

# Knaus Tabbert AG

Germany / Leisure Vehicles

Xetra

Bloomberg: KTA GR

ISIN: DE000A2YN504

Q1 results

**RATING****PRICE TARGET**

Return Potential

Risk Rating

**BUY****€ 86.00**

87.2%

High

## EARNINGS SHINE IN Q1

Knaus Tabbert kicked off the year with a solid Q1 report. After the blockbuster 37% growth booked in 2023, the Q1 report should allay concerns that growth will vanish this year. The Q1 topline grew 2% Y/Y despite the hard comp set last year during a production surge with the flood of chassis deliveries. Management also addressed the normalised order book that stood at €621m at the end of Q1. We think this KPI has troughed with 2025 model year orders expected to replenish the order backlog in the coming months. Earnings were a highlight during the January-to-March period led by a double digit AEBITDA margin of 10.3%. All in all there is plenty to like about Q1 numbers, especially with demand for the caravanning lifestyle still trending upwards. We maintain our Buy rating and €86 TP.

**Earnings shine in Q1** Sales climbed 2% Y/Y to €377m. It should be noted that the prior year comp was quite hard, due to a production surge in Q1/23 fuelled by a parking lot full of motorised chassis to jolt motorhome and camper van production. EBITDA topped €38m for the three month period and beat street expectations of €33m. Management reminded investors that the quarter benefited from timing effects of worker holidays that determine production hours and that the margin (10.3%) should steer back towards the guided range (8% to 9%) as we progress through the year. The company also confirmed sales guidance of €1.4bn to €1.55bn and referenced data from the *Statistisches Bundesamt*, Germany's Federal Statistical Office, showing a 5.2% Y/Y rise in camping overnights to over 42m as further reason for optimism. Meanwhile, motorhome and caravan registrations, the key indicators for RV market trends, remain high with KTA brands ranking among the leaders.

**Why the backlog level should not be a concern** The order backlog is now stated in EURm, consistent industry standards, and tallied €621m at the end of Q1. But stacked up against volumes that hovered above €1bn during the pandemic, the new optics have raised questions whether. . . (p.t.o.)

## FINANCIAL HISTORY & PROJECTIONS

	2020	2021	2022	2023	2024E	2025E
Revenue (€m)	794.59	862.62	1,049.52	1,441.02	1,485.80	1,643.84
Y-o-y growth	1.8%	8.6%	21.7%	37.3%	3.1%	10.6%
EBIT (€m)	46.56	38.39	45.47	95.41	101.05	121.70
EBIT margin	5.9%	4.4%	4.3%	6.6%	6.8%	7.4%
Net income (€m)	31.33	25.90	29.62	60.32	64.81	80.36
EPS (diluted) (€)	7.63	2.50	2.85	5.81	6.25	7.74
DPS (€)	1.50	1.50	1.50	2.90	3.10	3.90
FCF (€m)	50.89	-20.69	-69.89	-21.73	62.92	52.88
Net gearing	44.1%	74.8%	136.1%	123.7%	94.4%	73.1%
Liquid assets (€m)	8.94	9.68	12.61	11.69	14.34	15.33

## RISKS

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

## COMPANY PROFILE

Knaus Tabbert AG is a leading manufacturer of leisure vehicles in Europe with headquarters in Jandelsbrunn, Lower Bavaria. The company covers all RV segments from towable caravans, motorhomes, and camper vans to its flagship luxury motorhomes (Morello). KTA has four manufacturing facilities following the latest capacity expansion.

## MARKET DATA

As of 09 May 2024

Closing Price	€ 45.95
Shares outstanding	10.38m
Market Capitalisation	€ 476.82m
52-week Range	€ 36.75 / 62.40
Avg. Volume (12 Months)	13,338

Multiples	2023	2024E	2025E
P/E	7.9	7.4	5.9
EV/Sales	0.5	0.5	0.4
EV/EBIT	7.5	7.1	5.9
Div. Yield	6.3%	6.7%	8.5%

## STOCK OVERVIEW



## COMPANY DATA

As of 31 Mar 2024

Liquid Assets	€ 12.30m
Current Assets	€ 474.40m
Intangible Assets	€ 22.40m
Total Assets	€ 724.30m
Current Liabilities	€ 379.10m
Shareholders' Equity	€ 210.30m

