

Hold (old: Hold)

19.01.2024

EUR 52.00 (old: EUR 46.00)

FY'24 guidance out – solid outlook for the year

Topic: FWAG released its FY '24 guidance, indicating a solid outlook for the year. Moreover, Dec '23 traffic results came in slightly better than expected.

Guidance in line with estimates: FWAG expects c. € 970m sales (eNuW: € 965m), at least € 390m EBITDA (eNuW: € 423m) and at least € 210m net income before minorities (eNuW: € 219m).

Solid top-line growth: While FY '23 was still characterized by a strong COVID recovery, it should be hard to maintain that momentum into FY '24. Hence, we model a **conservative passenger growth of 1.2% yoy** to 38.4m for FY '24 (vs. Guidance of 39m, +2.3% yoy). On the other hand, due the **significant increase in statutory airport fees of 9.7%** (as of 1st January '24; 41% of total sales), FWAG should even turn flat passenger volumes into **solid top-line growth** (eNuW: 8.8% yoy).

Margins to remain high: FWAG's continuous focus on operational efficiency is well reflected in strong EBITDA margins (eNuW: 44% for FY '24e). Nevertheless, we do not see significant potential for margin improvements due to saturation effects. Potential interest rate changes could also lead to P&L effective changes of pension provisions.

CAPEX cycle started: FWAG expects CAPEX to double to more than € 200m (eNuW: € 213m), as the company only recently started to expand its terminal 3 in Q3'23. In total, the southern expansion should be finished by Y/E '26 and amount to c. € 500m in total CAPEX (eNuW).

Dividend increase likely: Based on the strong net income, but also due to strong cash reserves (eNuW: € 329 at Y/E '23), no debt and FWAG's ability to finance current CAPEX by CFO, the company might raise the pay-out ratio to 70% (before: 60%), leading to a dividend increase by 81% yoy to € 1.39 per share (eNuW) and to an implied dividend yield of 2.8%.

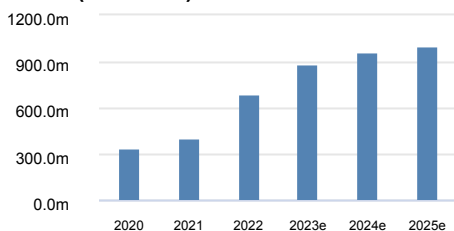
Also, **December traffic results** came in better than expected at 2.75m passengers on group level (eNuW: 2.58m), thus successfully finishing off the year with 38m passengers (+26% yoy) on group level.

We reiterate our **HOLD recommendation** as FWAG's shares seem fairly valued, **but increase our PT to EUR 52.00**, as we switch our valuation method from FCFY'24e to DCF to better capture FWAG's long term outlook.

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	-273.6	-325.4	-332.7
FCF	-122.1	45.1	277.1	189.0	163.3	140.4
Net Debt/EBITDA	4.2	1.0	0.0	0.0	0.0	0.0
EPS pro forma	-0.77	0.05	1.26	1.90	2.27	2.49
EBITDA margin	16.2%	37.9%	42.7%	43.6%	43.8%	44.3%
ROCE	-4.4%	1.1%	9.1%	13.8%	14.9%	15.0%
EV/sales	13.8	11.1	6.1	4.6	4.2	4.0
EV/EBITDA	85.1	29.3	14.3	10.6	9.6	9.1
PER	-65.0	1027.5	39.9	26.4	22.1	20.1
Adjusted FCF yield	1.0%	3.5%	7.9%	7.2%	7.0%	7.5%

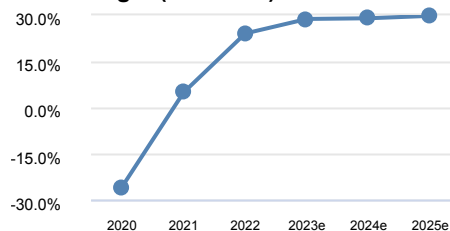
Source: Company data, NuWays, Close price as of 17.01.2024

Sales (2020-25e)



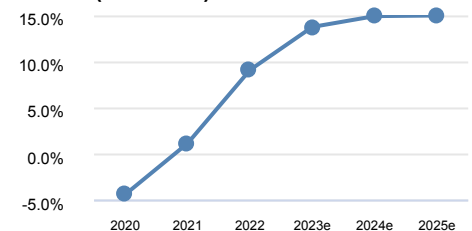
Source: NuWays Research

EBIT margin (2020-25e)



Source: NuWays Research

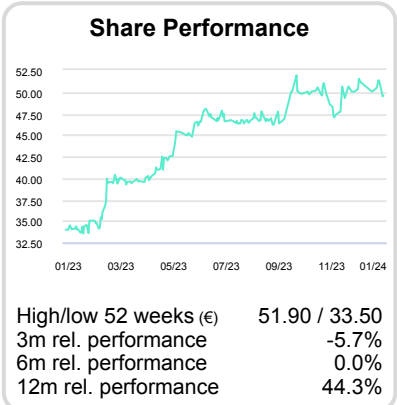
ROCE (2020-25e)



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 €)	49.55
Market cap (in € m)	4208.0
Number of shares (in m pcs)	83.9
Enterprise value (in € m)	4056.5
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	0%	0%	0%
EBIT	0%	0%	0%
EPS	-2%	2%	4%

Comment on changes

- Changes in EPS forecast reflect the early repayment of FWAG's bank loans.

