

Flughafen Wien AG

Logistics - Austria



Hold (old: Hold)

17.11.2023

EUR 46.00 (old: EUR 45.00)

Record Q3 results thanks to a perfect summer, chg. est. & PT up

Topic: FWAG released record Q3 results and strong October traffic results, showing excellent operating performance throughout the summer as well as a strong start into Q4.

Q3 sales came in strong at € 271m, +27% yoy (eNuW: € 267m; eCons: € 262m) thanks to **superb passenger growth** in the summer (Q3: 12m group passengers, + 14% yoy; 100% of 2019 levels) coupled with the **increase of passengers and aircraft fees** of +5.8% as of Jan. '23.

EBITDA grew by +57% yoy to € 155m (57% EBITDA margin, +4.6pp yoy), far better than our and market expectations (eNuW: € 131m; eCons: € 133m) due to much lower than expected OpEx of € 119m (eNuW: € 137m), especially due to lower personnel costs of € 79m (eNuW: € 89m).

Given FWAG's huge cash storage in short-term deposits of eNuW: € 498m, the company's financial result turned positive at € 1.7m (vs. € -2.6m in Q3'22), leaving a positive mark on the bottom line. Hence, **net income** (after minorities) stood at € 83m, up 62% yoy (30% profit margin). This marked a **new Q3 record for FWAG** (old: € 64m in Q3'22).

Moreover, FWAG now operates with an **industry leading net cash position of € 299m**, giving the company a solid basis for current CAPEX projects, while not endangering the **dividend capability**. For FY'23e, the company intends to **raise the pay-out ratio** "above 60%" (eNuW: 70%). While we estimate EPS to grow by 57% yoy, the FY'23e dividend should grow by 83% yoy to € 1.40 per share.

Also, **October traffic results** came in better than expected at 3.5m group passengers (eNuW: 3.3m; +16% yoy; 99% of 2019 levels). Hence, we increase our estimate for FY'23e to 37.7m (old: 37.4m). The **guidance of >36.5m seems unambitious** and should be outperformed, in our view (see p. 2).

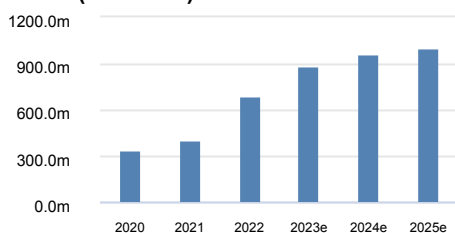
The strong growth rates from the perfectly executed COVID recovery in FY'23e should however **normalize in FY'24e**, as this year's strong passenger momentum seems hard to be maintained next year. However, the **passengers and aircraft fees** (eNuW: 42% of FY'23e sales) should increase **by 9.7%** (as of Jan. '24), which should **support top-line growth** even with flat passenger numbers.

As a consequence, we reiterate our **HOLD recommendation** with an **increased PT of € 46.00** (old: € 45.00), based on FCFY'24e.

Y/E 31.12 (EUR m)	2020	2021	2022	2023e	2024e	2025e
Sales	333.7	407.0	692.7	887.4	965.3	1,002.9
Sales growth	-61.1%	22.0%	70.2%	28.1%	8.8%	3.9%
EBITDA	54.1	154.4	295.9	386.6	423.0	444.4
Net debt (if net cash=0)	227.2	150.7	-149.1	-352.1	-418.1	-428.8
FCF	-122.1	45.1	277.1	267.5	184.2	150.1
Net Debt/EBITDA	4.2	1.0	0.0	0.0	0.0	0.0
EPS pro forma	-0.77	0.05	1.26	2.01	2.37	2.55
EBITDA margin	16.2%	37.9%	42.7%	43.6%	43.8%	44.3%
ROCE	-4.4%	1.1%	9.1%	12.9%	13.2%	13.3%
EV/sales	13.4	10.8	5.9	4.4	4.0	3.8
EV/EBITDA	82.6	28.4	13.8	10.1	9.0	8.6
PER	-62.8	993.3	38.5	24.1	20.4	19.0
Adjusted FCF yield	1.0%	3.5%	7.9%	6.5%	7.7%	8.0%

