Knaus Tabbert AG

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

Comprehensive update

RATING	**BUY**
PRICE TARGET	**€ 29.00**
Return Potential	126.9%
Risk Rating	High

BRAKING BAD

Knaus Tabbert shares have been on a losing streak since the middle of July having shed some 60% in value in the wake of three profit warnings and internal upheaval. The run of bad news then climaxed with the firing of two C-level execs accused of trousering supplier kickbacks. Now long-time anchor shareholder and previous company saviour, Wim de Pundert, has taken over CEO duties to stabilise and reposition the RV maker. Negative headlines shook investor confidence, while trade and financing partners also needed reassuring. Mr de Pundert now heads the revamped executive board, and we think he is the right man for the job, since his team masterminded the last major restructuring in 2009. KTA recently struck an agreement with its lender consortium and announced a series of initiatives to address the trouble and start to re-establish credibility. The RV maker is not out of the woods yet but we see value in KTA, while unconvinced investors grapple with the odds of a successful turnaround. A number of industry checks underpin our optimism, and we stick to our Buy rating. Our €29 TP equates to 127% upside.

Braking bad After setting sales and earnings records in 2023, KTA was blindsided by dealership trouble last summer that ruined production planning, caused working capital to swell, and forced a lengthy production stop. In late November, attention then shifted to scandal when two execs were caught taking bribes and immediately sacked. But the latest ad-hocs outlining an all-important amended banking agreement plus an upbeat 2025 outlook have braked the bad headlines and offer tangible reassurance that the company is not on the verge of insolvency. But it is worth noting that a *StaRUG (Unternehmensstabilisierungs- und -restrukturierungsgesetz)*—which provides a framework for German companies to restructure their debts and operations outside of formal bankruptcy—was never on the list of the restructuring options. Wim de Pundert brought Knaus Tabbert out of insolvency 16 years ago and has now taken the CEO reins. Together with . . . (p.t.o.)

FINANCIAL HISTORY & PROJECTIONS

	2021	2022	2023	2024	2025E	2026E
Revenue (€m)	862.6	1,049.5	1,441.0	1,082.1	1,015.5	1,076.2
Y/Y growth	8.6%	21.7%	37.3%	-24.9%	-6.2%	6.0%
EBIT (€m)	38.4	45.5	95.4	-46.8	19.6	32.9
EBIT margin	4.4%	4.3%	6.6%	-4.3%	1.9%	3.1%
Net income (€m)	25.9	29.6	60.3	-48.0	2.9	14.9
EPS (diluted) (€)	2.50	2.85	5.81	-4.63	0.28	1.44
DPS (€)	1.50	1.50	2.90	0.00	0.00	0.00
FCF (€m)	-20.7	-69.9	-21.7	-34.5	85.5	22.7
Net gearing	70.2%	131.2%	128.3%	295.8%	229.2%	195.4%
Liquid assets (€m)	9.7	12.6	11.7	15.4	12.4	11.0

RISKS

Risks include, but are not limited to: supply chain, labour, macro-economic, and competitive 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 (Morelo). KTA has four manufacturing facilities following the latest capacity expansion.

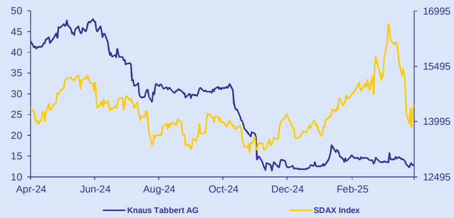
MARKET DATA

As of 11 Apr 2025

Closing Price	€ 12.78
Shares outstanding	10.38m
Market Capitalisation	€ 132.62m
52-week Range	€ 11.50 / 48.00
Avg. Volume (12 Months)	24,323

Multiples	2024	2025E	2026E
P/E	n.a.	45.0	8.9
EV/Sales	0.4	0.5	0.4
EV/EBIT	n.a.	23.6	14.0
Div. Yield	0.0%	0.0%	0.0%

STOCK OVERVIEW



COMPANY DATA

As of 31 Dec 2024

Liquid Assets	€ 15.40m
Current Assets	€ 371.90m
Intangible Assets	€ 17.10m
Total Assets	€ 639.50m
Current Liabilities	€ 408.10m
Shareholders' Equity	€ 113.20m

SHAREHOLDERS

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

Analyst: Ellis Acklin, Tel. +49 (0)30 - 80 93 96 83

. . . new CFO Radim Ševčík, the two execs aim to get business back on track with a strategy better aligned to the still solid RV market. We have rewound the events of the past months, examined the state of the German RV market from the dealers' perspective, as well as the work still ahead on the road to recovery.

INDUSTRY MUSINGS

Misery loves company Last year, Knaus Tabbert was forced to adjust its production planning three times and ultimately shut down key factories. While the company made all the negative sector headlines in 2024, it turns out many of the issues that hurt KTA last year actually were widespread across the industry with many of its RV brethren equally culpable of having misread the market, overproducing, and saddling dealers with too many vehicles on their lots. No, this does not absolve KTA for its missteps, but it does show that Knaus was not alone in misjudging the market. Its peers have merely been able to avoid the negative spotlight, thanks to the lower transparency requirements enjoyed by privately-held companies.

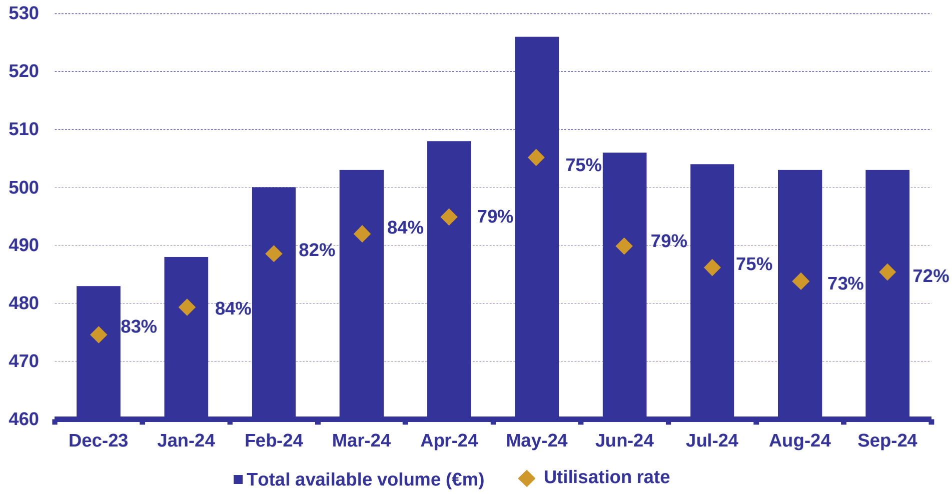
What other stakeholders are saying To put KTA's operational issues into proper perspective, a look at the state of the industry in 2024 through the dealership lens is helpful. A number of prominent RV dealerships recently opened up about the troubles weighing on the sector and revealed that Knaus Tabbert was not alone in making operational mistakes.

