0.6%	7.0%	8.8%
EBIT	45.87	46.56	-12.82	-16.65	59.86	96.54
Margin	5.9%	5.9%	-1.5%	-1.9%	4.7%	6.6%
EBT	43.71	44.08	-19.14	-27.93	48.58	85.27
Margin	5.6%	5.5%	-2.3%	-3.1%	3.8%	5.8%
Net result	31.00	30.77	-13.61	-19.86	34.54	60.62
Margin	4.0%	3.9%	-1.6%	-2.2%	2.7%	4.1%
EPS (diluted, in €)	€2.99	€2.97	-€1.31	-€1.91	€3.33	€5.84
Return on Invested Capital	10.0%	10.8%	-3.3%	-4.1%	6.6%	10.2%

Source: First Berlin Equity Research, Knaus Tabbert AG

EXPENSES

For 2021-2022, we expect a gross margin (GM) of 24% due to supply chain shortages and higher prices on raw materials. After 2023, we expect a GM of less than 30%. In our view, the industry will likely now adjust to seek multiple suppliers for critical components rather than rely on a single vendor that gives good discounts. As a result, we believe the long-term gross margin is unlikely to exceed 29.0%. Personnel costs as a percent of revenues will be higher than normal in 2021-2022 since the company is already hiring and training new workers for the manufacturing expansion. With sales expected to grow at a low single digit rate in 2022, personnel as a percent of revenues should be in the range of 14.0%-14.5%. As revenues ramp up in 2023, personnel costs as a percent of revenue decline with top-line



growth, with productivity gains continuing until 2035. Selling, general and administrative costs are projected to be in the 9.5%-10.0% range for 2021 and 2022, and falling as a percent of revenue beginning in 2023 as revenue growth ramps up. Depreciation ranges from 1.9% to 2.4% of sales, with 2021-2023 expected to be at the upper end of that range.

BALANCE SHEET

Due to the supply chain issues, Knaus Tabbert had a significant inventory build for 2021, a situation which we expect to continue into 2022. In the company's 3Q21 earnings report, inventories rose to €165.2m compared with €124m at 31 December 2020. These are partially finished vehicles missing components such as windows, heating and air conditioning systems, toilets, etc, all of which have seen supply shortages in 2021. By 2H22, however, we expect the inventory to begin flowing to dealers, creating a balance sheet more typical of a growing company.

Knaus Tabbert factors approximately 15% of its receivables, and provides dealer financing through a separate subsidiary, both of which lead to very low days sales outstanding (DSOs). We have modelled 10 days, which is in the middle range of the company's historical trend of 4 to 17 days. Payables are higher, normally 30 days of expenses in accounts payable, but we expect this to be higher for 2021 and 2022 due to supply chain issues, normalizing in 2023. The company's working capital is therefore positive due to the very low DSOs.

To finance its capacity expansion, we expect Knaus Tabbert to finance most of it with two tranches of debt: €135m in 2021 and €110m in 2022 with 5-year payment terms and an interest rate of 4.5%.

We expect no equity issuance for the foreseeable future. The company has an informal policy of paying 50% of net income as dividends. We have not modelled this, given current uncertainties in the supply chain.

Knaus Tabbert typically runs a very low cash balance. Our cash positions for the years 2021-2022 may appear low for a company this size, but is in keeping with company practice.

Our summary table shows the major balance sheet items. A full balance sheet can be found at the end of the report.

