

Knaus Tabbert AG

Germany / Leisure Vehicles
 Xetra
 Bloomberg: KTA GR
 ISIN: DE000A2YN504

Caravan Salon
 Musings

RATING
BUY

PRICE TARGET
€ 69.00

Return Potential 130.0%
 Risk Rating High

BUSTLING TRADE SHOW; A GLIMPSE OF XPERIAN

We attended the 2024 Caravan Salon to get a first-hand look at the latest RVs, take the pulse of consumers, and meet with KTA brass. Attendance again topped a quarter million, and 16 exhibition halls showcased 778 exhibitors. We saw no signs that demand is flagging. The highlight of our trip was a peek behind the curtain of KTA's much anticipated new brand, Xperian. KTA's vision for Xperian is that it should be more than just a fresh line of futuristic RVs; it will also aim to create a whole new customer journey spearheaded by a reimagined distribution platform. KTA remains hushed on details pending the formal launch of the brand in January, but management were decidedly upbeat about Xperian's prospects as well as the overall state of the RV industry. We expect Xperian will reinvigorate the RV maker's investor base and remain Buy-rated on KTA with a €69 TP.

Non-Xperian Caravan Salon takeaways We had a chance to discuss the state of KTA and the RV sector with CEO, Wolfgang Speck, over dinner. The KTA boss struck a confident tone in talking about a resumption of KTA's growth in 2025, continuing to point to positive market signals: (1) RV overnights topping 42m in 2023; (2) July registrations that were within shooting distance of the all-time high; and (3) good order intake at this year's trade fair. As of last Thursday, camper van orders were at 110% of the 2023 comp, while motorhomes matched last year's pace, and caravans were at ~80% of the prior year volume. These numbers align with current industry trends and KTA's recent sales and production KPIs that lean towards motorized vehicles. Mr Speck also discussed KTA's 'Champion's Deals' sales initiative at length. This is helping dealers whittle down inventories to offset rising financing costs by allowing them to rebate older models still in their parking lots. He said the program's €1.5m in discounts is shared between KTA and its respective dealers, and that the initiative is working.

BE. Part Of A Revolution The slogan is intended to capture the spirit of the Xperian brand, which KTA expects will disrupt the caravanning industry with a fleet of state-of-the-art vehicles on the back of a completely... (p.t.o.)

FINANCIAL HISTORY & PROJECTIONS

	2020	2021	2022	2023	2024E	2025E
Revenue (€m)	794.6	862.6	1,049.5	1,441.0	1,356.6	1,501.0
Y-o-y growth	1.8%	8.6%	21.7%	37.3%	-5.9%	10.6%
EBIT (€m)	46.6	38.4	45.5	95.4	71.7	92.3
EBIT margin	5.9%	4.4%	4.3%	6.6%	5.3%	6.1%
Net income (€m)	31.3	25.9	29.6	60.3	43.0	58.9
EPS (diluted) (€)	7.63	2.50	2.85	5.81	4.14	5.67
DPS (€)	1.50	1.50	1.50	2.90	2.10	2.80
FCF (€m)	50.9	-20.7	-69.9	-21.7	53.9	37.5
Net gearing	44.1%	74.8%	136.1%	123.7%	109.5%	89.9%
Liquid assets (€m)	8.9	9.7	12.6	11.7	11.8	10.7

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 10 Sep 2024

Closing Price	€ 30.00
Shares outstanding	10.38m
Market Capitalisation	€ 311.31m
52-week Range	€ 28.05 / 55.90
Avg. Volume (12 Months)	15,830

Multiples	2023	2024E	2025E
P/E	5.2	7.2	5.3
EV/Sales	0.4	0.4	0.4
EV/EBIT	5.9	7.9	6.1
Div. Yield	9.7%	7.0%	9.3%

STOCK OVERVIEW



COMPANY DATA

As of 30 Jun 2024

Liquid Assets	€ 12.20m
Current Assets	€ 441.70m
Intangible Assets	€ 22.20m
Total Assets	€ 683.90m
Current Liabilities	€ 362.00m
Shareholders' Equity	€ 193.00m

SHAREHOLDERS

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

. . . re-conceptualized distribution model. Knaus Tabbert's head of biz dev, Rolf Schmidt, gave us a brief introduction of the Xperian strategy and showed us new image films featuring iconic innovators such as David Bowie, Steve Jobs, and Bruce Lee to weave a tapestry of anticipation and excitement.