Guidance

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

Flughafen Wien AG

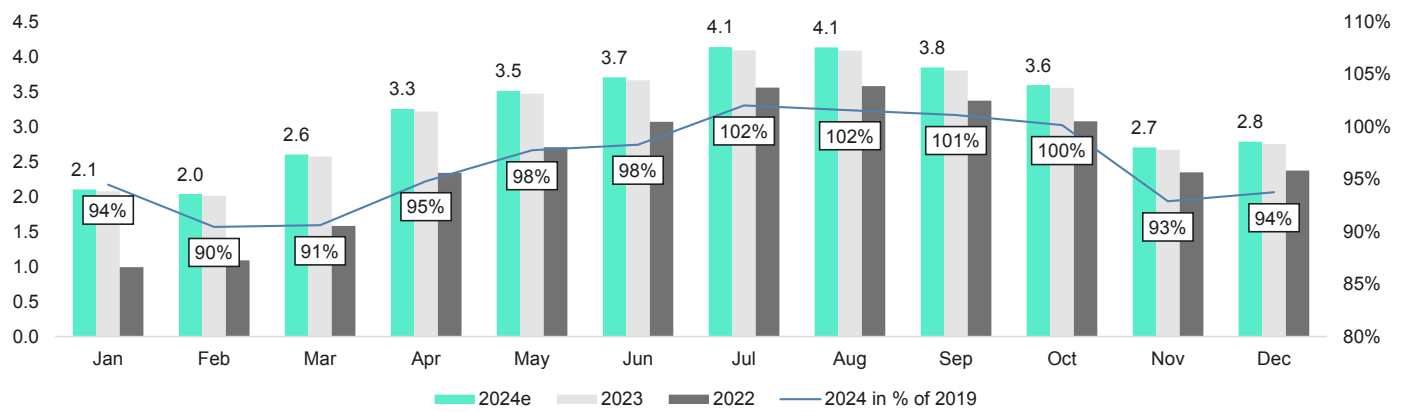
Update - 19.01.2024



FWAG (in € m)	2023 eNuW	2024 eNuW	yoy	2024 Guidance
# of passengers	38.0	38.4	1.2%	~ 39.0
Sales	887	965	8.8%	~ 970
EBITDA	387	423	9.4%	> 390
Net Income (before minorities)	189	220	16.3%	> 210
CAPEX	103	213	106.8%	> 200

Source: Company data, NuWays

Estimated passenger development 2024e (in m)



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	11.0	11.1	12.7
Interest expenses	15.7	13.1	13.5	19.3	2.8	2.8
Investment income	-1.0	0.7	-0.2	0.6	0.0	0.0
Financial result	-14.4	-10.4	-9.3	-7.7	8.3	9.9
Recurring pretax income from continuing operations	-100.9	9.5	157.9	248.4	288.9	309.5
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	-100.9	9.5	157.9	248.4	288.9	309.5
Income tax expense	-25.2	2.9	29.8	66.8	72.2	71.2
Net income from continuing operations	-75.7	6.6	128.1	181.6	216.7	238.3
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	181.6	216.7	238.3
Minority interest	-3.0	2.9	20.2	22.3	26.6	29.3
Net profit (reported)	-72.8	3.7	107.9	159.3	190.1	209.0
Average number of shares	83.9	83.9	83.9	83.9	83.9	83.9
EPS reported	-0.87	0.04	1.29	1.90	2.27	2.49

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%	1.2%	1.1%	1.3%
Interest expenses	4.7%	3.2%	1.9%	2.2%	0.3%	0.3%
Investment income	-0.3%	0.2%	-0.0%	0.1%	0.0%	0.0%
Financial result	neg.	neg.	neg.	neg.	0.9%	1.0%
Recurring pretax income from continuing operations	-30.2%	2.3%	22.8%	28.0%	29.9%	30.9%
Extraordinary income/loss	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Earnings before taxes	-30.2%	2.3%	22.8%	28.0%	29.9%	30.9%
Tax rate	24.9%	30.4%	18.9%	26.9%	25.0%	23.0%
Net income from continuing operations	-22.7%	1.6%	18.5%	20.5%	22.4%	23.8%
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%	20.5%	22.4%	23.8%
Minority interest	-0.9%	0.7%	2.9%	2.5%	2.8%	2.9%
Net profit (reported)	-21.8%	0.9%	15.6%	17.9%	19.7%	20.8%

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	328.6	380.4	387.7
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	447.3	509.6	521.9
TOTAL ASSETS	2,173.3	2,073.8	2,224.9	2,107.7	2,240.6	2,326.1