The dealers said virtually all major motorhome OEMs had to shutter production in 2024 after having failed to dial back factory output quickly enough once the boom during the pandemic tailed off. One dealership added that manufacturers of 9 of the 10 brands sold on its lots had introduced *Kurzarbeit* (reduced working hours) for production staff by October. Others told similar tales and echoed the problem of bloated inventories on their lots that needed to be significantly adjusted to the world of higher financing costs and "normalised" demand.

Compounding the oversupply issue, capacity expansions and improved supply chains including a flood of chassis meant OEMs could and did produce in unprecedented volumes to catch up on long overdue deliveries. The upshot is OEMs failed to read the market correctly. One dealer traced the assessment-whiff to the overall lack of fluid communication between industry stakeholders, from OEMs and dealerships, down to service centres and ultimately RV owners. He believes that painful lessons learned in 2024 will prod stakeholders into correcting these deficiencies, and that OEMs in particular need to get closer to the end-market. That includes Knaus Tabbert.

Is the dealer network in trouble? Then the rumour-mill stirred fears of widespread dealer insolvencies. According to Patrick Mader, Managing Director of the InterCaravaning Dealer Network, it turns out this has been limited mainly to inexperienced newcomers, car dealerships attempting to get in on the caravanning action, and a handful of rental start-ups. This is a welcome clarification, given the importance of healthy dealers to KTA and its peers. Knaus Tabbert has made no official comment on the number of dealer insolvencies within its network, but hints over the past months suggest these are limited to a handful of its retail vendors, and their unsold RVs have already been reabsorbed onto the balance sheet.

Figure 1: Dealer credit facilities utilisation rates



Source: First Berlin Equity Research; Knaus Tabbert AG

Mr Mader also thinks RV production could retreat by up to 10% this year, but we reckon the comp is tricky considering the positive catch-up effects still visible in H1/24 vs the production stops later in the year. Plus, stakeholders also need to start looking at pre-pandemic comps to properly gauge demand in a non-boom environment. He also thinks much of the overhang has already self-corrected as a result of the industry pumping the production brakes at the end of last year, and emphasised that a sales contraction will impact brands and RV categories differently.

What is the state of customer demand? This is the elephant in the room and probably the most important factor in KTA's full recovery. Even prior to the internal turmoil, KTA investors were hitting the bid last year largely on the belief that RV demand is falling off a cliff, citing: (1) shrinking order books; (2) bloated inventories; and (3) stretched consumer wallets. However, the CMT holiday exhibition in Stuttgart this January posted encouraging visitor numbers (260k; +11% Y/Y), and one dealer reported a 40% uptick in order activity on the prior year.

Plus, despite macro-uncertainties, stubborn inflation, and a still sputtering Teutonic economy, German household spending power is forecasted to climb 2% on the prior year according to a recent study published by GfK, a consumer-intelligence outfit. German wallets continue to rank among the most flush in the EU, which is good news for KTA and its German-centric business. The CMT also reported average monthly net earnings of €4,094 for its guests.

It remains to be seen whether folks planning to buy an RV this year might be spooked by the recent tariff turmoil and recessionary prospects. RV buyers traditionally finance their motor homes with household savings. That means RV purchases are generally planned years in advance and less likely to be postponed than that new sofa or bedroom suite.

Channel checks also point towards a normalised market We also spoke to a handful of dealers directly in Q1. Activity is typically low during wintertime, but there has been no notable decline in activity common to this time of year. But dealer feedback also suggests the industry needs to sober up sticker prices after hefty price hikes during the 2023 boom. Plus, several say there are too many models and too much optionality that has overwhelmed dealers and prospective buyers alike. We expect this topic to be high on Mr de Pundert's agenda as he realigns KTA to the evolving market. All told, major retailers agree on one thing: “RV interest is unbroken," but added that their lots are still depressingly crowded with older models and price adjustments are necessary to clear warehouses.

Wrangling with the state prosecutor In 2022, the Stuttgart state prosecutor launched a series of investigations into several German RV makers, including the Erwin Hymer Group, for allegedly falsifying weight specifications on certain vehicles sold with weight allowances of up to 3,500 kg. The importance of this threshold is that RV owners require a more rigorous C1 driver's license to operate a vehicle, including the payload, exceeding this weight. In mid-December, Knaus Tabbert announced that it was also in cooperative discussions with the Stuttgart prosecutor for similar allegations pertaining to its vehicles in these weight categories.

On 30 January, SWR Aktuell, a media outfit, reported that Hymer had come to an agreement with the prosecutor's office and that further investigations were being dropped. No further comments were offered. The fine is thought to be in the low double-digit millions range. In our view, this comp could be a worst case scenario for KTA depending on the specific severity of the violations. We also note that 3,500 kg reflects the maximum weight of the loaded vehicle, whereas the tare weight (unloaded) is often listed near 2,500 kg allowing for a 1,000 kg payload. Regardless of the nature of the "discussions", we reckon it will take some time for these negotiations to play out giving KTA time to provision accordingly, if a monetary settlement is indeed part of the settlement.

The upshot for Knaus Tabbert Our channels checks combined with commentary from interviews with industry stakeholders lead us to conclude that there has not been a loss of confidence in Knaus Tabbert at either the dealer or customer level. It appears that much of the sector's trouble is emblematic of the industry and not specific to Knaus Tabbert. Several industry insiders, including the Managing Director of Niesmann Caravaning, a prominent German-based RV dealer, went on record at the CMT expressing confidence that the rebooted management team will get KTA's operations turned around and their view that the company will emerge an industry winner.

A TALE OF PROFIT WARNINGS, MANAGEMENT UPHEAVAL, AND ROGUE EXECS

Some 60% of Knaus Tabbert's market cap has vanished since the start of a losing streak triggered in the middle of July 2024 by the first of what would ultimately be three profit warnings (figure 1). Then in late November news flashed that the former CSO and COO were under investigation for pocketing kickbacks from suppliers. We believe their subsequent dismissal and the appointment of an old company stalwart to the executive board represents a trough in the bad news flow. But first we rewind the events behind the downturn in 2024 operations and subsequent tumble in KTA's market value after the RV maker celebrated a record year in 2023.