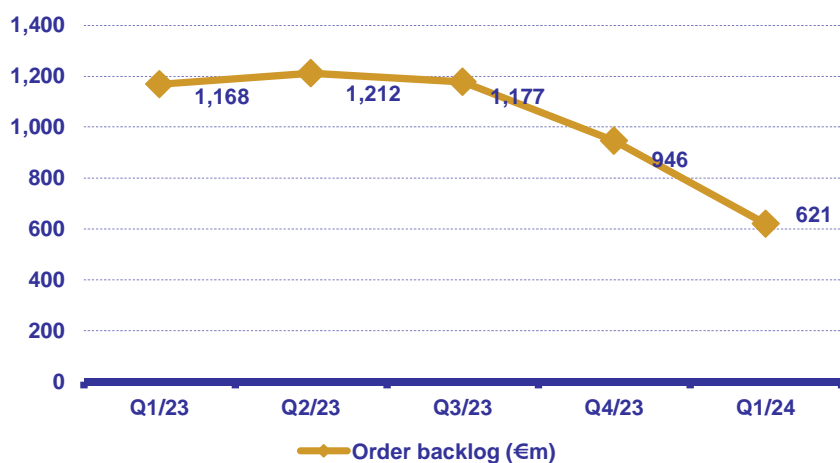
## SHAREHOLDERS

H.T.P. Investments1 B.V.	41.0%
Catalina Capital Ptnrs B.V.	25.0%
Free Float	34.0%



... the backlog decline is behind the slowdown in growth. KTA boss, Wolfgang Speck, again devoted considerable airtime time on the earnings call to reassuring the markets that the 43% coverage ratio is normal on a historical basis. Q1 is typically characterised by a seasonal dip. Plus, the company stopped taking orders to allow for the transition to the 2025 model year to prevent production from being clogged up with 2024 vehicles. Mr Speck also reminded investors that the high backlog levels seen the past years were largely a function of the chassis shortage, and that delivery times exploded to an unacceptable 15 – 18 months. Now customers get their coveted RVs in about 3-4 months—a timeframe consistent with pre-Covid wait times. Finally, the company is wrapping up supplier negotiations and will be able to set 2025 model pricing in time for the upcoming dealer conventions. We thus believe the backlog volume has bottomed out.

**Figure 1: Order backlog development**



Source: First Berlin Equity Research estimates; Knaus Tabbert AG

## FIRST QUARTER HIGHLIGHTS

**Table 1: Q1 vs FBe and prior year**

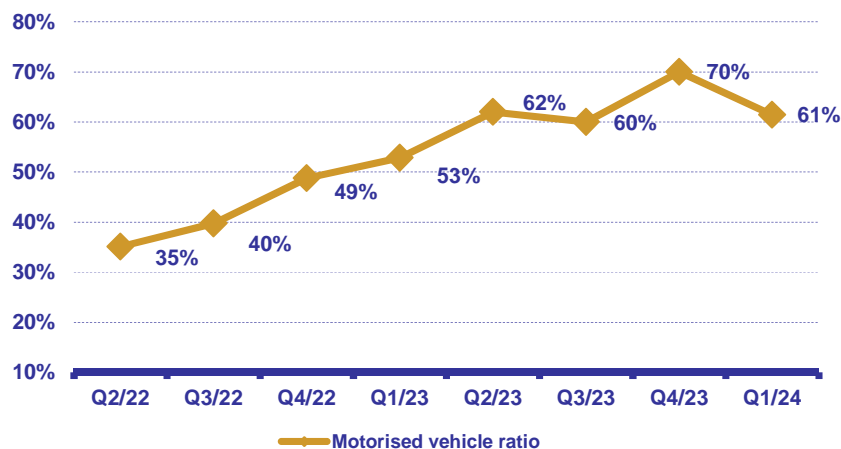
All figures in €m	Q1/24	Q1/24E	variance	Q1/23	variance
Revenue	377	380	-1%	369	2%
Gross profit	114	103	11%	99	16%
Margin	30.2%	27.1%	-	26.7%	-
EBITDA	38	33	15%	33	17%
Margin	10.1%	8.7%	-	8.9%	-
EBIT	30	26	14%	26	13%
Margin	7.9%	6.9%	-	7.2%	-
AEBITDA	39	33	18%	33	19%
Margin	10.3%	8.7%	-	8.9%	-