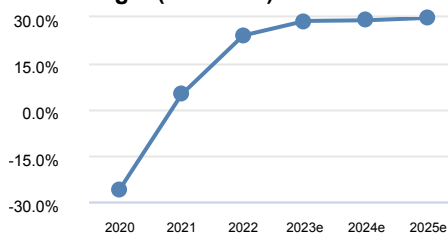
Source: Company data, NuWays, Close price as of 13.11.2023

Sales (2020-25e)



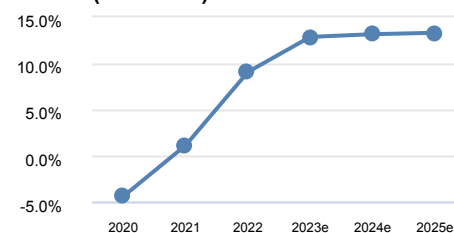
Source: NuWays Research

EBIT margin (2020-25e)



Source: NuWays Research

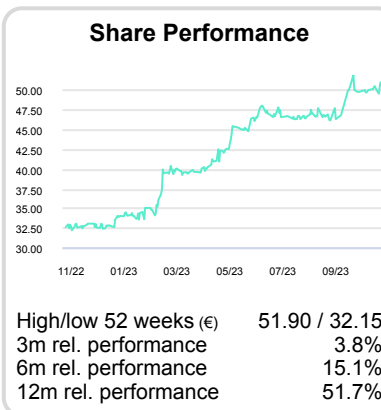
ROCE (2020-25e)



Source: NuWays Research

Company description

Flughafen Wien AG is the operator of Vienna International Airport VIE and holds strategic investments in the international airports Malta and Kosice.



Market data

Share price (in €)	49.70
Market cap (in € m)	4067.9
Number of shares (in m pcs)	83.9
Enterprise value (in € m)	3889.8
Ø trading volume (6 months)	7,985

Identifier

Bloomberg	FLU AV
Reuters	VIEV.VI
WKN	A2AMK9
ISIN	AT00000VIE62

Key shareholders

IFM	43.4%
State of Lower Austria	20.0%
City of Vienna	20.0%
Employee Foundation	10.0%
Free Float	6.6%

Estimates changes

	2023e	2024e	2025e
Sales	1%	2%	0%
EBIT	5%	4%	-0%
EPS	7%	7%	3%

- ### Comment on changes
- FY'23e sales increased to reflect strong October traffic results.
 - FY'23e profitability increased to reflect lower than expected costs.
 - FY'24e sales increase reflects higher airport fees.

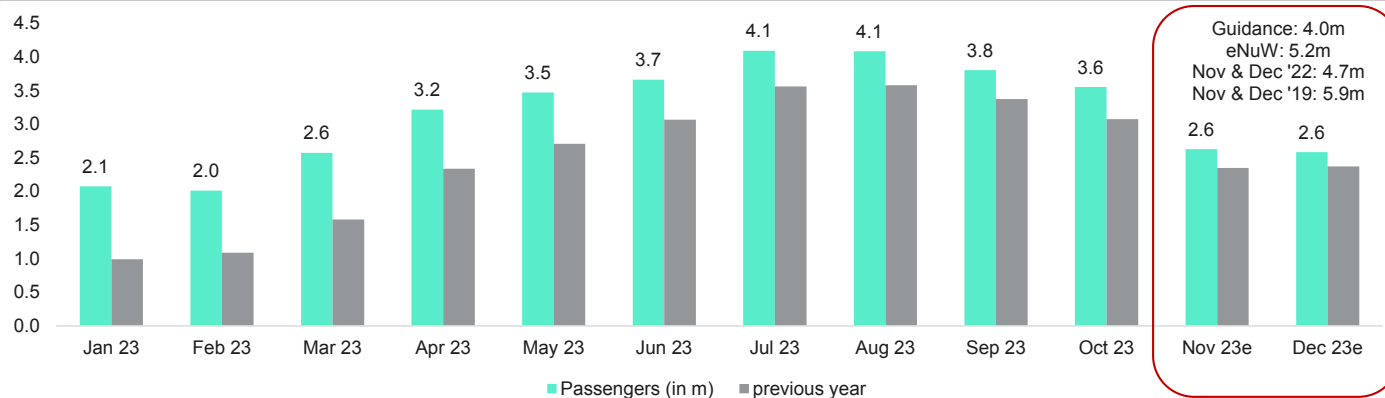
Guidance

- Sales: sign. above € 830m
- EBITDA: sign. above €325m
- Net Income: sign. above € 150m