Figure 2: Timeline of key events that shaped H2/24

Source: First Berlin Equity Research; Knaus Tabbert AG

Profit warning I In mid-July, Knaus Tabbert announced that revenue and the EBITDA margin would fall short of the initial 2024 guide given earlier in the year (table 1). The company pointed at the need to support dealers saddled with higher interest rates and the need to reduce inventories to help offset soaring financing costs. Knaus Tabbert would slow down production to allow dealers time to whittle down their stocks.

Table 1: 2024 guidance evolution

	Unit	Initial	1st update	2nd update	3rd update
Revenue	€bn	1.40 to 1.55	1.3 to 1.4	1.3	< 1.3
Y/Y Growth	%	-3.0 to +7.6	-9.7 to -3.0	-9.7	< -9.7
AEBITDA margin	%	8.0 - 9.0	7.0 - 8.0	*	*

** significantly below the previous EBITDA margin guide in July*

Source: First Berlin Equity Research; Knaus Tabbert AG

Profit warning II Then in October, KTA updated its outlook again, calling for sales to land at the low end (€1.3bn) of the previous guide, while the AEBITDA margin was now expected to come in "significantly below" the 7.0% to 8.0% communicated in July. Still untenable dealer inventories remained the culprit alongside KTA's need to pare down its own stocks. Production planning was adjusted accordingly until year-end.

Long-time KTA boss leaves the company Roughly a week after the second profit warning in late October, the company announced that Wolfgang Speck was stepping down from his dual role as CEO / CFO for "personal reasons". Mr Speck had been instrumental in the company's growth over the last years and had even extended his contract in February. We cannot speculate on the deeper reasons behind his sudden departure, but the timing was bad, given the turmoil within the business. Chief operating officer, Werner Vaterl, took over as interim CEO before his jarring dismissal on bribery charges.

Profit warning III Finally in November, interim CEO, Werner Vaterl, decided to shut down production in Jandelsbrunn and Nagyoroszi, Hungary for the rest of the year reiterating the prior objectives for strapped dealers and its own stocks. The bottom line was that 2024 sales would ultimately come in well below €1.3bn (2024A: €1.1bn).

And then the police arrived The situation boiled over on 27 November when investigators suddenly showed up at company headquarters in Jandelsbrunn in connection with their probe into bribery charges levied against Messrs Vaterl and Adamietzki. Some 165 police officers searched the premises seizing electronic files and physical documentation for the public prosecutor's case against the former executives.

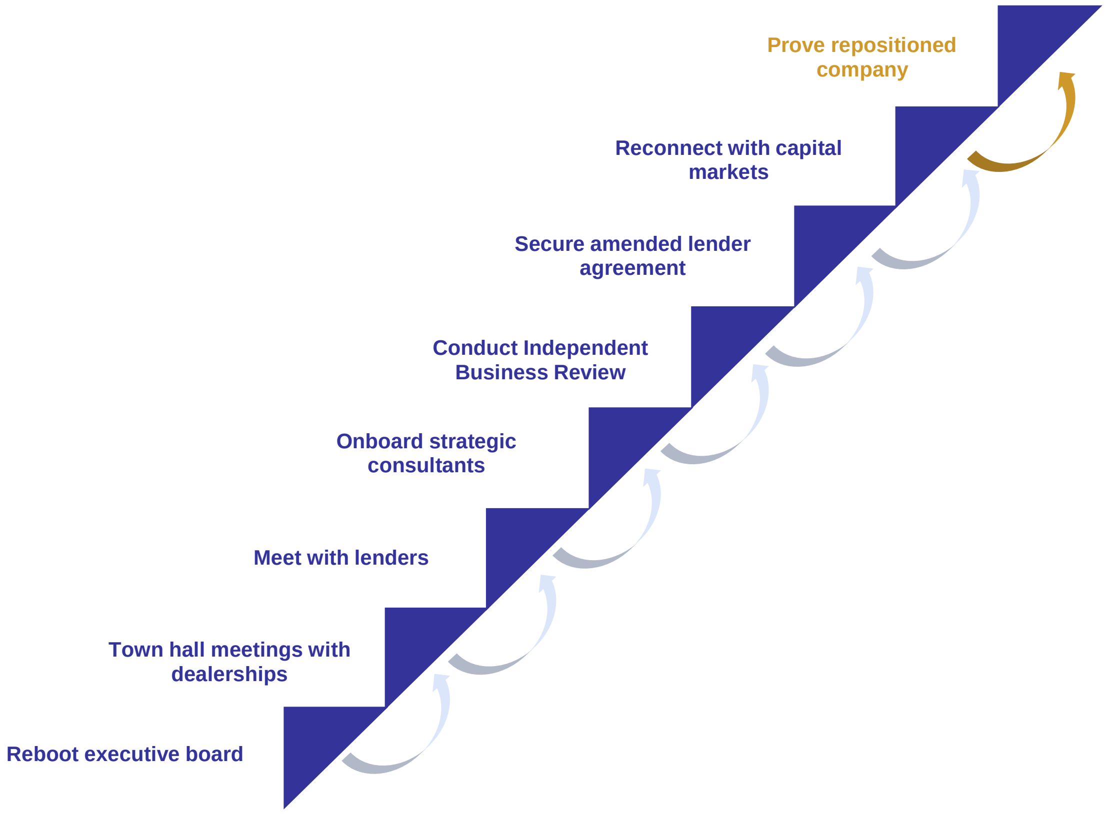
The duo is thought to have potentially trousered millions of Euros in kickbacks from suppliers at the expense of the company. It is important to underscore that **the company itself was not accused of any wrongdoing and is the injured party that incurred damages**. The extent of the executives' shenanigans is currently being evaluated by the state, but the former board members were summarily fired and numerous supplier contracts swiftly terminated. Plus, as discussed overleaf, Knaus Tabbert launched its own probe.

And just for good measure As discussed in the previous section, Knaus Tabbert landed in the crosshairs of the Stuttgart prosecutors in December as part of sweeping investigations across the industry into potentially falsified weight specifications. This applies to certain vehicles sold with weight allowances of up to 3,500 kg (including a 1,000 kg payload). However, we think the alleged infraction applies to the vehicle's 2,500 kg tare weight. Discussions with the prosecutor are ongoing and will be kept under a tight lid until a settlement can be struck.