Xperian wants to be known as a “rebel brand” This attitude applies to the new family of camper vans, motorhomes and towed caravans. But the big reveal last week was the announcement of a revamped distribution model. KTA boasts a network of 450 dealers, and Mr Speck noted at dinner that these are running at maximum capacity with the current Knaus Tabbert brands. He reiterated the importance of KTA's network but emphasized the time is ripe to create a more personalized approach tailored to folks' specific lifestyles and hobbies.

Figure 1: Xperian promotional lounge in Hall 1



Source: First Berlin Equity Research

Fostering a personalized customer journey Although Messrs Schmidt and Wolf were frustratingly tight-lipped about the new sales model, we think the new platform will be anchored by a more direct sales approach in the vein of the highly successful Tesla model. Like Tesla, Xperian is aiming for a more personalized customer journey during the buying and ownership process.

Car makers traditionally sell their motor vehicles through franchised dealerships. But Tesla sells its EVs directly to consumers via its sprawling global network of sleek showrooms and galleries, located chiefly in urban centers. By owning the sales channel, Tesla creates a better customer buying experience. This brings the EV maker closer to its customers, which in turn translates into accelerated and more effective product development. Replicating this model exactly is unrealistic, due to the size of RVs, but we can imagine some urban showrooms that feature smaller RV's, such as camper vans, being part of the new sales strategy to attract new customers.



Normally, interested RV buyers have to travel to far flung dealerships, where they are shown vehicles on hand. Their actual needs barely factor into the shopping equation. Xperian wants to change this. They claim that folks today want a more bespoke touch and aren't always keen to drive out to Timbuktu to look at RVs. It thus makes sense that KTA is looking for a ways to augment its traditional distribution network through more direct channels that get closer to customers.

VALUATION MODEL

Maintain Buy rating and €69 TP If RV demand is flagging, we didn't see it in Düsseldorf at the Caravan Salon. The halls were brimming with shoppers, and even the parking lot at the trade fair was filled with visitors and workers opting for their mobile homes over hotel accommodation.

Investors have been nonplussed by operations this year, especially after KTA trimmed the 2024 guide to reflect the Champions Deals initiative (see note of 18 July 2024). We think the Xperian launch will spark renewed investor interest and boost confidence in growth prospects.

Figure 2: DCF model

In EURm	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E
Sales	1,357	1,501	1,658	1,813	1,933	2,050	2,147	2,238
NOPLAT	51	65	78	92	107	119	130	141
(+) depreciation & amortisation	30	31	33	35	33	36	39	42
Net operating cash flow	80	96	111	127	140	155	169	183
(-) Total investments (CAPEX and WC)	-17	-67	-73	-77	-77	-80	-80	-81
(-) Capital expenditures	-46	-42	-45	-49	-56	-59	-62	-65
(-) Working capital	29	-25	-28	-28	-21	-21	-17	-16
Free cash flows (FCF)	63	29	38	50	63	75	89	102
PV of FCF's	61	25	29	35	39	41	44	45

In EUR '000	
PV of FCFs in explicit period	543
(+) PV of FCFs in terminal period	414
Enterprise value (EV)	957
(+) Net cash / (-) net debt	-238
(+) Investments / minority interests	0
Shareholder value	719
Fair value per share (€)	69.0