Figure 30: Knaus Tabbert Selected Balance Sheet Items

In €m	2019A	2020A	2021E	2022E	2023E	2024E
Goodwill & other intangible assets	0.00	0.00	0.00	0.00	0.00	0.00
Property, plant & equipment	121.18	119.45	169.55	269.09	297.29	330.98
Financial assets	0.00	0.00	0.00	0.00	0.00	0.00
Non-current assets, total	125.20	124.36	174.46	274.00	302.21	335.90
Inventories	119.73	123.96	187.66	166.85	150.44	144.17
Receivables	37.28	10.58	23.29	24.39	34.82	40.05
Cash and cash equivalents	7.60	8.94	4.62	4.11	17.49	56.75
Current assets, total	185.74	161.50	233.59	213.38	220.78	258.99
Equity	98.20	123.77	110.16	90.30	124.83	185.46
<i>Equity ratio</i>	<i>31.6%</i>	<i>43.3%</i>	<i>27.0%</i>	<i>18.5%</i>	<i>23.9%</i>	<i>31.2%</i>
Financial debt (long-term)	12.35	5.62	140.62	250.62	250.62	250.62
Financial debt (short-term)	81.94	49.00	0.00	0.00	0.00	0.00
Net debt	86.69	45.68	135.99	246.51	233.13	193.87
<i>Net Gearing</i>	<i>88.3%</i>	<i>36.9%</i>	<i>123.5%</i>	<i>273.0%</i>	<i>186.8%</i>	<i>104.5%</i>
Payables	47.06	35.17	84.98	74.16	75.22	86.50
Balance sheet total	310.94	285.86	408.06	487.38	522.98	594.89

Source: First Berlin Equity Research, Knaus Tabbert AG



CASH FLOW STATEMENT

The main components of operating cash flow are the working capital items: accounts receivable, inventories and accounts payable. Because of its favourable working capital position, Knaus Tabbert has consistently shown positive operating cash flow. We expect this to continue in 2021 and 2022, albeit at a muted level compared with past results. Free cash flow will be negative from 2021-2023 due to the planned expansion, since some of the expansion expenditures will be funded from operating cash flow. Starting in 2023, we expect operating cash flow to return to a normal level. The company is expected to take on three tranches of debt to fund its expansion, with repayment commencing in 2027. Capital expenditures will be above trend until 2025, when the current plan is finished. Nevertheless, our modelling shows that the company will once again reach capacity in 2027 in terms of units produced, which will require some additional capital expenditures. We are therefore keeping our capital expenditures above the historical trend throughout the duration of our model. Our summary table shows selected cash flow items.

Figure 31: Knaus Tabbert Selected Cash Flow Items

In €m	2019A	2020A	2021E	2022E	2023E	2024E
Operating cash flow	44.12	71.03	-22.30	11.07	70.58	105.04
CAPEX	-28.12	-20.14	-68.02	-121.58	-57.20	-65.78
Free cash flow	16.00	50.90	-90.32	-110.51	13.38	39.26
Cash flow investing	-28.12	-20.14	-68.02	-121.58	-57.20	-65.78
Cash flow financing	-15.82	-49.74	86.00	110.00	0.00	0.00
Net cash flow	0.19	1.16	-4.32	-0.51	13.38	39.26

Source: First Berlin Equity Research, Knaus Tabbert AG



COMPANY HISTORY

Knaus Tabbert AG is the combination of four German firms: Karosseriewerke Weinsberg, Wilk GmbH, Tabbert AG and Knaus AG. Below we show the timeline for how the company came together over the last 110 years.