BRAKING BAD

After a turbulent five months stirred by cascading negative headlines, news broke of a retooled C-level plus an outline of initial steps to tackle the company's multifaceted problems. The announcements braked the downward pressure on the share price. But new management have a towering task ahead to not just stabilise the business but also win back the trust of nonplussed investors. The latter point is underscored by the modest recovery in the KTA share that was still hovering just above all-time lows even before Trump's tariff-tantrum roiled global bourses. The shortlist of issues to be tackled includes: (1) assess and de-risk internal processes; (2) bolster the capital structure; (3) further strengthen relationships with trade partners—dealers and suppliers; (4) get closer to customers; (5) overhaul the production strategy and cull the model offering; and (6) determine the extent of the plundering and seek damages from former colleagues. We have outlined the key steps taken so far.

Figure 3: The road to recovery



Source: First Berlin Equity Research; Knaus Tabbert AG

New, two-headed executive board set After Wolfgang Speck stepped down from the management board in October, Werner Vaterl was named interim CEO before he was kicked out under suspicion of personally taking money under the table from suppliers. Former Supervisory Board member, Wim de Pundert has now taken the CEO position. Encouragingly, he has a long history with the company having brought the faltering RV maker out of insolvency in 2009. We think he may be exactly the right person to get the company back on track and sooth burned investors.

Knaus Tabbert also announced the promotion of its Financial Director, Mr Radim Ševčík, to the CFO position, and the company has hired a new COO in the meantime. This will allow Mr de Pundert to focus on operations as well as relations with dealerships and other trade partners.

Leaning on its dealer network The trouble all started last summer, when dealerships were hit with eye-watering financing costs for inventories. Sticker shock quickly morphed into existential concerns as higher rates gobbled up dealers' modest profit margins. Some enfeebled merchants even had to close their doors. KTA reacted swiftly with slower deliveries, extended payment periods, discounts on *old model years* before ultimately shuttering production. The company has also taken back some vehicles from its retailers on to its balance sheet. We believe the number is in the low hundreds and traced mainly to retailers that had to close down business.

The measures have been painful for Knaus Tabbert, but we think the concessions will work in the RV maker's favour. After this show of solidarity, we don't expect dealers to turn their backs on KTA by pulling orders as it now works through its own set of issues. The company held a series of "face-to-face town hall" meetings for open discussions about the upheaval and the way forward. Key topics included KTA's organisational changes, a revamped strategic direction, plus assurances that measures would be fast-tracked and not merely drip-fed. This will include a streamlined portfolio as discussed overleaf.

Calling in the cavalry Knaus Tabbert engaged the services of two top notch consultancy outfits to root out administrative weaknesses and act as a strategic sounding board. FTI-Andersch, a turnaround specialist, was hired to perform an independent business review (IBR) and support the company in its new direction. The advisor has overseen a number of successful restructurings including the recent repositioning of the beleaguered Koenig & Bauer, a 200 year old printing machine manufacturer.

KTA also commissioned Alvarez & Marsal, a forensic consultant, to dig into the facts surrounding the alleged criminal offenses of Messrs Vaterl (former COO) and Adamietzki (former CSO). The advisor has played a pivotal role in assessing the extent of the damage and implementing measures to shield KTA from future predations. Alvarez & Marsal boasts top credentials as a corporate problem solver across multiple industries, and we expect the outcome of the collaboration to lead to a new era of transparency at Knaus Tabbert, which should cheer investors.

Amended lender agreement After reviewing the IBR alongside new management's revised three year liquidity and strategic realignment plans, KTA's financiers led by Commerzbank AG signed off on an amendment on 25 March. Other syndicate partners include Norddeutsche Landesbank Girozentrale and Raiffeisenlandesbank Oberösterreich AG Zweigniederlassung Süddeutschland.

The agreement replaces the equity and leverage ratio covenants with absolute metrics based on minimum liquidity and T12 AEBITDA requirements as well as working capital levels. Knaus Tabbert's financial boss said on the earnings call that he was not at liberty to divulge the specifics of the new covenants but reassured that there is ample headroom to allow KTA to get operations back on track in a timely manner. New terms also dictate that the company forego paying dividends or similar distributions to shareholders in 2025 and 2026.

This was a big win for the new management team, because the process hinged not only on their rethought vision for the RV maker but also on an independent view (FTI-Andersch) from one of the top trouble-shooters in the business. Without this vote of confidence from its lenders, the balance sheet would have been severely compromised.

The aftermath The company is straining to rebuild credibility with all trade partners and also make sure the highly publicised turmoil doesn't tarnish its valuable brand with consumers. With the winter lull coming to an end, the new executive stewards have a brief window before summer arrives, and folks start placing orders, to ensure its brands have not been tarnished and that planning is well aligned with bolstered dealer networks. That said, we do not think consumers will blacklist the company when shopping for a new RV this year. Folks tend to have short memories in today's world of cascading scandalous headlines.

FOURTH QUARTER HIGHLIGHTS

Results for the December quarter were mixed vs our forecasts, due to low visibility traced to the factory shutdowns late in the year (table 2). All told, the market expected a bad quarter and is more focused on the way forward. Initial 2025 guidance is encouraging, and we are aligned near the midpoint of the margin guide (table 7 overleaf).

Table 2: Q4/24 results vs FBe and prior year

All figures in €m	Q4/24	Q4/24E	variance	Q4/23	variance	2024	2023	variance
Revenue	185	212	*-13%*	368	*-50%*	1,082	1,441	*-25%*
EBITDA	-50	-37	*n.a.*	35	*n.a.*	-8	124	*n.a.*
Margin	*-27.2%*	*-17.6%*	*-*	*9.6%*	*-*	*-0.7%*	*8.6%*	*-*
EBIT	-63	-32	*n.a.*	26	*n.a.*	-47	96	*n.a.*
Margin	*-34.1%*	*-15.1%*	*-*	*7.2%*	*-*	*-4.3%*	*6.6%*	*-*
AEBITDA	-14	-37	*n.a.*	35	*n.a.*	28	124	*-77%*
Margin	*-7.8%*	*-17.6%*	*-*	*9.6%*	*-*	*2.6%*	*8.6%*	*-*

Source: First Berlin Equity Research; Knaus Tabbert AG

Conference call takeaways Analysts and investors had an opportunity to get an initial impression of the reconstituted executive board on the Q4 earnings call hosted by KTA's new CFO, Radim Ševčík. Participants also had the first chance to ask questions since the turmoil started to boil over in November. His presentation and ensuing Q&A session focused on a number of hot topics, but the overarching message was anchored by plans to realign KTA's production and sales strategy to the current market landscape with a decidedly more conservative approach. This means fewer chassis types running through production halls and that at least one of the 5 suppliers will be released from the chassis bullpen. Plus, Mr Ševčík noted KTA will look to reduce floorplan optionality and configuration complexity across the portfolio. The changes also mean that plans for new brands have been scrapped, including the fleet of Xperian RVs hyped at last year's Caravan Salon.

