

Knaus Tabbert AG

Germany / Leisure Vehicles

Xetra

Bloomberg: KTA GR

ISIN: DE000A2YN504

Q1/23 prelims

RATING**PRICE TARGET**

Return Potential

Risk Rating

BUY**€ 71.00**

54.9%

High

SUBSTANTIAL Q1 BEAT

Knaus Tabbert published preliminary Q1/23 results, which were well ahead of expectations. Revenue for the period topped €368m vs FBe of €292m (street: €305m) and €222m (+66%) in the prior year period. EBITDA of €32.7m also beat the street (€27m; +21%). The company points to its improved chassis supply chain that paved the way for a shift in the production mix towards higher margin motorhomes. The 8.9% EBITDA margin in Q1 also topped the upper end of confirmed 2023 guidance (7.5% to 8.5%) and supports our full year target of 8.4%. Knaus Tabbert has now delivered strong back-to-back quarters demonstrating the operating potential of the business. We remain Buy-rated on KTA with a €71 target price.

Substantial Q1 beat We had expected a strong Y/Y uptick in Q1, thanks to an abundance of chassis now on hand, owing to a bolstered chassis supply chain that now includes blue chip names such as VW and Mercedes. But we had also anticipated a slight sequential drop-off from Q4 that was supercharged by catch-up effects and a workforce committed to overtime shifts. The EBITDA margin is particularly encouraging and supports our above consensus EBITDA margin assumption of 8.4%. Knaus Tabbert will publish full Q1 numbers on 10 May.

No signs of a market slowdown either March 2023 market data suggest the good business momentum will continue. KNAUS-branded motorhome and camper van registrations rose 135% Y/Y (+1,020 units) in the January-to-March period. The registration data point to an increase in the company's German market share to 9.6% (Q1/21: 4.3%). KTA's multi-brand chassis strategy is clearly resonating well with the RV market. Operations are now hitting their stride evidenced by back-to-back strong quarters. We maintain our 2023 targets calling for 18% Y/Y topline growth. (p.t.o.)

FINANCIAL HISTORY & PROJECTIONS

	2020	2021	2022	2023E	2024E	2025E
Revenue (€m)	794.59	862.62	1,049.52	1,237.69	1,366.99	1,506.30
Y-o-y growth	1.8%	8.6%	21.7%	17.9%	10.4%	10.2%
EBIT (€m)	46.56	38.39	45.47	73.88	98.22	114.30
EBIT margin	5.9%	4.4%	4.3%	6.0%	7.2%	7.6%
Net income (€m)	31.33	25.90	29.62	49.05	67.04	78.98
EPS (diluted) (€)	7.63	2.50	2.85	4.73	6.46	7.61
DPS (€)	1.50	1.50	1.40	2.40	3.20	3.80
FCF (€m)	50.89	-20.69	-69.89	51.94	56.83	49.08
Net gearing	44.1%	74.8%	136.1%	92.4%	62.5%	47.2%
Liquid assets (€m)	8.94	9.68	12.61	20.59	8.25	13.92

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 27 Apr 2023

Closing Price	€ 45.85
Shares outstanding	10.38m
Market Capitalisation	€ 475.79m
52-week Range	€ 24.10 / 48.25
Avg. Volume (12 Months)	7,689

Multiples	2022	2023E	2024E
P/E	16.1	9.7	7.1
EV/Sales	0.6	0.5	0.5
EV/EBIT	14.9	9.2	6.9
Div. Yield	3.1%	5.2%	7.0%

STOCK OVERVIEW



COMPANY DATA

As of 31 Dec 2022

Liquid Assets	€ 12.60m
Current Assets	€ 343.50m
Intangible Assets	€ 23.30m
Total Assets	€ 557.40m
Current Liabilities	€ 278.80m
Shareholders' Equity	€ 146.90m

SHAREHOLDERS

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



VALUATION MODEL

Table 1: DCF model

In EUR '000	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Sales	1,237,690	1,366,995	1,506,303	1,647,242	1,790,537	1,895,194	1,996,586	2,079,306
NOPLAT	52,455	69,733	81,150	93,892	106,741	116,955	127,363	137,811
(+) depreciation & amortisation	29,467	31,772	36,416	40,545	45,933	51,745	57,635	61,847
Net operating cash flow	81,922	101,505	117,566	134,437	152,674	168,701	184,998	199,658
(-) Total investments (CAPEX and WC)	-23,285	-50,809	-74,821	-86,810	-108,207	-119,641	-123,304	-99,007
(-) Capital expenditures	-61,884	-58,781	-64,771	-70,831	-94,898	-109,921	-115,802	-89,410
(-) Working capital	38,599	7,972	-10,050	-15,979	-13,309	-9,720	-7,502	-9,597
Free cash flows (FCF)	58,637	50,696	42,745	47,627	44,466	49,059	61,693	100,651
PV of FCFs	54,432	42,160	31,846	31,788	26,588	26,280	29,606	43,272