Source: First Berlin Equity Research estimates; Knaus Tabbert AG

Q1 revenue came within spitting distance of our target. The company racked up sales of around €377m in the January-to-March period, while EBITDA rose some 15% Y/Y. The strong increase in earnings is mainly traced to production mix effects. More motorised vehicles rolled off the production lines from both the Premium and Luxury segments than the previous year period. The Premium segment accounted for €328m in revenue (+1.4% Y/Y), while turnover for the high-priced luxury land yachts under the Morelo brand tallied €49m (+7.9%).



Figure 2: RV production mix trends



Source: First Berlin Equity Research estimates; Knaus Tabbert AG

**Earnings up 17% in Q1** Powered by the high motor vehicle production ratio (+18PPS Y/Y), the Q1 AEBITDA margin (10.3%) was well above the prior year KPI and up vs the previous quarter (Q4: 9.6%). Management explained this is a normal earnings cadence for the company since the first quarter traditionally has to absorb fewer worker holidays.

Table 2: Financial highlights

All figures in €m	Q1/24	2023	variance
Cash & liquid assets	12	12	5%
Financial debt (short- and long-term)	248	243	2%
Net debt	236	231	2%
Total assets	724	683	6%
Total equity	210	193	9%
Equity ratio	29%	28%	-
Net gearing	112%	120%	-
Net debt / EBITDA*	2.0x	2.0x	-

\*adjusted EBITDA

Source: First Berlin Equity Research estimates; Knaus Tabbert AG

**Equity ratio steady at 29%** The RV producer exited Q1 with its customary cash level of around €12m, while the net gearing ratio improved vs YE23 and the net debt / EBITDA ratio was stable. Accounts receivable (AR) spiked in Q1 but management explained this is a temporary increase traced to distributors still in the process of recalibrating their inventory levels that will release funds.

**Table 3: Cash flow developments**

All figures in €m	Q1/24	Q1/23	variance
Net operating cash flow	6	11	-45%
Cash flow from investing	-5	-10	n.a.
Cash flow from financing	3	-2	n.a.
Net cash flow s	4	3	n.a.
Free cash flow (FCF)	1	1	-
FCFPS (€)	0.11	0.11	0%
FCF conversion*	2.9%	3.4%	-

\* percent of EBITDA

Source: First Berlin Equity Research estimates; Knaus Tabbert AG

Working capital shot up on the aforementioned rise in AR. Management say this will normalise as the year progresses and remain focused on reducing inventories as well as overall working capital by YE24 to allow more earnings to sift down to free cash flow. CapEx intensity is also abating and should also boost FCF going forward.

**Table 4: Confirmed guidance**

	Unit	2024 guidance	2023A	2024 FBe
Revenue	€bn	1.40 to 1.55	1.44	1.49
Grow th	%	-3.0 to +7.6	37.3	3.1
AEBITDA margin	%	8.0 - 9.0	8.6	8.8

Source: First Berlin Equity Research; Knaus Tabbert AG

**Reiterate our Buy rating and €86 target price** Management confirmed their 2024 guidance, and Q1 sales matched our estimate. Although earnings overshot FBe and street targets, we expect the normal earnings cadence throughout the year to steer margins back into the guided range. We also think investors will quickly get comfortable with the normalised order book coverage ratio that stood at 43% vs the low end of the sales guide. This should represent a trough with 2025 model year orders set to populate the backlog in the coming months.



