

Knaus Tabbert AG

Germany / Leisure Vehicles

Xetra

Bloomberg: KTA GR

ISIN: DE000A2YN504

2022 prelims

RATING**PRICE TARGET**

Return Potential

Risk Rating

BUY**€ 77.00**

70.7%

High

PRELIMINARY 2022 REVENUE MEETS GUIDANCE

Preliminary revenue for 2022 reached €1.05bn, was in line with sales guidance (>€1bn), and matched FBe (€1.04bn). The figure means that Q4 revenue growth clearly outpaced the prior quarters in 9M/22 and is an encouraging sign that chassis supply chain bottlenecks are clearing. We expect the pickup in turnover to also have supported higher margins in the October-to-December quarter propelling the adj. EBITDA (AEBITDA) margin towards guidance of >6%. The uptick in performance should likewise help restore investor confidence that was shaken by supply chain issues that hampered production for over a year. We maintain our Buy rating and €77 target price.

Stockpiled chassis supercharge Q4 production The fourth quarter showed a 56% Y/Y and 44% sequential uptick in turnover to some €356m, thanks to a high volume of chassis deliveries from suppliers in late Q3/22. We believe chassis stockpiles numbered circa 3k in Q4 and positively affected the Q4 production mix to include more motorhome / camper vans. In November, the company confirmed 2022 guidance calling for an AEBITDA margin north of 6%. We thus expect AEBITDA close to €66m with full year reporting on 31 March 2022. This would also imply an AEBITDA margin approaching double digits (FBe: 9.7%) for the October-to-December quarter, which better reflects the normalised profitability potential after the 9M/22 margin equalled 4.5%.

Production pendulum swinging towards motorised vehicles The order backlog stood at €1.3bn at the end of 2022 (Q3/22: €1.6bn), and the production mix featured a ~49% motorised vehicle component compared to only 35% during 9M/22 with caravans dominating production at that juncture. All vehicle categories grew at a strong clip led by motorhomes, which notched 48% Y/Y growth in Q4/22. Camper vans followed with a 39% Y/Y rise during the October-to-December quarter. We believe the Q4 figures are reflective of the production potential of KTA going forward. (p.t.o.)

FINANCIAL HISTORY & PROJECTIONS

	2019	2020	2021	2022E	2023E	2024E
Revenue (€m)	780.39	794.59	862.62	1,050.00	1,253.74	1,401.55
Y/Y growth	n.a.	1.8%	8.6%	21.7%	19.4%	11.8%
EBIT (€m)	45.87	46.56	38.39	36.93	82.65	102.36
EBIT margin	5.9%	5.9%	4.4%	3.5%	6.6%	7.3%
Net income (€m)	31.17	31.33	25.90	22.82	54.54	69.04
EPS (diluted) (€)	6.30	7.63	2.50	2.20	5.26	6.65
DPS (€)	7.31	1.50	1.50	1.10	2.60	3.30
FCF (€m)	16.00	50.89	-20.69	-97.13	91.68	48.88
Net gearing	97.6%	44.1%	70.2%	149.9%	74.6%	53.4%
Liquid assets (€m)	7.60	8.94	9.68	9.10	58.41	57.73

RISKS

Risks include, but are not limited to: supply chain, labour, macro-economic, competitive, and regulatory factors

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 four manufacturing facilities, of which three are undergoing expansion to keep pace with flourishing demand.

MARKET DATA

As of 15 Feb 2023

Closing Price	€ 45.10
Shares outstanding	10.38m
Market Capitalisation	€ 468.00m
52-week Range	€ 24.10 / 52.70
Avg. Volume (12 Months)	7,244

Multiples	2021	2022E	2023E
P/E	18.1	20.5	8.6
EV/Sales	0.8	0.6	0.5
EV/EBIT	17.4	18.1	8.1
Div. Yield	3.3%	2.4%	5.8%

STOCK OVERVIEW



COMPANY DATA

As of 30 Sep 2022

Liquid Assets	€ 10.78m
Current Assets	€ 340.02m
Intangible Assets	€ 22.55m
Total Assets	€ 534.61m
Current Liabilities	€ 270.28m
Shareholders' Equity	€ 123.85m

SHAREHOLDERS

H.T.P. Investments1 B.V.	38.0%
Catalina Capital Ptnrs B.V.	25.0%
Free Float	37.0%



With plenty of chassis now on hand, sufficient production staffing, and a full order backlog, we believe KTA is poised for a strong 2023 in terms of revenue and profitability. Knaus Tabbert will report full year results on 31 March 2023, and we expect the company to issue 2023 guidance at that time, given the improved visibility. For now, we expect turnover to approach €1.3bn (+19.4% Y/Y). We are Buy-rated on Knaus Tabbert with a €77 target price.