- 1912 The first segment of the company was wagon maker **Karosseriewerke Weinsberg**, founded in 1912 by Gustav Alt and Wilhelm Schumacher in the Baden-Württemberg town of Weinsberg.
- 1934 Caravanning pioneer Alfred Tabbert founds a body construction firm **Body Shop Alfred Tabbert** in Schweinfurt; the company makes furniture and agricultural trailers
- 1938 Karosseriewerke Weinsberg is sold to Fiat, where it continues as an auto body shop.
- 1945 Tabbert facilities mostly destroyed during WWII
- 1948 A major fire destroys the Tabbert production facility; the company rebuilds and changes its production from a body shop to a recreational vehicle company
- 1952 Helmut Wilk founds **Wilk** in Bad Kreuznach, Germany. England's CI Group invests in Wilk
- 1953 Tabbert manufactures its first caravans, with the iconic egg shape that started an industry
- 1959 Tabbert erects a manufacturing facility in Mottgers for constructing caravans; the company changes its name to Tabbert Wohnwagen GmbH
- 1959 CI Wilk introduces its first caravan
- 1960 Helmut Knaus founds **Knaus KG** for the manufacture of caravans
- 1961 Knaus introduces the "Schwalbennest", an egg-shaped caravan
- 1969 Weinsberg/Fiat introduce a camper van that revolutionizes the camping industry
- 1970 Fiat decides to discontinue production of Weinsberg RVs, and the assets of Weinsberg are placed into a trust which continues to produce RVs under the Weinsberg brand
- 1972 Tabbert AG is sold to Deutsche Castrol GmbH, right in the middle of the oil crisis
- 1972-1982 Entire caravanning industry suffers during a time of rising gasoline prices and two oil crises (1973-1974 and 1979-1980); over the next decade, many plants are forced to close and caravanning firms are left in weak financial states
- 1984 Tabbert AG is renamed Tabbert Caravan GmbH, and is sold to Gerd Sanmann, who merges Tabbert into a new firm, FBB Motor Caravan GmbH
- 1986 CI Wilk files for bankruptcy
- 1987 FBB Motor (Tabbert) acquires the assets of CI Wilk, creating yet another new company, TIAG-Tabbert-Industrie AG
- 1990 TIAG-Tabbert-Industrie goes public on the Frankfurt stock exchange
- 1992 The caravan assets of Weinsberg are purchased by TIAG-Tabbert-Industrie
- 1992 TIAG-Tabbert acquires the factory assets of Eifelland, based in Nagyoroszi, Hungary
- 1996 Knaus AG and TIAG-Tabbert-Industrie begin a corporate collaboration
- 1997 Due to economic difficulties of TIAG, which is losing millions, half of CI Wilk factories are closed down;
- 1997 Knaus AG acquires 25% of the shares of TIAG
- 1998 Knaus AG acquires more shares of TIAG, and is now the largest shareholder
- 2000 Knaus AG acquires the remaining stock of TIAG-Tabbert-Industrie, and a new company, Knaus Tabbert AG, is born
- 2008 Last Wilk models are sold, production is closed down
- 2010 **Morelo Motorhome** is created in Schlüsselfeld; the first luxury motorhomes are produced in 2011
- 2017 Morelo is acquired by Knaus Tabbert AG



- 2020 Knaus Tabbert goes public on the German stock exchange under the ticker "KTA"
- 2021 The four production sites of Knaus Tabbert AG are from the various combinations over the years: Jandelsbrunn (Knaus), Mottgers (Tabbert), Nagyoroszi, Hungary (Tabbert) and Schlüsselfeld (Morelo)



NEWSFLOW

Year-end financial results

Supply chain updates from Knaus Tabbert or automotive suppliers

Changes (up or down) to backlog for 2023, given during reporting of annual results



MANAGEMENT

Chief Executive Officer

Wolfgang Speck

Mr. Speck graduated with a degree in engineering from Mannheim University of Applied Sciences in Mannheim, Germany. He has been the CEO of Knaus Tabbert since 2013. Previously, he spent more than ten years in the automotive sector, working for *Neue Halberg Guss*, *REUM*, *Geiger* and other automotive suppliers.

Chief Financial Officer

Mark Hundsdorf

Mr. Hundsdorf received a degree in mechanical engineering and economics from the Technical University of Munich. He has been the CFO of Knaus Tabbert since 2018. Prior to that, he spent more than ten years in the automotive sector as the CEO or CFO at *Neue Halberg Guss*, *REUM*, *Geiger* and other automotive suppliers.

Chief Operating Officer

Werner Vaterl

Mr. Vaterl received a degree in business administration from the University of Passau in Passau, Germany. He has worked in various roles at Knaus Tabbert since 1992. His current position as COO has held since 2013. Prior to that, Mr. Vaterl was the facility manager and head of logistics for the company's Jandelsbrunn manufacturing facility.

Chief Sales Officer

Gerd Adamietzki

Mr. Adamietzki has spent his entire career in the caravanning industry. He first joined Knaus Tabbert in 2006 as an area manager and sales director. Since 2013, Mr. Adamietzki has been the Chief Sales Officer of the company.

SUPERVISORY BOARD

Chairperson

Dr. Esther Hackl

Dr. Hackl studied law and political science at the University of Vienna, where she also completed her doctoral studies in law. She spent a year at Harvard Law School where she obtained a Master of Laws (LLM) degree. Dr. Hackl started her professional career in 2011 at the Frankfurt, Germany office of the American law firm *Debevoise & Plimpton LLC*. In 2013 she switched to the capital markets team of the British-German law firm *Freshfields Bruckhaus Derringer LLP*. Since 2019, Dr. Hackl has been the General Counsel of the Düsseldorf fintech company *auxmoney GmbH*. She is also a member of the Association of German Lending Platforms (*Verband deutscher Kreditplattformen e.V.*). Since 2020, Dr. Hackl has been the Chairperson of the Supervisory Board of Knaus Tabbert.