		Terminal EBIT margin							
In EUR '000			9.8%	10.3%	10.8%	11.3%	11.8%	12.3%	12.8%
PV of FCFs in explicit period	535,416	8.6%	108.94	114.83	120.73	126.62	132.51	138.41	144.30
(+) PV of FCFs in terminal period	405,838	9.6%	89.45	93.97	98.48	103.00	107.51	112.02	116.54
Enterprise value (EV)	941,253	10.6%	74.65	78.17	81.70	85.22	88.74	92.26	95.79
(+) Net cash / (-) net debt	-199,996	11.6%	63.06	65.85	68.64	71.43	74.22	77.01	79.80
(+) Investments / minority interests	0	12.6%	53.76	56.00	58.24	60.47	62.71	64.94	67.18
Shareholder value	741,258	13.6%	46.16	47.97	49.78	51.60	53.41	55.22	57.03
Fair value per share (€)	71.0	14.6%	39.85	41.33	42.81	44.29	45.77	47.24	48.72

		Terminal growth rate							
			0.5%	1.0%	1.5%	2.0%	2.5%	3.0%	3.5%
Cost of equity	13.4%	8.6%	110.30	115.02	120.41	126.62	133.85	142.37	152.57
Pre-tax cost of debt	4.5%	9.6%	91.77	95.08	98.79	103.00	107.80	113.32	119.76
Tax rate	29.0%	10.6%	77.26	79.63	82.27	85.22	88.53	92.28	96.55
After-tax cost of debt	3.2%	11.6%	65.64	67.39	69.31	71.43	73.78	76.41	79.37
Risk free rate	2.4%	12.6%	56.18	57.48	58.91	60.47	62.19	64.08	66.18
Terminal growth rate	2.0%	13.6%	48.36	49.35	50.43	51.60	52.87	54.27	55.80
WACC	11.6%	14.6%	41.81	42.57	43.40	44.29	45.25	46.30	47.44

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



INCOME STATEMENT

All figures in EURm	2020	2021	2022	2023E	2024E	2025E
Revenues	795	863	1,050	1,238	1,367	1,506
Cost of goods sold	-558	-625	-776	-874	-957	-1,054
Gross profit	245	261	296	363	410	452
Personnel expenses	-111	-127	-142	-165	-178	-192
Other OpEx	-71	-78	-91	-100	-107	-115
Other income	3	3	6	5	5	6
EBITDA	66	59	69	103	130	151
Depreciation & amortisation	-19	-21	-24	-29	-32	-36
Operating income (EBIT)	47	38	45	74	98	114
Net financial result	-2	-1	-4	-5	-4	-3
Other financial result	0	0	0	0	0	0
Pre-tax income (EBT)	44	37	42	69	94	111
Income taxes	-13	-11	-12	-20	-27	-32
Minority interests	0	0	0	0	0	1
Net income / loss	31	26	30	49	67	80
Diluted EPS (in €)	7.6	2.5	2.9	4.7	6.5	7.6
AEBITDA	68	61	70	104	131	152
Ratios						
Gross margin	30.8%	30.3%	28.2%	29.4%	30.0%	30.0%
EBITDA margin on revenues	8.3%	6.9%	6.6%	8.4%	9.5%	10.0%
EBIT margin on revenues	5.9%	4.4%	4.3%	6.0%	7.2%	7.6%
AEBITDA margin on revenues	8.5%	7.0%	6.7%	8.4%	9.6%	10.1%
Net margin on revenues	3.9%	3.0%	2.8%	4.0%	4.9%	5.3%
Tax rate	28.7%	28.9%	29.9%	29.1%	28.9%	28.9%
Expenses as % of revenues						
Personnel expenses	14.0%	14.8%	13.5%	13.3%	13.0%	12.8%
Other OpEx	8.9%	9.0%	8.7%	8.1%	7.9%	7.6%
Depreciation & amortisation	2.4%	2.4%	2.3%	2.4%	2.3%	2.4%
Y-Y Growth						
Revenues	1.8%	8.6%	21.7%	17.9%	10.4%	10.2%
Operating income	1.5%	-17.6%	18.5%	62.5%	32.9%	16.4%
Net income/ loss	0.5%	-17.3%	14.3%	65.6%	36.7%	19.3%