SHAREHOLDERS EQUITY	1,203.9	1,210.0	1,323.6	1,418.3	1,496.9	1,572.8
MINORITY INTEREST	101.6	104.5	124.9	147.2	173.8	203.1
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	69.3	69.3	69.3
Short-term liabilities to banks	142.4	51.3	25.0	0.0	0.0	0.0
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	2,107.7	2,240.6	2,326.1

Balance sheet (common size)	2020	2021	2022	2023e	2024e	2025e
Intangible assets	7.7%	8.0%	7.2%	7.7%	7.4%	7.2%
Property, plant and equipment	67.6%	67.7%	60.2%	62.1%	61.4%	62.2%
Financial assets	11.4%	9.2%	8.5%	9.0%	8.5%	8.1%
FIXED ASSETS	86.6%	84.9%	75.9%	78.8%	77.3%	77.6%
Inventories	0.3%	0.3%	0.3%	0.4%	0.5%	0.5%
Accounts receivable	2.8%	5.3%	4.5%	5.2%	5.3%	5.3%
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%	15.6%	17.0%	16.7%
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%	21.2%	22.7%	22.4%
TOTAL ASSETS	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

SHAREHOLDERS EQUITY	55.4%	58.3%	59.5%	67.3%	66.8%	67.6%
MINORITY INTEREST	4.7%	5.0%	5.6%	7.0%	7.8%	8.7%
Provisions for pensions and similar obligations	7.8%	8.1%	7.8%	8.3%	7.8%	7.5%
Other provisions and accrued liabilities	3.1%	3.1%	3.1%	3.3%	3.1%	3.0%
Short-term liabilities to banks	6.6%	2.5%	1.1%	0.0%	0.0%	0.0%
Accounts payable	1.2%	1.4%	1.6%	2.1%	2.1%	2.1%
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%	7.4%	7.0%	6.7%
Deferred taxes	1.4%	1.3%	1.2%	1.3%	1.2%	1.2%
Deferred income	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
CURRENT LIABILITIES	7.0%	7.8%	8.7%	9.5%	9.1%	8.8%
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	181.6	216.7	238.3
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	233.0	316.3	293.4
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	292.0	376.3	358.4
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	-73.8	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	-29.2	-268.0	-243.0
Cash flow before financing	-0.5	66.9	33.1	198.2	-3.2	-17.7
Increase/decrease in debt position	91.9	-116.4	-51.6	-224.9	0.0	0.0
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	111.5	133.1
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	-289.4	-111.5	-133.1
Increase/decrease in liquid assets	88.3	-49.5	-18.4	-26.6	-3.2	-17.7
Liquid assets at end of period	161.7	112.2	93.8	67.2	64.0	46.3

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%	47.6%	19.4%	10.0%
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	189.0	163.3	140.4
Free cash flow/sales	-36.6%	11.1%	40.0%	21.3%	16.9%	14.0%
FCF / net profit	128.0%	252.6%	201.7%	104.1%	75.3%	58.9%
Capex / sales	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Solvency						
Net debt	227.2	150.7	-149.1	-273.6	-325.4	-332.7
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%	10.0%	1.7%	5.2%
Returns						
ROCE	-4.4%	1.1%	9.1%	13.8%	14.9%	15.0%
ROE	-6.0%	0.3%	8.2%	11.2%	12.7%	13.3%
Adjusted FCF yield	1.0%	3.5%	7.9%	7.2%	7.0%	7.5%
Dividend yield	0.0%	0.0%	1.5%	2.6%	3.2%	3.5%
DPS	0.0	0.0	0.8	1.3	1.6	1.7
EPS reported	-0.87	0.04	1.29	1.90	2.27	2.49
Average number of shares	83.9	83.9	83.9	83.9	83.9	83.9
Valuation ratios						
P/BV	3.5	3.5	3.2	3.0	2.8	2.7
EV/sales	13.8	11.1	6.1	4.6	4.2	4.0
EV/EBITDA	85.1	29.3	14.3	10.6	9.6	9.1
EV/EBIT	-53.3	226.8	25.3	16.0	14.5	13.5

Source: Company data, NuWays

Disclosures

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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	16.11.2023	Wendisch, Henry	Hold	EUR 46.00	EUR 49.70
	14.07.2023	Wendisch, Henry	Hold	EUR 45.00	EUR 46.65
	13.06.2023	Wendisch, Henry	Hold	EUR 45.00	EUR 44.85
	12.06.2023	Wendisch, Henry	Hold	EUR 44.00	EUR 45.20

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The adj. FCF method is based on the assumption that investors purchase assets only at a price (enterprise value) at which the operating cash flow return after taxes on this investment exceeds their opportunity costs in the form of a hurdle rate of 7.5%. The operating cash flow is calculated as EBITDA less maintenance capex and taxes.

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Date of publication creation: 19/01/2024 07:39 AM

Date of publication dissemination: 19/01/2024 07:39 AM

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