Vice Chairperson

Anton Autengruber

Mr. Autengruber started his career at Knaus Tabbert in 1984 in a woodworking apprenticeship. He subsequently trained as a design draftsman. Since 2002, Mr. Autengruber has been head of the Worker's Council at the Jandelsbrunn manufacturing facility. He has been Vice Chairperson of the Supervisory Board since 2020.



Non-Executive Members of the Supervisory Board:

René Ado Oscar Bours

Mr. Oscar Bours, now retired, spent his career as a tax attorney. He was most recently a partner at Deloitte Netherlands in their Amsterdam and Rotterdam offices. Mr. Bours holds board positions with for-profit and non-profit organizations, including Cornelder Holding, NVL International (a subsidiary of Noble Energy) and Windroos B.V. He has been a member of the Supervisory Board since 2020.

Willem Paulus de Pundert

Mr. Paulus de Pundert is an investor who has been active in private equity, real estate, loans, investment funds and listed equities. He began his professional career as controller at DJ van der Haven B.V. Mr. Pundert became active in the private equity industry in 1990 with Windroos V.B. From 2008 to June 2020, he was managing partner of HTP Investments 1V.B., where he held a majority equity stake. Mr. Pundert has been a member of the Supervisory Board since 2020.

Jana Donath

Ms. Jana Donath started her professional career with the international banking group ProCredit where, as chief financial officer (CFO) she was part of the management team in Ecuador. In 2010, she moved back to Germany and assumed various financial management positions at the department level. In 2018, Ms. Donath joined the SMBC group as Head of Finance for Continental Europe. She has been a member of the Supervisory Board since 2020.

Michael Heim

After serving an apprenticeship in architectural drafting, Mr. Heim began his professional career as an architectural draftsman in the prefabricated housing industry. From 1977-2014, he has worked in different departments of Knaus Tabbert. Since 2014, he has been head of the workers' council at the Mottgers manufacturing facility. Mr. Heim has been a member of the Supervisory Board since 2020.

Stephan Kern

Mr. Kern started his professional career in 2010 as an apprentice at Knaus Tabbert's Jandelsbrunn facility. Since 2013, he has been employed at Knaus Tabbert as an IT specialist. Mr. Kern has been a member of the Supervisory Board since 2020.

Klaas Meertens

Mr. Meertens started his professional career in 1984 at J.P. Morgan in New York and Amsterdam. From 1992 to 1996, he was a partner at McKinsey & Company's Amsterdam office. From 1997 to 2007, Mr. Meertens served as a managing director of J.P. Morgan's London office. From 2008 until June 2020, he was the managing partner of H.T.P. Investments 1 B.V with a 40% equity stake. Mr. Meertens is also a director of Catalina. He has been a member of the Supervisory Board since 2020.

Daniela Fischer

Ms. Fischer studied economics and political sciences in Hamburg, graduating with a diploma in business and labour law (Diplom Wirtschafts und Arbeitsjuristin). From 1989 to 1999, she worked as a machine operator, first at Hailo in Haiger, Germany, and afterwards at Eickel & Spindeldreher in Arnsberg, Germany. Since 2002, she has worked in various positions at IG Metall union in Munich and Weilheim, Germany, where she was a director (Geschäftsführerin) from 2011–2020. In 2020, she became wage secretary at the IG Metall union regional management for Bavaria in 2020. Ms. Fischer has been a member of the Supervisory Board since 2020.

**Manfred Pretscher**

After completing a machinist apprenticeship, Mr. Pretscher studied mechanical engineering at the University of Applied Sciences in Schweinfurt and Würzburg from 1980 to 1984, followed in 1994-1995 in Berlin by studies in technical sales and distribution. In addition, he completed professional training in industrial engineering at REFA AG from 1985 to 1986. Mr. Pretscher began his professional career as an engineer at FAG. From 2010 to 2018, he was the COO of Grammer AG. In 2019, he was appointed CEO and CFO at Grammer AG before retiring the same year. Mr. Pretscher has been a member of the Supervisory Board since 2020.