## VALUATION MODEL

Table 5: DCF model

In EURm	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E
<b>Sales</b>	<b>1,486</b>	<b>1,644</b>	<b>1,815</b>	<b>1,984</b>	<b>2,117</b>	<b>2,247</b>	<b>2,355</b>	<b>2,455</b>
NOPLAT	71	86	101	117	134	149	162	175
(+) depreciation & amortisation	30	33	35	37	37	39	43	47
<b>Net operating cash flow</b>	<b>101</b>	<b>118</b>	<b>136</b>	<b>155</b>	<b>171</b>	<b>189</b>	<b>205</b>	<b>222</b>
(-) Total investments (CAPEX and WC)	-34	-74	-83	-88	-90	-94	-94	-95
(-) Capital expenditures	-54	-48	-54	-60	-68	-72	-75	-79
(-) Working capital	21	-27	-29	-29	-22	-22	-18	-17
Free cash flows (FCF)	67	44	53	67	81	95	111	126
<b>PV of FCFs</b>	<b>63</b>	<b>37</b>	<b>39</b>	<b>45</b>	<b>48</b>	<b>51</b>	<b>53</b>	<b>54</b>

In EUR'000		Terminal EBIT margin							
		10.2%	10.7%	11.2%	11.7%	12.2%	12.7%	13.2%	
PV of FCFs in explicit period	647	8.7%	127.0	134.1	141.3	148.4	155.6	162.7	169.8
(+) PV of FCFs in terminal period	488	9.7%	105.5	111.0	116.5	122.1	127.6	133.1	138.7
Enterprise value (EV)	1,135	10.7%	89.0	93.3	97.7	102.0	106.4	110.8	115.1
(+) Net cash / (-) net debt	-238	11.7%	75.9	79.4	82.9	86.4	89.9	93.4	96.9
(+) Investments / minority interests	0	12.7%	65.4	68.2	71.0	73.8	76.7	79.5	82.3
Shareholder value	896	13.7%	56.7	59.0	61.3	63.6	65.9	68.2	70.5
Fair value per share (€)	86.0	14.7%	49.4	51.3	53.2	55.1	57.0	58.9	60.8

In EUR'000		Terminal growth rate							
		0.5%	1.0%	1.5%	2.0%	2.5%	3.0%	3.5%	
Cost of equity	13.5%	8.7%	129.6	135.1	141.3	148.4	156.7	166.4	178.1
Pre-tax cost of debt	4.5%	9.7%	109.0	112.8	117.2	122.1	127.6	134.0	141.5
Tax rate	29.5%	10.7%	92.7	95.5	98.6	102.0	105.9	110.3	115.4
After-tax cost of debt	3.2%	11.7%	79.5	81.6	83.9	86.4	89.2	92.3	95.8
Risk free rate	2.5%	12.7%	68.7	70.2	72.0	73.8	75.9	78.2	80.7
Terminal growth rate	2.0%	13.7%	59.6	60.9	62.2	63.6	65.2	66.8	68.7
WACC	11.7%	14.7%	52.0	53.0	54.0	55.1	56.3	57.6	59.0