Table 3: YE24 financial highlights

All figures in €m	2024	2023	variance
Cash & liquid assets	15	12	*32%*
Financial debt (short- and long-term)	315	259	*22%*
Net debt	335	247	*36%*
Total assets	640	683	*-6%*
Total equity	113	193	*-41%*
Equity ratio	18%	28%	-
Net gearing	296%	128%	-
Net debt / EBITDA*	11.8x	2.0x	-
**adjusted EBITDA*			

Source: First Berlin Equity Research; Knaus Tabbert AG

Aside from the already discussed deal with the banks, other presentation and Q&A topics included: (1) the need to reclaim some older vehicles to help out strapped dealers, which partially accounts for the unsatisfactory inventory levels still on the balance sheet—including YE24 finished goods of €169m; (2) expectations that stocks should now normalise by the end of the summer, given the logjam of older models still in the channels; (3) plans to switch production to a make-to-order (MTO) approach going forward after having operated on a made-to-stock (MTS) basis during the boom period; (4) the amended covenants that now reference aforementioned absolute KPIs rather than leverage metrics; (5) the necessity to continue discounting older model years to desaturate distribution channels, alongside a reiteration that there are no material price discounts on new models; (6) the conclusion of further investigations that the kickback scandal was limited to two former C-level members, no critical suppliers were involved, and KTA is looking to reclaim damages; (7) an acknowledgment that the company was too slow in recognising the changing market and late in adjusting production accordingly; (8) an upbeat outlook with one-time adjustments to EBITDA less pronounced than in 2024; (9) clarification on the €20m one-off adjustment to 2024 EBITDA that encompasses €18.1m traced to shuttered production and a €-1.9m write down of the e-power program; . . .

Table 4: Cash flow developments

All figures in €m	Q4/24	Q4/23	*variance*	2024	2023	*variance*
Net operating cash flow	1	20	*-96%*	0	32	*-100%*
Cash flow from investing	-7	-19	*n.a.*	-35	-54	*n.a.*
Cash flow from financing	12	-10	*n.a.*	38	19	*97%*
Net cash flows	6	-8	*n.a.*	4	-2	*n.a.*
Free cash flow (FCF)	-7	2	*n.a.*	-34	-22	*n.a.*
FCFPS (€)	-0.6	0.2	*n.a.*	-3.3	-2.1	*n.a.*
*FCF conversion**	*n.a.*	*n.a.*	-	*n.a.*	*n.a.*	-
** percent of EBITDA*						

Source: First Berlin Equity Research; Knaus Tabbert AG

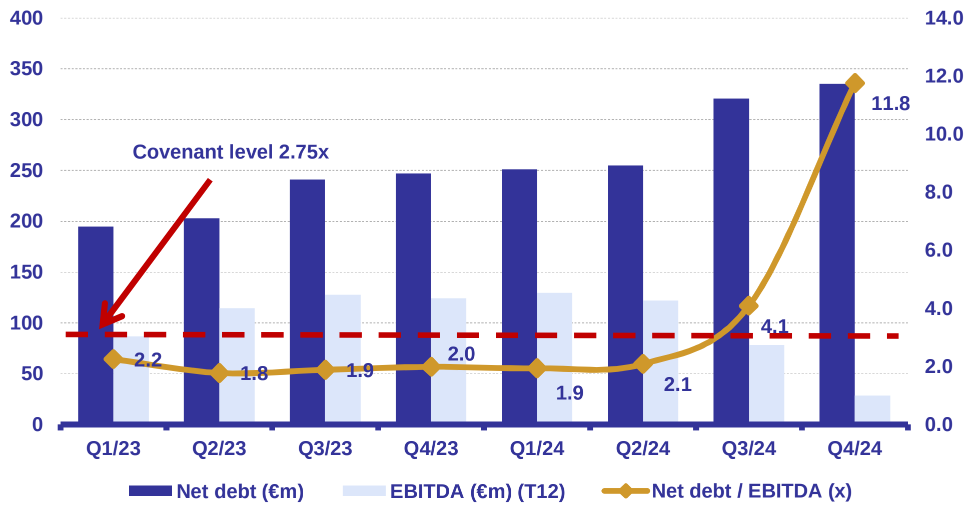
. . . (10) the WC impact of the production stop and the older vehicles returned by dealers—good for accounts receivable but bad for inventory levels; (11) a staffing update noting a 10% reduction in the Jandelsbrunn' workforce. Overall staff should be reduced to 3,550 by YE25 (YE24: 3,953), while production hands who have been on short-time work (*Kurzarbeit*) since September will resume full-time shifts once inventory levels normalise; and finally (12) a chance to work out new terms with suppliers now that KTA has a deal in place with its financiers. This means further cost savings should seep into results throughout the year. The audio replay of the call is available on KTA's homepage.

BACK TO THE BALANCE SHEET

Original terms of the €250m syndicated loan required KTA to comply with equity and leverage ratio covenants. The persistently high inventory levels at KTA and across its dealer partners along with price-cutting campaigns were at the root of the poor 2024 financial performance leading to the covenant breaches. The company alerted its banking consortium of its challenges at an early stage prompting the lenders to request an Independent Business Review (IBR), which was subsequently conducted by the recently onboarded turnaround specialist, FTI-Andersch. The agreement (page 8) was struck and announced on 25 March.

In the meantime, leverage ratios will need work To underscore the importance of the new lender agreement and understand the work ahead, a closer look at the leverage ratio is instructive. Knaus Tabbert exited 2024 with in beach of former covenants. On our numbers, the net debt / AEBITDA ratio jumped to *11.8x* vs the 2.75x previously required by its lender syndicate.

Figure 4: Quarterly Net debt / EBITDA development



Source: First Berlin Equity Research; Knaus Tabbert

The KPI should improve significantly this year (FBe: 4.8x) but will still range above the now suspended ceiling. We think the best chance to get within shooting distance of 2.75x is to cut costs—already underway—and boost margins, although there is scope for improvement at both ends of the KPI equation. The various scenarios are played out in the sensitivity table below. And for folks wondering about a cap hike, we note that an equity issuance at present stock levels would only be painful and wouldn't get the company much closer to being covenant-compliant either.