Robert Scherer

Mr. Scherer served an apprenticeship as a machine operator from 1992 to 1994. He started his career as a machine operator at ZF Friedrichshafen AG in Passau. Since 2013, he has been trade union secretary at the IG Metall union. Mr. Scherer has been a member of the Supervisory Board since 2020.

Ferdinand Sommer

From 1987-1991, Mr. Sommer studied mathematics at the University of Applied Sciences in Regensburg. He began his professional career as „CAD administrator“ at Knaus GmbH in 1991, where he became head of operations scheduling (Leiter Arbeitsvorbereitung). From 1999 to 2008, Mr. Sommer served as head of IT and organization at Knaus AG, where he was also an authorized agent (Handlungsbevollmächtigter). In 2009, he was appointed Chief Information Officer (CIO) at Knaus Tabbert GmbH. Mr. Sommer has been a member of the Supervisory Board since 2020.



SHAREHOLDERS & STOCK INFORMATION

Stock Information	
ISIN	DE000A2YN504
WPK	A2YN50
Bloomberg ticker	KTA
No. of issued shares	10.4m
Transparency standard	High
Country	Germany
Sector	Leisure
Subsector	Leisure Vehicles

Source: Börse Frankfurt, First Berlin Equity Research

Shareholder Structure	
Willem Paulus de Pundert	37.6%
Catalina Capital Partners BV	25.1%
Caledonia Private Investments Pty	5.5%
Free Float	31.8%



INCOME STATEMENT

All Figures in €m	2019A	2020A	2021E	2022E	2023E	2024E
Revenues	780	795	850	890	1,271	1,462
Cost of goods sold	565	558	646	677	915	1,052
Gross profit	215	237	204	214	356	409
Personnel costs	108	111	122	127	165	172
Other operating income	0	0	0	0	0	0
Other operating expenses	0	0	0	0	0	0
EBITDA	64	66	5	5	89	129
Depreciation and amortisation	18	19	18	22	29	32
Operating income (EBIT)	46	47	-13	-17	60	97
Net financial result	-2	-2	-6	-11	-11	-11
Non-operating expenses	0	0	0	0	0	0
Pre-tax income (EBT)	44	44	-19	-28	49	85
Income taxes	13	13	-6	-8	14	25
Minority interests	0	0	0	0	0	0
Net income / loss	31	31	-14	-20	35	61
Diluted EPS (in €)	2.99	2.97	-1.31	-1.91	3.33	5.84

Ratios

Gross margin	27.5%	29.8%	24.0%	24.0%	28.0%	28.0%
EBITDA margin on revenues	8.2%	8.3%	0.6%	0.6%	6.9%	8.8%
EBIT margin on revenues	5.9%	5.9%	-1.5%	-1.9%	4.7%	6.6%
Net margin on revenues	4.0%	3.9%	-1.6%	-2.2%	2.7%	4.1%
Tax rate	28.7%	28.9%	28.9%	28.9%	28.9%	28.9%

Expenses as % of revenues

Personnel costs	13.9%	14.0%	14.4%	14.3%	13.0%	11.8%
Depreciation and amortisation	2.4%	2.4%	2.1%	2.5%	2.3%	2.2%
Other operating expenses	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Y-Y Growth

Revenues	n.a.	1.8%	7.0%	4.7%	42.8%	15.0%
Operating income	n.a.	1.5%	n.m.	n.m.	n.m.	61.3%
Net income/ loss	n.a.	-0.7%	n.m.	n.m.	n.m.	75.5%