		Terminal EBIT margin						
		8.9%	9.4%	9.9%	10.4%	10.9%	11.4%	11.9%
WACC	8.7%	100.5	107.2	113.9	120.5	127.2	133.9	140.5
	9.7%	83.2	88.4	93.6	98.8	104.0	109.1	114.3
	10.7%	69.9	74.0	78.1	82.2	86.3	90.4	94.5
	11.7%	59.4	62.7	66.0	69.3	72.6	75.9	79.2
	12.7%	50.9	53.5	56.2	58.9	61.6	64.3	66.9
	13.7%	43.8	46.0	48.2	50.4	52.6	54.8	57.0
	14.7%	37.9	39.7	41.6	43.4	45.2	47.0	48.8

Cost of equity	13.5%
Cost of debt	4.5%
Tax rate	29.5%
After-tax cost of debt	3.2%
Share of equity capital	83.2%
Share of debt capital	16.8%
WACC	11.7%

		Terminal growth rate						
		0.5%	1.0%	1.5%	2.0%	2.5%	3.0%	3.5%
WACC	8.7%	104.8	109.3	114.5	120.5	127.5	135.6	145.4
	9.7%	87.8	91.0	94.7	98.8	103.5	108.9	115.1
	10.7%	74.3	76.7	79.3	82.2	85.5	89.2	93.5
	11.7%	63.4	65.2	67.1	69.3	71.7	74.3	77.3
	12.7%	54.5	55.8	57.3	58.9	60.7	62.6	64.7
	13.7%	47.0	48.1	49.2	50.4	51.7	53.2	54.8
	14.7%	40.8	41.6	42.4	43.4	44.4	45.5	46.7

*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
Revenues	795	863	1,050	1,441	1,357	1,501
Cost of goods sold	-558	-625	-776	-1,071	-1,028	-1,133
Gross profit	245	261	296	394	355	395
Personnel expenses	-111	-127	-142	-158	-147	-159
Other OpEx	-71	-78	-91	-122	-113	-118
Other income	3	3	6	10	5	6
EBITDA	66	59	69	124	101	123
Depreciation & amortisation	-19	-21	-24	-28	-30	-31
Operating income (EBIT)	47	38	45	95	72	92
Net financial result	-2	-1	-4	-10	-11	-9
Other financial result	0	0	0	0	0	0
Pre-tax income (EBT)	44	37	42	86	61	83
Income taxes	-13	-11	-12	-25	-18	-25
Minority interests	0	0	0	0	0	0
Net income / loss	31	26	30	60	43	59
Diluted EPS (in €)	7.6	2.5	2.9	5.8	4.1	5.7
AEBITDA	68	61	70	124	101	123
Ratios						
Gross margin	30.8%	30.3%	28.2%	27.3%	26.2%	26.3%
EBITDA margin on revenues	8.3%	6.9%	6.6%	8.6%	7.5%	8.2%
EBIT margin on revenues	5.9%	4.4%	4.3%	6.6%	5.3%	6.1%
AEBITDA margin on revenues	8.5%	7.0%	6.7%	8.6%	7.5%	8.2%
Net margin on revenues	3.9%	3.0%	2.8%	4.2%	3.2%	3.9%
Tax rate	28.9%	29.9%	29.1%	29.7%	29.5%	29.5%
Expenses as % of revenues						
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%	2.2%	2.1%
Y-Y Growth						
Revenues	1.8%	8.6%	21.7%	37.3%	-5.9%	10.6%
Operating income	1.5%	-17.6%	18.5%	109.8%	-24.9%	28.8%
Net income/ loss	0.5%	-17.3%	14.3%	103.7%	-28.8%	37.0%