VALUATION MODEL

In EUR '000	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E
Sales	1,050,004	1,253,738	1,401,552	1,557,171	1,716,602	1,877,850	1,998,351	2,115,647
NOPLAT	26,219	58,681	72,674	85,284	99,580	115,487	123,436	132,795
(+) depreciation & amortisation	28,172	30,061	33,445	38,530	43,188	47,356	55,565	62,114
Net operating cash flow	54,391	88,743	106,119	123,814	142,768	162,843	179,002	194,909
(-) Total investments (CAPEX and WC)	-155,951	-6,990	-64,681	-73,340	-88,589	-114,469	-127,072	-131,555
(-) Capital expenditures	-95,550	-33,287	-74,282	-66,958	-73,814	-99,526	-115,904	-122,708
(-) Working capital	-60,401	26,297	9,601	-6,381	-14,775	-14,943	-11,167	-8,847
Free cash flows (FCF)	-101,560	81,753	41,438	50,475	54,179	48,373	51,930	63,354
PV of FCFs	-101,560	74,818	34,254	37,687	36,540	29,468	28,574	31,487

In EUR '000		Terminal EBIT margin						
PV of FCFs in explicit period	466,835		7.9%	8.4%	8.9%	9.4%	9.9%	10.4%
(+) PV of FCFs in terminal period	428,915	7.7%	116.03	124.29	132.54	140.80	149.06	157.31
Enterprise value (EV)	895,751	8.7%	94.41	100.59	106.76	112.93	119.11	125.28
(+) Net cash / (-) net debt	-93,992	9.7%	78.45	83.18	87.91	92.64	97.36	102.09
(+) Investments / minority interests	0	10.7%	66.19	69.88	73.57	77.26	80.95	84.64
Shareholder value	801,759	11.7%	56.50	59.42	62.34	65.26	68.18	71.10
Fair value per share (€)	77.0	12.7%	48.65	50.99	53.33	55.67	58.01	60.35
		13.7%	42.18	44.07	45.97	47.86	49.75	51.64

		Terminal growth rate						
Cost of equity	12.3%		0.5%	1.0%	1.5%	2.0%	2.5%	3.0%
Pre-tax cost of debt	4.5%	7.7%	120.37	126.16	132.89	140.80	150.24	161.70
Tax rate	29.0%	8.7%	99.41	103.33	107.80	112.93	118.91	125.93
After-tax cost of debt	3.2%	9.7%	83.32	86.07	89.15	92.64	96.61	101.17
Share of equity capital	83.0%	10.7%	70.65	72.62	74.81	77.26	80.00	83.10
Share of debt capital	17.0%	11.7%	60.45	61.90	63.50	65.26	67.21	69.39
WACC	10.7%	12.7%	52.10	53.19	54.37	55.67	57.09	58.66
		13.7%	45.17	45.99	46.89	47.86	48.91	50.07

*Please note our model runs through 2036 and we have only shown the abbreviated version for formatting purposes



INCOME STATEMENT

All figures in EURm	2019	2020	2021	2022E	2023E	2024E
Revenues	780	795	863	1,050	1,254	1,402
Cost of goods sold	-565	-558	-625	-734	-876	-978
Gross profit	232	245	261	316	377	423
Personnel expenses	-108	-111	-127	-168	-178	-198
Other OpEx	-66	-71	-78	-88	-92	-95
Other income	6	3	3	5	5	6
EBITDA	64	66	59	65	113	136
Depreciation & amortisation	-18	-19	-21	-28	-30	-33
Operating income (EBIT)	46	47	38	37	83	102
Net financial result	-2	-2	-1	-5	-6	-5
Other financial result	0	0	0	0	0	0
Pre-tax income (EBT)	44	44	37	32	77	97
Income taxes	-13	-13	-11	-9	-22	-28
Minority interests	0	0	0	0	0	0
Net income / loss	31	31	26	23	55	69
Diluted EPS (in €)	6.3	7.6	2.5	2.2	5.3	6.7
AEBITDA	65	68	61	66	114	137
Ratios						
Gross margin	29.8%	30.8%	30.3%	30.1%	30.1%	30.2%
EBITDA margin on revenues	8.2%	8.3%	6.9%	6.2%	9.0%	9.7%
EBIT margin on revenues	5.9%	5.9%	4.4%	3.5%	6.6%	7.3%
AEBITDA margin on revenues	8.3%	8.5%	7.0%	6.3%	9.1%	9.8%
Net margin on revenues	4.0%	3.9%	3.0%	2.2%	4.4%	4.9%
Tax rate	0.0%	28.7%	28.9%	29.9%	28.9%	28.9%
Expenses as % of revenues						
Personnel expenses	13.9%	14.0%	14.8%	16.0%	14.2%	14.1%
Other OpEx	8.4%	8.9%	9.0%	8.4%	7.3%	6.8%
Depreciation & amortisation	2.4%	2.4%	2.4%	2.7%	2.4%	2.4%
Y-Y Growth						
Revenues	-	1.8%	8.6%	21.7%	19.4%	11.8%
Operating income	-	1.5%	-17.6%	-3.8%	123.8%	23.8%
Net income/ loss	-	0.5%	-17.3%	-11.9%	139.0%	26.6%