\*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	2023	2024E	2025E
<b>Revenues</b>	<b>795</b>	<b>863</b>	<b>1,050</b>	<b>1,441</b>	<b>1,486</b>	<b>1,644</b>
Cost of goods sold	-558	-625	-776	-1,071	-1,104	-1,221
<b>Gross profit</b>	<b>245</b>	<b>261</b>	<b>296</b>	<b>394</b>	<b>409</b>	<b>452</b>
Personnel expenses	-111	-127	-142	-158	-161	-174
Other OpEx	-71	-78	-91	-122	-123	-130
Other income	3	3	6	10	6	7
<b>EBITDA</b>	<b>66</b>	<b>59</b>	<b>69</b>	<b>124</b>	<b>131</b>	<b>154</b>
Depreciation & amortisation	-19	-21	-24	-28	-30	-33
<b>Operating income (EBIT)</b>	<b>47</b>	<b>38</b>	<b>45</b>	<b>95</b>	<b>101</b>	<b>122</b>
Net financial result	-2	-1	-4	-10	-9	-8
Other financial result	0	0	0	0	0	0
<b>Pre-tax income (EBT)</b>	<b>44</b>	<b>37</b>	<b>42</b>	<b>86</b>	<b>92</b>	<b>114</b>
Income taxes	-13	-11	-12	-25	-27	-34
Minority interests	0	0	0	0	0	0
<b>Net income / loss</b>	<b>31</b>	<b>26</b>	<b>30</b>	<b>60</b>	<b>65</b>	<b>80</b>
<b>Diluted EPS (in €)</b>	<b>7.6</b>	<b>2.5</b>	<b>2.9</b>	<b>5.8</b>	<b>6.2</b>	<b>7.7</b>
<b>AEBITDA</b>	<b>68</b>	<b>61</b>	<b>70</b>	<b>124</b>	<b>131</b>	<b>154</b>
<b>Ratios</b>						
Gross margin	30.8%	30.3%	28.2%	27.3%	27.5%	27.5%
EBITDA margin on revenues	8.3%	6.9%	6.6%	8.6%	8.8%	9.4%
EBIT margin on revenues	5.9%	4.4%	4.3%	6.6%	6.8%	7.4%
AEBITDA margin on revenues	8.5%	7.0%	6.7%	8.6%	8.8%	9.4%
Net margin on revenues	3.9%	3.0%	2.8%	4.2%	4.4%	4.9%
Tax rate	28.9%	29.9%	29.1%	29.7%	29.5%	29.5%
<b>Expenses as % of revenues</b>						
Personnel expenses	14.0%	14.8%	13.5%	10.9%	10.8%	10.6%
Other OpEx	8.9%	9.0%	8.7%	8.5%	8.3%	7.9%
Depreciation & amortisation	2.4%	2.4%	2.3%	2.0%	2.0%	2.0%
<b>Y-Y Growth</b>						
Revenues	1.8%	8.6%	21.7%	37.3%	3.1%	10.6%
Operating income	1.5%	-17.6%	18.5%	109.8%	5.9%	20.4%
Net income/ loss	0.5%	-17.3%	14.3%	103.7%	7.4%	24.0%



## BALANCE SHEET

All figures in EURm	2020	2021	2022	2023	2024E	2025E
<b>Assets</b>						
<b>Current assets, total</b>	<b>161</b>	<b>191</b>	<b>344</b>	<b>430</b>	<b>365</b>	<b>402</b>
Cash and equivalents	9	10	13	12	14	15
Other ST assets	16	24	38	23	24	24
Trade receivables	11	7	33	85	69	77
Inventories	124	145	253	309	257	284
Tax receivables	2	6	7	1	1	1
<b>Non-current assets, total</b>	<b>124</b>	<b>154</b>	<b>214</b>	<b>253</b>	<b>278</b>	<b>293</b>
Property, plant and equipment	103	131	184	222	244	255
Intangible assets	16	18	23	23	25	29
Deferred tax assets	3	3	5	7	7	7
Other LT assets	2	2	2	2	2	2
<b>Total assets</b>	<b>286</b>	<b>345</b>	<b>557</b>	<b>682</b>	<b>643</b>	<b>694</b>
<b>Shareholders' equity &amp; debt</b>						
<b>Current liabilities, total</b>	<b>128</b>	<b>179</b>	<b>279</b>	<b>355</b>	<b>281</b>	<b>283</b>
Trade payables	35	38	113	122	76	84
ST debt	49	93	90	141	120	108
Provisions	6	8	18	24	24	24
Other current liabilities	37	40	59	68	61	67
<b>Long-term liabilities, total</b>	<b>34</b>	<b>32</b>	<b>132</b>	<b>135</b>	<b>135</b>	<b>136</b>
LT provisions	13	14	5	6	6	7
LT debt	6	2	103	102	102	102
Deferred tax	7	8	10	11	11	11
Other non-current liabilities	9	8	14	15	15	16
<b>Shareholders' equity</b>	<b>124</b>	<b>134</b>	<b>147</b>	<b>193</b>	<b>227</b>	<b>275</b>
<b>Total consolidated equity and debt</b>	<b>286</b>	<b>345</b>	<b>557</b>	<b>682</b>	<b>643</b>	<b>694</b>
<b>Ratios</b>						
Current ratio (x)	1.3	1.1	1.2	1.2	1.3	1.4
Quick ratio (x)	0.3	0.3	0.3	0.3	0.4	0.4
Equity ratio	43%	39%	26%	28%	35%	40%
Net debt / (net cash)	55	100	200	238	214	201
Net gearing	44%	75%	136%	124%	94%	73%
Net debt / EBITDA	0.8	1.7	2.9	1.9	1.6	1.3
Return on equity (ROE)	25%	19%	20%	31%	29%	29%
Capital employed (CE)	219	262	381	516	520	562
Return on capital employed (ROCE)	21%	15%	12%	18%	19%	22%