FWAG	Q3 2023	Q3 2023 eNuW	Q3 2022	yoy	9M 2023	9M 2023 eNuW	9M 2022	yoy
Airport	132.7	125.6	102.9	29.0%	332.1	325.0	237.0	40.1%
Handling & Security Services	43.2	50.1	34.9	23.6%	121.6	128.6	91.8	32.4%
Retail & Properties	51.2	48.3	40.9	25.1%	135.4	132.5	98.2	37.9%
Malta segment	38.0	36.4	29.2	30.1%	91.7	90.0	66.5	37.8%
Other Segments	6.2	6.1	5.3	16.3%	18.6	18.5	14.4	29.1%
Sales	271.3	266.5	213.3	27.2%	699.4	694.6	508.0	37.7%
Airport	54.8	34.2	26.0	111.0%	99.2	78.6	42.4	134.0%
Handling & Security Services	7.1	4.8	4.3	67.1%	7.3	5.0	4.5	63.7%
Retail & Properties	27.9	26.0	22.1	26.5%	63.9	62.0	52.9	20.8%
Malta segment	22.3	20.4	17.0	30.9%	48.8	46.9	33.6	45.1%
Other Segments	10.1	11.9	11.8	-14.4%	15.7	17.5	23.6	-33.5%
Total EBIT	122.3	97.4	81.1	50.7%	234.9	210.0	156.9	49.6%
<i>EBIT margin</i>	<i>44.6%</i>	<i>36.2%</i>	<i>37.3%</i>	<i>+ 7.3 pp</i>	<i>33.6%</i>	<i>30.2%</i>	<i>30.9%</i>	<i>+ 2.7 pp</i>
Passengers (m)	12.0	12.0	10.5	14.0%	29.0	29.0	22.3	30.1%

Source: Company data, NuWays Research

Estimated passenger development 2023e



Source: Company data, NuWays

Financials

Profit and loss (EUR m)	2020	2021	2022	2023e	2024e	2025e
Net sales	333.7	407.0	692.7	887.4	965.3	1,002.9
<i>Sales growth</i>	-61.1%	22.0%	70.2%	28.1%	8.8%	3.9%
Increase/decrease in finished goods and work-in-process	0.0	0.0	0.0	0.0	0.0	0.0
Total sales	333.7	407.0	692.7	887.4	965.3	1,002.9
Other operating income	7.5	23.8	20.3	9.0	10.0	10.0
Material expenses	29.3	29.8	44.5	55.9	65.0	68.2
Personnel expenses	202.9	196.7	272.3	331.8	355.9	368.4
Other operating expenses	54.9	49.9	100.3	122.1	131.4	131.9
Total operating expenses	279.6	252.6	396.8	500.8	542.3	558.5
EBITDA	54.1	154.4	295.9	386.6	423.0	444.4
Depreciation	132.5	134.1	131.1	130.5	142.3	144.8
EBITA	-78.5	20.3	164.9	256.1	280.7	299.6
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0	0.0
Impairment charges	8.0	0.4	-2.3	0.0	0.0	0.0
EBIT (inc revaluation net)	-86.5	20.0	167.2	256.1	280.7	299.6
Interest income	2.2	2.0	4.4	16.0	21.2	22.8
Interest expenses	15.7	13.1	13.5	11.3	9.0	7.9
Investment income	-1.0	0.7	-0.2	0.6	0.0	0.0
Financial result	-14.4	-10.4	-9.3	5.3	12.1	14.9
Recurring pretax income from continuing operations	-100.9	9.5	157.9	261.4	292.8	314.5
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	-100.9	9.5	157.9	261.4	292.8	314.5
Income tax expense	-25.2	2.9	29.8	70.3	67.3	72.3
Net income from continuing operations	-75.7	6.6	128.1	191.1	225.5	242.1
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
Net income	-75.7	6.6	128.1	191.1	225.5	242.1
Minority interest	-3.0	2.9	20.2	22.3	26.3	28.3
Net profit (reported)	-72.8	3.7	107.9	168.8	199.2	213.9
Average number of shares	83.9	83.9	83.9	83.9	83.9	83.9
EPS reported	-0.87	0.04	1.29	2.01	2.37	2.55