BALANCE SHEET

All figures in EURm	2019	2020	2021	2022E	2023E	2024E
Assets						
Current assets, total	186	161	191	283	296	294
Cash and equivalents	8	9	10	9	58	58
Other ST assets	20	16	24	24	25	25
Trade receivables	37	11	7	23	27	31
Inventories	120	124	145	221	180	174
Tax receivables	1	2	6	6	6	6
Non-current assets, total	125	124	154	221	224	265
Property, plant and equipment	106	103	131	196	197	235
Intangible assets	15	16	18	20	23	25
Deferred tax assets	3	3	3	3	3	3
Other LT assets	1	2	2	2	2	2
Total assets	311	286	345	504	521	559
Shareholders' equity & debt						
Current liabilities, total	172	128	179	161	137	147
Trade payables	47	35	38	70	60	67
ST debt	82	49	93	40	17	15
Provisions	4	6	8	8	8	8
Other current liabilities	38	37	40	43	51	57
Long-term liabilities, total	41	34	32	202	200	185
LT provisions	12	13	14	14	14	14
LT debt	12	6	2	172	170	155
Deferred tax	7	7	8	8	8	8
Other non-current liabilities	9	9	8	8	8	9
Shareholders' equity	98	124	134	141	184	226
Total consolidated equity and debt	311	286	345	504	521	559
Ratios						
Current ratio (x)	1.1	1.3	1.1	1.8	2.2	2.0
Quick ratio (x)	0.4	0.3	0.3	0.4	0.9	0.8
Equity ratio	32%	43%	39%	28%	35%	40%
Net debt / (net cash)	96	55	94	212	137	121
Net gearing	98%	44%	70%	150%	75%	53%
Net debt / EBITDA	1.5	0.8	1.6	3.3	1.2	0.9
Return on equity (ROE)	32%	25%	19%	16%	30%	31%
Capital employed (CE)	231	219	262	390	367	398
Return on capital employed (ROCE)	20%	21%	15%	9%	23%	26%



CASH FLOW STATEMENT

All figures in EURm	2019	2020	2021	2022E	2023E	2024E
Net income	31	31	26	23	55	69
Depreciation & amortisation	18	19	21	28	30	33
Change to LT accruals	1	3	2	0	0	0
Other non-cash items	1	0	1	3	8	6
Asset disposals	-1	1	0	0	0	0
Income tax	12	12	11	9	22	28
Net interest expense	2	2	1	5	6	5
Operating cash flow	65	69	63	68	121	142
Change in working capital	-11	11	-24	-60	26	10
Tax paid	-10	-10	-11	-9	-22	-28
Net operating cash flow	44	71	27	-2	125	123
CapEx	-25	-14	-41	-87	-23	-63
Proceeds from disposals	4	0	0	0	0	0
Investments in intangible assets	-7	-6	-7	-8	-10	-11
Interest income	0	0	0	0	0	0
Cash flow from investing	-28	-20	-48	-96	-33	-74
Equity inflow , net	0	25	0	0	0	0
Debt inflow , net	4	-39	41	117	-25	-17
Interest paid	-2	-3	-1	-5	-6	-5
Dividend paid to shareholders	-15	-30	-16	-16	-11	-27
Other financial cash flow	-3	-3	-3	0	0	0
Cash flow from financing	-16	-50	21	97	-42	-50
Net cash flows	0	1	0	-1	49	-1
Cash, start of the year	1	2	3	3	3	52
Cash, end of the year	2	3	3	3	52	51
Free cash flow (FCF)	16	51	-21	-97	92	49
FCF/share (in €)	1.5	4.9	-2.0	-9.4	8.8	4.7

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PRICE TARGET DATES

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ASSET VALUATION SYSTEM

First Berlin's system for asset valuation is divided into an asset recommendation and a risk assessment.

ASSET RECOMMENDATION

The recommendations determined in accordance with the share price trend anticipated by First Berlin in the respectively indicated investment period are as follows:

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.

Our recommendation system places each company into one of two market capitalisation categories. Category 1 companies have a market capitalisation of €0 – €2 billion, and Category 2 companies have a market capitalisation of > €2 billion. The expected return thresholds underlying our recommendation system are lower for Category 2 companies than for Category 1 companies. This reflects the generally lower level of risk associated with higher market capitalisation companies.

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RECOMMENDATION & PRICE TARGET HISTORY

Report No.:	Date of publication	Previous day closing price	Recommendation	Price target
Initial Report	13 January 2022	€57.00	Buy	€95.00
2...1	↓	↓	↓	↓
2	28 February 2022	€48.60	Buy	€95.00
3	26 April 2022	€41.50	Buy	€87.00
4	12 May 2022	€35.90	Buy	€87.00
5	9 June 2022	€30.10	Buy	€87.00
6	4 August 2022	€30.20	Buy	€77.00
7	11 August 2022	€31.30	Buy	€77.00
8	20 September 2022	€28.30	Buy	€77.00
9	21 November 2022	€25.70	Buy	€77.00
10	Today	€45.10	Buy	€77.00

INVESTMENT HORIZON

Unless otherwise stated in the financial analysis, the ratings refer to an investment period of twelve months.

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At the time of publication of this financial analysis it is not certain whether, when and on what occasion an update will be provided. In general First Berlin strives to review the financial analysis for its topicality and, if required, to update it in a very timely manner in connection with the reporting obligations of the analysed company or on the occasion of ad hoc notifications.

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