The surest path to a stouter balance sheet is to continue to whittle down working capital (figure 5) and deploy the cash to deleverage. Much will hinge upon the logjam of older vehicles still in the distribution channels. Management have hinted that it may take another 6 to 8 months for inventory levels across the sector to reach acceptable levels, with the next big important read coinciding with the September Caravan Salon.

We may not see what a normalised business looks like until late this year and assume an AEBITDA margin of 5.5% for 2025 with cost cutting measures becoming more visible as the year progresses.

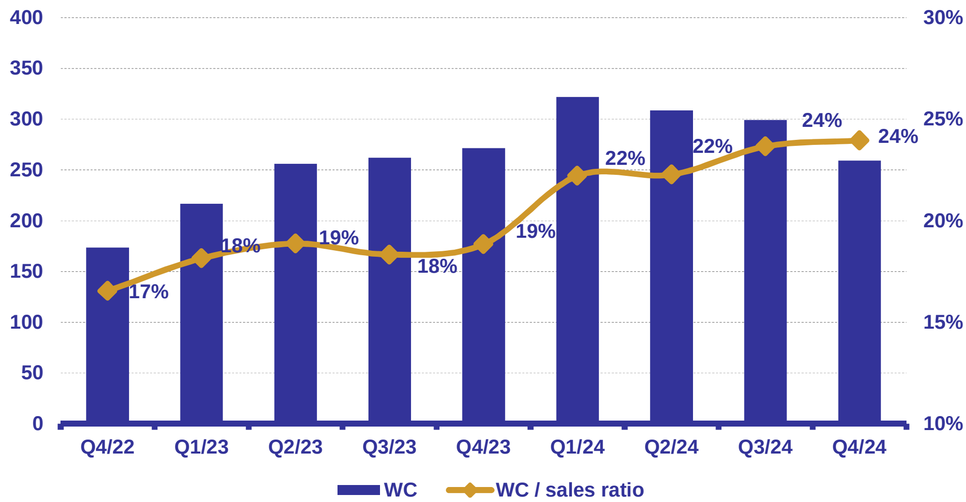
Table 5: Net debt / EBITDA ratio (x) sensitivity on 2025 FBe

AEBITDA margin	Net debt (€m) 221	236	251	266	281	296	311
4.0%	5.4x	5.8x	6.2x	6.6x	6.9x	7.3x	7.7x
4.5%	4.8x	5.2x	5.5x	5.8x	6.2x	6.5x	6.8x
5.0%	4.4x	4.7x	**4.9x**	**5.2x**	**5.5x**	5.8x	6.1x
5.5%	4.0x	4.2x	**4.5x**	**4.8x**	**5.0x**	5.3x	5.6x
6.7%	3.3x	3.5x	**3.7x**	**3.9x**	**4.1x**	4.4x	4.6x
7.9%	2.8x	2.9x	3.1x	3.3x	3.5x	3.7x	3.9x
9.1%	2.4x	2.6x	2.7x	2.9x	3.0x	3.2x	3.4x

Source: First Berlin Equity Research estimates

Barring further unforeseen turmoil, we reckon the still stretched balance sheet should hold up long enough to right the ship. With respect to the new terms, continued inventory reductions and the switch to a produce-to-order (make-to-stock) approach should keep liquidity at compliant levels. The WC / sales ratio has been creeping higher since the end of 2022 and lived north of 20% in 2024 as accounts receivable and inventory levels elevated. We think the business should run at a WC ratio of ~18% once operations normalise. There is ample headroom to clear out inventories and compress the ratio below 20%, which we suspect is where the lender group would like to see the KPI.

Figure 5: Quarterly working capital developments



Source: First Berlin Equity Research; Knaus Tabbert

THE ROAD AHEAD

Table 6: Changes to FBe and target price

	old	new	*revision*	*upside*	*dividend yield*	*total return*
Price target (€)	**29**	**29**	***0%***	***127%***	***0%***	***127%***
		2025E			2026E	
All figures in €m	**old**	**new**	***revision***	**old**	**new**	***revision***
Revenue	1,022	1,016	*-1%*	1,086	1,076	*-1%*
EBITDA	51	50	*-2%*	60	63	*5%*
Margin (%)	*5.0%*	*4.9%*	*-*	*5.5%*	*5.9%*	*-*
AEBITDA	53	56	*4%*	62	65	*4%*
Margin (%)	*5.2%*	*5.5%*	*-*	*5.7%*	*6.0%*	*-*

Source: First Berlin Equity Research estimates

2025 shaping up to be a prove-it year Since KTA floated its shares, operations have been impacted by: (1) supply chain shortages; (2) order and production booms during the covid years; and (3) over production once the frenzy tailed off. The AEBITDA margin has also oscillated between 2.6% and 8.6% on an annualised basis, while some quarterly margin performances even crept into double digits.

In short, we need to see what this "normalised" business actually looks like under new management before we can get more comfortable with a higher margin structure that the revamped strategy could deliver. After sales reversed some 25% in 2024, sales are set to stabilise around €1bn (FBe: €1bn) this year. We are near the mid-point of the margin guide (below). In terms of quarterly cadence, Q1 will be burdened by factories still idle during January, but T12 AEBITDA and should pick up after the March quarter.

Table 7: Initial 2025 guidance vs FBe

	Unit	2025 guidance	2024A	2025 FBe
Revenue	€m	~1,000	1,082	1,016
Growth	%	-7.6	-24.9	-6.2
AEBITDA margin	%	5.0 - 6.5	2.6	5.5

Source: First Berlin Equity Research; Knaus Tabbert

Don't count Knaus Tabbert out just yet Some in the industry fret that the days of heady growth and profitability are over. Haters also say there are only so many affluent consumers willing to spend €50k to €200k on an RV, while the ultra-pricy luxury Morelo brand (sticker prices ~ 7 digits) is really reserved for the well-heeled.

Pessimism may be overblown though. The caravanning lifestyle was a thing even before the pandemic boom, and the recent trouble does not appear to be a reflection of broken demand. Plus, the cashed-up affluent tend to carry on with luxury spending (Morelo) despite the ups and downs of the economy. That said, the premise that flush Germans are willing to tap into savings may be tested this year with prospects of faltering global economies as the looming trade war heats up.

Ongoing tug-of-war Since Knaus Tabbert went public in 2019, company shares have been no stranger to stock market gyrations. KTA's market value climbed to nearly €600m in 2023 on the back of the covid-related frenzy but then suffered from supply chain disruptions and more recently from internal turmoil. Now there is a tug-of-war going on between bears, who think the RV maker's best days are in the rear view mirror, and investors who believe the current headwinds will fade and that the new boss, Mr de Pundert, is the right man to fix the company's problems.