## CASH FLOW STATEMENT

All figures in EURm	2020	2021	2022	2023	2024E	2025E
<b>Net income</b>	<b>31</b>	<b>26</b>	<b>30</b>	<b>60</b>	<b>65</b>	<b>80</b>
Depreciation & amortisation	19	21	24	28	30	33
Change to LT accruals	3	2	2	7	0	0
Other non-cash items	0	1	3	0	-7	7
Asset disposals	1	0	0	0	0	0
Income tax	12	11	12	25	27	34
Net interest expense	2	1	3	10	9	8
<b>Operating cash flow</b>	<b>69</b>	<b>63</b>	<b>73</b>	<b>131</b>	<b>124</b>	<b>161</b>
Change in working capital	11	-24	-58	-88	21	-27
Tax paid	-10	-11	-12	-10	-27	-34
<b>Net operating cash flow</b>	<b>71</b>	<b>27</b>	<b>3</b>	<b>32</b>	<b>117</b>	<b>101</b>
<b>Cash flow from investing</b>	<b>-20</b>	<b>-48</b>	<b>-73</b>	<b>-54</b>	<b>-54</b>	<b>-48</b>
Equity inflow , net	25	0	0	0	0	0
Debt inflow , net	-39	41	94	50	-21	-12
Interest paid	-3	-1	-3	-11	-9	-8
Dividend paid to shareholders	-30	-16	-16	-16	-30	-32
Other financial cash flow	-3	-3	-3	-4	0	0
<b>Cash flow from financing</b>	<b>-50</b>	<b>21</b>	<b>72</b>	<b>19</b>	<b>-60</b>	<b>-52</b>
<b>Net cash flows</b>	<b>1</b>	<b>0</b>	<b>3</b>	<b>-2</b>	<b>3</b>	<b>1</b>
Cash, start of the year	2	3	3	6	3	6
<b>Cash, end of the year</b>	<b>3</b>	<b>3</b>	<b>6</b>	<b>3</b>	<b>6</b>	<b>7</b>
<b>Cash on deposit</b>	<b>6</b>	<b>7</b>	<b>7</b>	<b>8</b>	<b>8</b>	<b>8</b>
<b>Free cash flow (FCF)</b>	<b>51</b>	<b>-21</b>	<b>-70</b>	<b>-22</b>	<b>63</b>	<b>53</b>
FCF/share (in €)	4.9	-2.0	-6.7	-2.1	6.1	5.1
<b>Y-Y Growth</b>						
Operating cash flow	61%	-62%	-90%	1047%	265%	-14%
Free cash flow	218%	n.m.	n.m.	n.m.	n.m.	-16%



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**All publications of the last 12 months were authored by Ellis Acklin.**

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**AGREEMENT WITH THE ANALYSED COMPANY AND MAINTENANCE OF OBJECTIVITY**

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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 <sup>1</sup>	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%

<sup>1</sup> 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...14	↓	↓	↓	↓
15	26 July 2023	€61.40	Buy	€83.00
16	14 August 2023	€58.90	Buy	€83.00
17	6 September 2023	€54.20	Buy	€83.00
18	20 September 2023	€52.00	Buy	€86.00
19	9 November 2023	€44.75	Buy	€86.00
20	12 February 2024	€39.85	Buy	€86.00
21	22 February 2024	€45.80	Buy	€86.00
22	3 April 2024	€41.25	Buy	€86.00
23	Today	€45.95	Buy	€86.00

**INVESTMENT HORIZON**

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

### UPDATES

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#### Legally required information regarding

- key sources of information in the preparation of this research report
- valuation methods and principles
- sensitivity of valuation parameters

can be accessed through the following internet link: <https://firstberlin.com/disclaimer-english-link/>

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