BALANCE SHEET

All figures in EURm	2020	2021	2022	2023	2024E	2025E
Assets						
Current assets, total	161	191	344	430	375	409
Cash and equivalents	9	10	13	12	12	11
Other ST assets	16	24	38	23	24	24
Trade receivables	11	7	33	85	93	103
Inventories	124	145	253	309	245	270
Tax receivables	2	6	7	1	1	1
Non-current assets, total	124	154	214	253	270	281
Property, plant and equipment	103	131	184	222	238	248
Intangible assets	16	18	23	23	23	24
Deferred tax assets	3	3	5	7	7	7
Other LT assets	2	2	2	2	2	2
Total assets	286	345	557	682	644	689
Shareholders' equity & debt						
Current liabilities, total	128	179	279	355	303	311
Trade payables	35	38	113	122	96	106
ST debt	49	93	90	141	128	120
Provisions	6	8	18	24	24	24
Other current liabilities	37	40	59	68	56	62
Long-term liabilities, total	34	32	132	135	135	136
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
Shareholders' equity	124	134	147	193	205	243
Total consolidated equity and debt	286	345	557	682	644	689
Ratios						
Current ratio (x)	1.3	1.1	1.2	1.2	1.2	1.3
Quick ratio (x)	0.3	0.3	0.3	0.3	0.4	0.4
Equity ratio	43%	39%	26%	28%	32%	35%
Net debt / (net cash)	55	100	200	238	225	218
Net gearing	44%	75%	136%	124%	110%	90%
Net debt / EBITDA	0.8	1.7	2.9	1.9	2.2	1.8
Return on equity (ROE)	25%	19%	20%	31%	21%	24%
Capital employed (CE)	219	262	381	516	503	539
Return on capital employed (ROCE)	21%	15%	12%	18%	14%	17%



CASH FLOW STATEMENT

All figures in EURm	2020	2021	2022	2023	2024E	2025E
Net income	31	26	30	60	43	59
Depreciation & amortisation	19	21	24	28	30	31
Change to LT accruals	3	2	2	7	0	0
Other non-cash items	0	1	3	0	-12	6
Asset disposals	1	0	0	0	0	0
Income tax	12	11	12	25	18	25
Net interest expense	2	1	3	10	11	9
Operating cash flow	69	63	73	131	89	129
Change in working capital	11	-24	-58	-88	29	-25
Tax paid	-10	-11	-12	-10	-18	-25
Net operating cash flow	71	27	3	32	100	80
Cash flow from investing	-20	-48	-73	-54	-46	-42
Equity inflow, net	25	0	0	0	0	0
Debt inflow, net	-39	41	94	50	-13	-8
Interest paid	-3	-1	-3	-11	-11	-9
Dividend paid to shareholders	-30	-16	-16	-16	-30	-22
Other financial cash flow	-3	-3	-3	-4	0	0
Cash flow from financing	-50	21	72	19	-54	-39
Net cash flows	1	0	3	-2	0	-1
Cash, start of the year	2	3	3	6	3	3
Cash, end of the year	3	3	6	3	3	2
Cash on deposit	6	7	7	8	8	8
Free cash flow (FCF)	51	-21	-70	-22	54	37
FCF/share (in €)	4.9	-2.0	-6.7	-2.1	5.2	3.6
Y-Y Growth						
Operating cash flow	61%	-62%	-90%	1047%	212%	-21%
Free cash flow	218%	n.m.	n.m.	n.m.	n.m.	-31%

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PRICE TARGET DATES

Unless otherwise indicated, current prices refer to the closing prices of the previous trading day.

AGREEMENT WITH THE ANALYSED COMPANY AND MAINTENANCE OF OBJECTIVITY

The present financial analysis is based on the author's own knowledge and research. The author prepared this study without any direct or indirect influence exerted on the part of the analysed company. Parts of the financial analysis were possibly provided to the analysed company prior to publication in order to avoid inaccuracies in the representation of facts. However, no substantial changes were made at the request of the analysed company following any such provision.

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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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...18	↓	↓	↓	↓
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	10 May 2024	€45.95	Buy	€86.00
24	15 July 2024	€37.40	Buy	€86.00
25	18 July 2024	€33.20	Buy	€69.00
26	11 September 2024	€32.35	Buy	€69.00
27	Today	€30.00	Buy	€69.00

INVESTMENT HORIZON

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

UPDATES

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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Legally required information regarding

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

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