BALANCE SHEET

All figures in EURm	2020	2021	2022	2023E	2024E	2025E
Assets						
Current assets, total	161	191	344	273	255	273
Cash and equivalents	9	10	13	21	8	14
Other ST assets	16	24	38	38	39	40
Trade receivables	11	7	33	27	30	33
Inventories	124	145	253	180	170	179
Tax receivables	2	6	7	7	7	7
Non-current assets, total	124	154	214	246	274	302
Property, plant and equipment	103	131	184	213	236	260
Intangible assets	16	18	23	27	31	36
Deferred tax assets	3	3	5	5	5	5
Other LT assets	2	2	2	2	2	2
Total assets	286	345	557	519	528	575
Shareholders' equity & debt						
Current liabilities, total	128	179	279	208	175	175
Trade payables	35	38	113	72	73	75
ST debt	49	93	90	67	27	20
Provisions	6	8	18	18	18	19
Other current liabilities	37	40	59	51	56	62
Long-term liabilities, total	34	32	132	130	130	130
LT provisions	13	14	5	5	6	6
LT debt	6	2	103	100	100	100
Deferred tax	7	8	10	10	10	10
Other non-current liabilities	9	8	14	14	14	14
Shareholders' equity	124	134	147	181	224	269
Total consolidated equity and debt	286	345	557	519	528	575
Ratios						
Current ratio (x)	1.3	1.1	1.2	1.3	1.5	1.6
Quick ratio (x)	0.3	0.3	0.3	0.4	0.5	0.5
Equity ratio	43%	39%	26%	35%	42%	47%
Net debt / (net cash)	55	100	200	168	140	127
Net gearing	44%	75%	136%	92%	63%	47%
Net debt / EBITDA	0.8	1.7	2.9	1.6	1.1	0.8
Return on equity (ROE)	25%	19%	20%	27%	30%	29%
Capital employed (CE)	219	262	381	375	394	432
Return on capital employed (ROCE)	21%	15%	12%	20%	25%	26%



CASH FLOW STATEMENT

All figures in EURm	2020	2021	2022	2023E	2024E	2025E
Net income	31	26	30	49	67	79
Depreciation & amortisation	19	21	24	29	32	36
Change to LT accruals	3	2	2	0	0	0
Other non-cash items	0	1	3	-8	5	5
Asset disposals	1	0	0	0	0	0
Income tax	12	11	12	20	27	32
Net interest expense	2	1	3	5	4	3
Operating cash flow	69	63	73	95	135	156
Change in working capital	11	-24	-58	39	8	-10
Tax paid	-10	-11	-12	-20	-27	-32
Net operating cash flow	71	27	3	114	116	114
CapEx	-14	-41	-66	-52	-48	-53
Proceeds from disposals	0	0	0	0	0	0
Investments in intangible assets	-6	-7	-7	-10	-11	-12
Interest income	0	0	0	0	0	0
Cash flow from investing	-20	-48	-73	-62	-59	-65
Equity inflow, net	25	0	0	0	0	0
Debt inflow, net	-39	41	94	-25	-40	-7
Interest paid	-3	-1	-3	-5	-4	-3
Dividend paid to shareholders	-30	-16	-16	-15	-25	-33
Other financial cash flow	-3	-3	-3	0	0	0
Cash flow from financing	-50	21	72	-44	-69	-43
Net cash flows	1	0	3	8	-12	6
Cash, start of the year	2	3	3	6	14	1
Cash, end of the year	3	3	6	14	1	7
Cash on deposit	6	7	7	7	7	7
Free cash flow (FCF)	51	-21	-70	52	57	49
FCF/share (in €)	4.9	-2.0	-6.7	5.0	5.5	4.7

Y-Y Growth

Operating cash flow	61%	-62%	-90%	3967%	2%	-2%
Free cash flow	218%	n.m.	n.m.	n.m.	9%	-14%

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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.

RISK ASSESSMENT

The First Berlin categories for risk assessment are low, average, high and speculative. They are determined by ten factors: Corporate governance, quality of earnings, management strength, balance sheet and financial risk, competitive position, standard of financial disclosure, regulatory and political uncertainty, strength of brandname, market capitalisation and free float. These risk factors are incorporated into the First Berlin valuation models and are thus included in the target prices. First Berlin customers may request the models.

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...3	↓	↓	↓	↓
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	16 February 2023	€45.10	Buy	€77.00
11	5 April 2023	€44.05	Buy	€71.00
12	Today	€45.85	Buy	€71.00

INVESTMENT HORIZON

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

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