Sceptics have the upper hand right now, but sentiment may finally be changing, once the markets better understand the impact of the brewing trade war. It is also worth noting that Knaus Tabbert is not exposed to the tariff war since sales are exclusively European-based, while its suppliers are predominantly located in the EU with a few components also sourced from China.

VALUATION

We have rolled our DCF model forward, which still points to fair value of €29 per share and equates to 127% upside. The positive margin effects in recalibrated FBe are offset by the higher than expected YE24 net debt figure. Our rating remains Buy.

Table 8: DCF model

In EURm	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E
Sales	**1,016**	**1,076**	**1,151**	**1,230**	**1,309**	**1,375**	**1,435**	**1,489**
NOPLAT	14	23	30	40	49	56	62	69
(+) depreciation & amortisation	30	30	30	27	24	26	27	29
Net operating cash flow	**44**	**54**	**61**	**66**	**73**	**81**	**90**	**98**
(-) Total investments (CAPEX and WC)	54	-37	-42	-44	-46	-45	-46	-45
(-) Capital expenditures	-27	-29	-31	-33	-35	-37	-39	-40
(-) Working capital	81	-8	-11	-11	-11	-8	-7	-5
Free cash flows (FCF)	97	16	19	22	26	36	44	53
PV of FCF's	**91**	**14**	**14**	**15**	**17**	**20**	**23**	**25**

In EUR '000	
PV of FCFs in explicit period	323
(+) PV of FCFs in terminal period	314
Enterprise value (EV)	637
(+) Net cash / (-) net debt	-335
(+) Investments / minority interests	0
Shareholder value	302
Fair value per share (€)	29.0

WACC	Terminal EBIT margin 6.8%	7.3%	7.8%	8.3%	8.8%	9.3%	9.8%
7.4%	49.7	56.2	62.7	69.2	75.7	82.2	88.7
8.4%	36.7	41.6	46.5	51.4	56.4	61.3	66.2
9.4%	27.2	31.0	**34.8**	**38.6**	**42.5**	46.3	50.1
10.4%	20.0	23.0	**26.0**	**29.1**	**32.1**	35.1	38.1
11.4%	14.3	16.8	**19.2**	**21.6**	**24.1**	26.5	28.9
12.4%	9.8	11.8	13.8	15.7	17.7	19.7	21.7
13.4%	6.1	7.7	9.3	10.9	12.6	14.2	15.8

Cost of equity	13.5%
Cost of debt	4.7%
Tax rate	29.5%
After-tax cost of debt	3.3%
Share of equity capital	70.0%
Share of debt capital	30.0%
WACC	10.4%

WACC	Terminal growth rate 0.5%	1.0%	1.5%	2.0%	2.5%	3.0%	3.5%
7.4%	54.3	58.5	63.4	69.2	76.3	84.9	95.8
8.4%	41.5	44.3	47.6	51.4	55.9	61.2	67.5
9.4%	31.7	33.8	**36.0**	**38.6**	**41.6**	45.1	49.1
10.4%	24.1	25.6	**27.2**	**29.1**	**31.1**	33.5	36.2
11.4%	18.0	19.1	**20.3**	**21.6**	**23.1**	24.8	26.7
12.4%	13.0	13.8	14.7	15.7	16.8	18.1	19.4
13.4%	8.8	9.5	10.2	10.9	11.8	12.7	13.7

*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	2024	2025E	2026E
Revenues	**795**	**863**	**1,050**	**1,441**	**1,082**	**1,016**	**1,076**
Cost of goods sold	-558	-625	-776	-1,071	-862	-745	-788
Gross profit	**245**	**261**	**296**	**394**	**290**	**294**	**313**
Personnel expenses	-111	-127	-142	-158	-157	-127	-132
Other OpEx	-71	-78	-91	-122	-149	-126	-127
Other income	3	3	6	10	8	9	9
EBITDA	**66**	**59**	**69**	**124**	**-8**	**50**	**63**
Depreciation & amortisation	-19	-21	-24	-28	-39	-30	-30
Operating income (EBIT)	**47**	**38**	**45**	**95**	**-47**	**20**	**33**
Net financial result	-2	-1	-4	-10	-14	-15	-12
Other financial result	0	0	0	0	0	0	0
Pre-tax income (EBT)	**44**	**37**	**42**	**86**	**-61**	**4**	**21**
Income taxes	-13	-11	-12	-25	13	-1	-6
Minority interests	0	0	0	0	0	0	1
Net income / loss	**31**	**26**	**30**	**60**	**-48**	**3**	**16**
Diluted EPS (in €)	**7.6**	**2.5**	**2.9**	**5.8**	**-4.6**	**0.3**	**1.4**
AEBITDA	**68**	**61**	**70**	**124**	**28**	**56**	**65**
Ratios							
Gross margin	30.8%	30.3%	28.2%	27.3%	26.8%	29.0%	29.1%
EBITDA margin on revenues	8.3%	6.9%	6.6%	8.6%	-0.7%	4.9%	5.9%
EBIT margin on revenues	5.9%	4.4%	4.3%	6.6%	-4.3%	1.9%	3.1%
AEBITDA margin on revenues	8.5%	7.0%	6.7%	8.6%	2.6%	5.5%	6.0%
Net margin on revenues	3.9%	3.0%	2.8%	4.2%	-4.4%	0.3%	1.5%
Tax rate	28.9%	29.9%	29.1%	29.7%	21.5%	29.5%	29.5%
Expenses as % of revenues							
Personnel expenses	14.0%	14.8%	13.5%	10.9%	14.5%	12.5%	12.2%
Other OpEx	8.9%	9.0%	8.7%	8.5%	13.8%	12.5%	11.8%
Depreciation & amortisation	2.4%	2.4%	2.3%	2.0%	3.6%	3.0%	2.8%
Y-Y Growth							
Revenues	1.8%	8.6%	21.7%	37.3%	-24.9%	-6.2%	6.0%
Operating income	1.5%	-17.6%	18.5%	109.8%	n.m.	n.m.	68.0%
Net income/ loss	0.5%	-17.3%	14.3%	103.7%	n.m.	n.m.	439.0%