Profit and loss (common size)	2020	2021	2022	2023e	2024e	2025e
Net sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<i>Sales growth</i>	-61.1%	22.0%	70.2%	28.1%	8.8%	3.9%
Increase/decrease in finished goods and work-in-process	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Other operating income	2.2%	5.8%	2.9%	1.0%	1.0%	1.0%
Material expenses	8.8%	7.3%	6.4%	6.3%	6.7%	6.8%
Personnel expenses	60.8%	48.3%	39.3%	37.4%	36.9%	36.7%
Other operating expenses	16.4%	12.3%	14.5%	13.8%	13.6%	13.2%
Total operating expenses	83.8%	62.1%	57.3%	56.4%	56.2%	55.7%
EBITDA	16.2%	37.9%	42.7%	43.6%	43.8%	44.3%
Depreciation	39.7%	32.9%	18.9%	14.7%	14.7%	14.4%
EBITA	-23.5%	5.0%	23.8%	28.9%	29.1%	29.9%
Amortisation of goodwill	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Amortisation of intangible assets	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Impairment charges	2.4%	0.1%	-0.3%	0.0%	0.0%	0.0%
EBIT (inc revaluation net)	-25.9%	4.9%	24.1%	28.9%	29.1%	29.9%
Interest income	0.7%	0.5%	0.6%	1.8%	2.2%	2.3%
Interest expenses	4.7%	3.2%	1.9%	1.3%	0.9%	0.8%
Investment income	-0.3%	0.2%	-0.0%	0.1%	0.0%	0.0%
Financial result	neg.	neg.	neg.	0.6%	1.3%	1.5%
Recurring pretax income from continuing operations	-30.2%	2.3%	22.8%	29.5%	30.3%	31.4%
Extraordinary income/loss	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Earnings before taxes	-30.2%	2.3%	22.8%	29.5%	30.3%	31.4%
Tax rate	24.9%	30.4%	18.9%	26.9%	23.0%	23.0%
Net income from continuing operations	-22.7%	1.6%	18.5%	21.5%	23.4%	24.1%
Income from discontinued operations (net of tax)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net income	-22.7%	1.6%	18.5%	21.5%	23.4%	24.1%
Minority interest	-0.9%	0.7%	2.9%	2.5%	2.7%	2.8%
Net profit (reported)	-21.8%	0.9%	15.6%	19.0%	20.6%	21.3%