BALANCE SHEET

All Figures in €m	2019A	2020A	2021E	2022E	2023E	2024E
Assets						
Current assets, total	186	161	234	213	221	259
Cash and cash equivalents	8	9	5	4	17	57
Short-term investments	0	0	0	0	0	0
Receivables	37	11	23	24	35	40
Inventories	120	124	188	167	150	144
Other current assets	20	16	16	16	16	16
Non-current assets, total	125	124	174	274	302	336
Property, plant & equipment	121	119	170	269	297	331
Goodwill & other intangibles	0	0	0	0	0	0
Other assets	4	5	5	5	5	5
Total assets	311	286	408	487	523	595
Shareholders' equity & debt						
Current liabilities, total	172	128	129	118	119	130
Short-term debt	82	49	0	0	0	0
Accounts payable	47	35	85	74	75	87
Current provisions	4	6	6	6	6	6
Other current liabilities	38	37	37	37	37	37
Long-term liabilities, total	41	34	169	279	279	279
Long-term debt	12	6	141	251	251	251
Deferred revenue	0	0	0	0	0	0
Other liabilities	29	29	29	29	29	29
Minority interests	0	0	0	0	0	0
Shareholders' equity	98	124	110	90	125	185
Share capital	0	10	10	10	10	10
Capital reserve	12	27	27	27	27	27
Other reserves	49	50	50	50	50	50
Treasury stock	0	0	0	0	0	0
Loss carryforward / retained earnings	6	6	-7	-27	8	68
Total consolidated equity and debt	311	286	408	487	523	595
Ratios						
Current ratio (x)	1.08	1.26	1.82	1.81	1.86	1.99
Quick ratio (x)	0.38	0.29	0.36	0.40	0.59	0.88
Net debt	87	46	136	247	233	194
Net gearing	88.3%	36.9%	123.5%	273.0%	186.8%	104.5%
Equity ratio	31.6%	43.3%	27.0%	18.5%	23.9%	31.2%
Book value per share (in €)	9.46	11.93	10.62	8.70	12.03	17.87
Return on equity (ROE)	31.6%	24.9%	-12.4%	-22.0%	27.7%	32.7%
Days of sales outstanding (DSO)	17.4	4.9	10.0	10.0	10.0	10.0
Days inventory outstanding	77.3	81.1	106.0	90.0	60.0	50.0
Days in payables (DIP)	30.4	23.0	48.0	40.0	30.0	30.0



CASH FLOW STATEMENT

All Figures in €m	2019A	2020A	2021E	2022E	2023E	2024E
EBIT	45	47	-13	-17	60	97
Depreciation and amortisation	18	19	18	22	29	32
EBITDA	63	66	5	5	89	129
Changes in working capital	-11	11	-27	9	7	12
Other adjustments	-8	-7	-1	-3	-25	-36
Operating cash flow	44	71	-22	11	71	105
Investments in PP&E	-25	-14	-68	-122	-57	-66
Investments in intangibles	-7	-6	0	0	0	0
Free cash flow	12	51	-90	-111	13	39
Acquisitions & disposals, net	4	0	0	0	0	0
Other investments	0	0	0	0	0	0
Investment cash flow	-28	-20	-68	-122	-57	-66
Debt financing, net	4	-39	86	110	0	0
Equity financing, net	0	25	0	0	0	0
Dividends paid	-15	-30	0	0	0	0
Other financing	-5	-6	0	0	0	0
Financing cash flow	-16	-50	86	110	0	0
FOREX & other effects	0	0	0	0	0	0
Net cash flows	0	1	-4	-1	13	39
Cash, start of the year	7	8	9	5	4	17
Cash, end of the year	8	9	5	4	17	57
EBITDA/share (in €)	6.19	6.36	0.49	0.52	8.56	12.40
Y-Y Growth						
Operating cash flow	n.a.	61.0%	n.m.	n.m.	537.7%	48.8%
Free cash flow	n.a.	318.3%	n.m.	n.m.	n.m.	193.5%
EBITDA/share	n.a.	2.7%	-92.3%	5.6%	1549.4%	44.8%

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Category		1	2
Current market capitalisation (in €)		0 - 2 billion	> 2 billion
Strong Buy ¹	An expected favourable price trend of:	> 50%	> 30%
Buy	An expected favourable price trend of:	> 25%	> 15%
Add	An expected favourable price trend of:	0% to 25%	0% to 15%
Reduce	An expected negative price trend of:	0% to -15%	0% to -10%
Sell	An expected negative price trend of:	< -15%	< -10%

¹ The expected price trend is in combination with sizable confidence in the quality and forecast security of management.

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Report No.:	Date of publication	Previous day closing price	Recommendation	Price target
Initial Report	13 January 2022	€57.00	Buy	€95.00

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