BALANCE SHEET

All figures in EURm	2020	2021	2022	2023	2024	2025E	2026E
Assets							
Current assets, total	**161**	**191**	**344**	**430**	**372**	**299**	**311**
Cash and equivalents	9	10	13	12	15	12	11
Other ST assets	16	24	38	23	22	22	23
Trade receivables	11	7	33	85	46	56	59
Inventories	124	145	253	309	284	204	214
Tax receivables	2	6	7	1	5	5	5
Non-current assets, total	**124**	**154**	**214**	**253**	**268**	**265**	**264**
Property, plant and equipment	103	131	184	222	235	231	229
Intangible assets	16	18	23	23	17	18	19
Deferred tax assets	3	3	5	7	13	13	14
Other LT assets	2	2	2	2	3	3	3
Total assets	**286**	**345**	**557**	**682**	**640**	**565**	**576**
Shareholders' equity & debt							
Current liabilities, total	**127**	**177**	**276**	**351**	**402**	**304**	**299**
Trade payables	35	38	113	122	70	82	86
ST debt	49	93	90	141	252	160	148
Provisions	6	8	18	24	20	21	21
Other current liabilities	36	37	56	64	59	42	44
Long-term liabilities, total	**27**	**26**	**121**	**123**	**107**	**128**	**128**
LT provisions	13	14	5	6	18	18	18
LT debt	6	2	103	102	81	101	102
Deferred tax	7	8	10	11	1	1	1
Other non-current liabilities	1	2	3	4	7	7	7
Shareholders' equity	**124**	**134**	**147**	**193**	**113**	**116**	**131**
Total consolidated equity and debt	**277**	**336**	**544**	**667**	**623**	**548**	**558**
Ratios							
Current ratio (x)	1.3	1.1	1.2	1.2	0.9	1.0	1.0
Quick ratio (x)	0.3	0.3	0.3	0.3	0.2	0.3	0.3
Equity ratio	45%	40%	27%	29%	18%	21%	23%
Net debt / (net cash)	54	94	193	247	335	266	256
Net gearing	44%	70%	131%	128%	296%	229%	195%
Net debt / EBITDA	0.8	1.5	2.7	2.0	11.8	4.8	4.0
Return on equity (ROE)	25%	19%	20%	31%	-42%	3%	11%
Capital employed (CE)	219	262	381	516	511	427	434
Return on capital employed (ROCE)	21%	15%	12%	18%	-9%	5%	8%

CASH FLOW STATEMENT

All figures in EURm	2020	2021	2022	2023	2024	2025E	2026E
Net income	**31**	**26**	**30**	**60**	**-48**	**3**	**15**
Depreciation & amortisation	19	21	24	28	39	30	30
Change to LT accruals	3	2	2	7	8	0	0
Other non-cash items	0	1	3	0	17	-18	2
Asset disposals	1	0	0	0	2	0	0
Income tax	12	11	12	25	-14	1	6
Net interest expense	2	1	3	10	14	15	12
Operating cash flow	**69**	**63**	**73**	**131**	**18**	**32**	**65**
Change in w orking capital	11	-24	-58	-88	-12	81	-8
Tax paid	-10	-11	-12	-10	-6	-1	-6
Net operating cash flow	**71**	**27**	**3**	**32**	**0**	**111**	**51**
Cash flow from investing	**-20**	**-48**	**-73**	**-54**	**-34**	**-26**	**-28**
Equity inflow , net	25	0	0	0	0	0	0
Debt inflow , net	-39	41	94	50	90	-72	-12
Interest paid	-3	-1	-3	-11	-16	-17	-13
Dividend paid to shareholders	-30	-16	-16	-16	-30	0	0
Other financial cash flow	-3	-3	-3	-4	-5	0	0
Cash flow from financing	**-50**	**21**	**72**	**19**	**38**	**-88**	**-24**
Net cash flows	**1**	**0**	**3**	**-2**	**4**	**-3**	**-1**
Cash, start of the year	2	3	3	6	3	7	4
Cash, end of the year	**3**	**3**	**6**	**3**	**7**	**4**	**3**
Cash on deposit	**6**	**7**	**7**	**8**	**8**	**8**	**8**
Free cash flow (FCF)	**51**	**-21**	**-70**	**-22**	**-34**	**85**	**23**
FCF/share (in €)	4.9	-2.0	-6.7	-2.1	-3.3	8.2	2.2
Y-Y Growth							
Operating cash flow	61%	-62%	-90%	1047%	-100%	384284%	-54%
Free cash flow	218%	n.m.	n.m.	n.m.	n.m.	n.m.	-73%

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First Berlin Equity Research

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INFORMATION PURSUANT TO SECTION 85 (1) SENTENCE 1 OF THE GERMAN SECURITIES TRADING ACT [WPHG], TO ART. 20 (1) OF REGULATION (EU) NO 596/2014 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF APRIL 16, 2014, ON MARKET ABUSE (MARKET ABUSE REGULATION) AND TO ART. 37 OF COMMISSION DELEGATED REGULATION (EU) NO 2017/565 (MIFID) II.

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In accordance with art. 37 (1) of Commission Delegated Regulation (EU) no. 2017/565 (MiFID) II and art. 20 (1) of Regulation (EU) No 596/2014 of the European Parliament and of the Council of April 16, 2014, on market abuse (market abuse regulation) investment firms which produce, or arrange for the production of, investment research that is intended or likely to be subsequently disseminated to clients of the firm or to the public, under their own responsibility or that of a member of their group, shall ensure the implementation of all the measures set forth in accordance with Article 34 (2) lit. (b) of Regulation (EU) 2017/565 in relation to the financial analysts involved in the production of the investment research and other relevant persons whose responsibilities or business interests may conflict with the interests of the persons to whom the investment research is disseminated. In accordance with art. 34 (3) of Regulation (EU) 2017/565 the procedures and measures referred to in paragraph 2 lit. (b) of such article shall be designed to ensure that relevant persons engaged in different business activities involving a conflict of interests carry on those activities at a level of independence appropriate to the size and activities of the investment firm and of the group to which it belongs, and to the risk of damage to the interests of clients.

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- The author, First Berlin, or a company associated with First Berlin owns a net long or short position exceeding the threshold of 0.5 % of the total issued share capital of the analysed company;
- The author, First Berlin, or a company associated with First Berlin holds an interest of more than five percent in the share capital of the analysed company;

- The author, First Berlin, or a company associated with First Berlin provided investment banking or consulting services for the analysed company within the past twelve months for which remuneration was or was to be paid;
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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.

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...23	↓	↓	↓	↓
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	11 September 2024	€30.00	Buy	€69.00
28	29 October 2024	€24.45	Buy	€54.00
29	8 November 2024	€19.72	Buy	€50.00
30	18 November 2024	€14.92	Buy	€32.00
31	20 March 2025	€15.70	Buy	€29.00
32	Today	€12.78	Buy	€29.00

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- **valuation methods and principles**
- **sensitivity of valuation parameters**

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