Source: Company data, NuWays

Balance sheet (EUR m)	2020	2021	2022	2023e	2024e	2025e
Intangible assets	166.6	165.6	159.2	162.2	165.2	168.2
Property, plant and equipment	1,469.0	1,403.9	1,339.2	1,308.7	1,376.4	1,446.6
Financial assets	247.1	191.8	189.5	189.5	189.5	189.5
FIXED ASSETS	1,882.6	1,761.3	1,687.9	1,660.4	1,731.0	1,804.2
Inventories	5.9	6.4	7.3	9.4	10.2	10.6
Accounts receivable	60.3	110.7	100.7	109.4	119.0	123.7
Other assets and short-term financial assets	3.8	14.2	0.0	0.0	0.0	0.0
Liquid assets	220.7	181.3	429.0	556.9	597.9	583.6
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0
CURRENT ASSETS	290.7	312.5	537.1	675.7	727.2	717.9
TOTAL ASSETS	2,173.3	2,073.8	2,224.9	2,336.1	2,458.2	2,522.1
SHAREHOLDERS EQUITY	1,203.9	1,210.0	1,323.6	1,427.8	1,508.8	1,583.3
MINORITY INTEREST	101.6	104.5	124.9	147.2	173.5	201.7
Provisions for pensions and similar obligations	170.3	167.4	173.9	173.9	173.9	173.9
Other provisions and accrued liabilities	67.7	63.4	69.3	138.2	150.3	156.2
Short-term liabilities to banks	142.4	51.3	25.0	25.0	25.0	25.0
Accounts payable	26.6	29.8	35.3	43.8	47.6	49.5
Advance payments received on orders	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities (incl. from lease and rental contracts)	125.3	132.0	158.8	155.8	155.8	155.8
Deferred taxes	29.7	26.8	27.2	27.2	27.2	27.2
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0
CURRENT LIABILITIES	151.9	161.8	194.1	199.6	203.4	205.3
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	2,173.3	2,073.8	2,224.9	2,336.1	2,458.2	2,522.1
Balance sheet (common size)	2020	2021	2022	2023e	2024e	2025e
Intangible assets	7.7%	8.0%	7.2%	6.9%	6.7%	6.7%
Property, plant and equipment	67.6%	67.7%	60.2%	56.0%	56.0%	57.4%
Financial assets	11.4%	9.2%	8.5%	8.1%	7.7%	7.5%
FIXED ASSETS	86.6%	84.9%	75.9%	71.1%	70.4%	71.5%
Inventories	0.3%	0.3%	0.3%	0.4%	0.4%	0.4%
Accounts receivable	2.8%	5.3%	4.5%	4.7%	4.8%	4.9%
Other assets and short-term financial assets	0.2%	0.7%	0.0%	0.0%	0.0%	0.0%
Liquid assets	10.2%	8.7%	19.3%	23.8%	24.3%	23.1%
Deferred taxes	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Deferred charges and prepaid expenses	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
CURRENT ASSETS	13.4%	15.1%	24.1%	28.9%	29.6%	28.5%
TOTAL ASSETS	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
SHAREHOLDERS EQUITY	55.4%	58.3%	59.5%	61.1%	61.4%	62.8%
MINORITY INTEREST	4.7%	5.0%	5.6%	6.3%	7.1%	8.0%
Provisions for pensions and similar obligations	7.8%	8.1%	7.8%	7.4%	7.1%	6.9%
Other provisions and accrued liabilities	3.1%	3.1%	3.1%	5.9%	6.1%	6.2%
Short-term liabilities to banks	6.6%	2.5%	1.1%	1.1%	1.0%	1.0%
Accounts payable	1.2%	1.4%	1.6%	1.9%	1.9%	2.0%
Advance payments received on orders	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other liabilities (incl. from lease and rental contracts)	5.8%	6.4%	7.1%	6.7%	6.3%	6.2%
Deferred taxes	1.4%	1.3%	1.2%	1.2%	1.1%	1.1%
Deferred income	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
CURRENT LIABILITIES	7.0%	7.8%	8.7%	8.5%	8.3%	8.1%
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Company data, NuWays

Cash flow statement (EUR m)	2020	2021	2022	2023e	2024e	2025e
Net profit/loss	-95.4	17.9	137.4	191.1	225.5	242.1
Depreciation of fixed assets (incl. leases)	132.5	134.1	131.1	130.5	142.3	144.8
Amortisation of goodwill & intangible assets	0.0	0.0	0.0	0.0	0.0	0.0
Others	-0.4	0.0	0.0	0.0	0.0	0.0
Cash flow from operating activities	-80.0	47.7	278.6	311.5	337.2	303.1
Increase/decrease in inventory	0.3	-0.4	-0.9	-2.1	-0.8	-0.4
Increase/decrease in accounts receivable	28.1	-55.2	12.2	-8.7	-9.6	-4.6
Increase/decrease in accounts payable	0.0	0.0	38.6	8.5	3.8	1.9
Increase/decrease in other working capital positions	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in working capital	28.4	-55.7	49.9	-2.2	-6.6	-3.2
Cash flow from operating activities	-23.0	105.7	337.6	370.5	397.2	368.1
CAPEX	99.2	60.7	60.5	103.0	213.0	218.0
Payments for acquisitions	0.0	0.1	0.0	0.0	0.0	0.0
Financial investments	-85.2	-15.2	287.8	176.2	55.0	25.0
Income from asset disposals	36.5	6.7	43.9	0.0	0.0	0.0
Cash flow from investing activities	22.5	-38.8	-304.5	-279.2	-268.0	-243.0
Cash flow before financing	-0.5	66.9	33.1	26.7	11.0	-14.3
Increase/decrease in debt position	91.9	-116.4	-51.6	-75.0	-25.0	-25.0
Purchase of own shares	2.7	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	0.0	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	64.6	118.2	139.4
Others	-0.4	0.0	0.0	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from financing activities	88.8	-116.4	-51.6	-139.6	-143.2	-164.4
Increase/decrease in liquid assets	88.3	-49.5	-18.4	-48.3	-14.0	-39.3
Liquid assets at end of period	161.7	112.2	93.8	45.5	31.5	-7.8

Key ratios (EUR m)	2020	2021	2022	2023e	2024e	2025e
P&L growth analysis						
Sales growth	-61.1%	22.0%	70.2%	28.1%	8.8%	3.9%
EBITDA growth	-85.9%	185.5%	91.7%	30.6%	9.4%	5.1%
EBIT growth	-134.3%	-123.1%	737.8%	53.2%	9.6%	6.7%
EPS growth	-145.9%	-105.1%	2787.8%	56.5%	18.0%	7.4%
Efficiency						
Sales per employee	61.2	83.8	147.2	184.0	195.0	202.6
EBITDA per employee	9.9	31.8	62.9	80.2	85.5	89.8
No. employees (average)	5,452	4,858	4,704	4,823	4,950	4,950
Balance sheet analysis						
Avg. working capital / sales	14.3%	17.7%	8.1%	9.1%	8.0%	8.0%
Inventory turnover (sales/inventory)	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable turnover	65.9	99.3	53.1	45.0	45.0	45.0
Accounts payable turnover	29.1	26.7	18.6	18.0	18.0	18.0
Cash flow analysis						
Free cash flow	-122.1	45.1	277.1	267.5	184.2	150.1
Free cash flow/sales	-36.6%	11.1%	40.0%	30.1%	19.1%	15.0%
FCF / net profit	128.0%	252.6%	201.7%	140.0%	81.7%	62.0%
Capex / sales	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Solvency						
Net debt	227.2	150.7	-149.1	-352.1	-418.1	-428.8
Net Debt/EBITDA	4.2	1.0	0.0	0.0	0.0	0.0
Dividend payout ratio	0.0%	0.0%	59.9%	70.0%	70.0%	70.0%
Interest paid / avg. debt	3.9%	3.8%	3.7%	4.2%	3.9%	4.4%
Returns						
ROCE	-4.4%	1.1%	9.1%	12.9%	13.2%	13.3%
ROE	-6.0%	0.3%	8.2%	11.8%	13.2%	13.5%
Adjusted FCF yield	1.0%	3.5%	7.9%	6.5%	7.7%	8.0%
Dividend yield	0.0%	0.0%	1.6%	2.9%	3.4%	3.7%
DPS	0.0	0.0	0.8	1.4	1.7	1.8
EPS reported	-0.87	0.04	1.29	2.01	2.37	2.55
Average number of shares	83.9	83.9	83.9	83.9	83.9	83.9
Valuation ratios						
P/BV	3.4	3.4	3.1	2.8	2.7	2.6
EV/sales	13.4	10.8	5.9	4.4	4.0	3.8
EV/EBITDA	82.6	28.4	13.8	10.1	9.0	8.6
EV/EBIT	-51.6	219.8	24.5	15.2	13.6	12.7

Source: Company data, NuWays

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Company	Disclosures
Flughafen Wien AG	2

Historical target price and rating changes for Flughafen Wien AG

Company	Date	Analyst	Rating	Target Price	Close
Flughafen Wien AG	14.07.2023	Sandherr, Christian	Hold	EUR 45.00	EUR 46.65
	12.06.2023	Sandherr, Christian	Hold	EUR 44.00	EUR 45.20

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Within the framework of the DCF approach, the future free cash flows are calculated initially on the basis of a fictitious capital structure of 100% equity, i.e. interest and repayments on debt capital are not factored in initially. The adjust-

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According to Article 4(1) No. i of the delegated regulation 2016/958 supplementing regulation 596/2014 of the European Parliament, further information regarding investment recommendations of the last 12 months are published under: www.nuways-ag.com

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