

Hold (old: Hold)

14.05.2024

EUR 58.00 (old: EUR 58.00)

Q1 preview: record top and bottom line ahead

Topic: FWAG's Q1 results are due on Thursday, May 16th and we expect solid top-line growth and proportionate EBITDA growth, while EBIT and net income should show disproportionate growth and should mark new record levels. In detail:

Sales should grow by 17% yoy to € 212m (eCons: € 212m), driven by a combination of passenger growth (+14% yoy on group level, + 11% yoy in Vienna) and an increase in airport charges of 9.7% yoy (c. 40% of sales; effective as of Jan'24).

Accordingly, **EBITDA is seen to grow by 18% yoy to € 79m** (37.4% margin; eCons: € 79.5m) due to FWAG's low operating leverage with OPEX increasing proportionate to sales by +16% yoy € 135m. While the largest part of OPEX should stem from rising personnel costs (eNuW: € 90m, +18% yoy), FWAG usually incurs higher material costs (mostly energy costs and de-icing liquids; eNuW: € 20m, +13% yoy) for its operations during winter.

Assuming constant D&A of € 34.4m (Q4'23: € 34.4m) **EBIT should arrive at € 45m** (+29% yoy; eCons: € 46m). Following the repayment of all of its debt in Q4'23 coupled with a strong net cash position of € 362m, which yields solid interest income, FWAG should report a **positive financial result of € 3.7m**, implying EBT to grow by 43% yoy to € 48m (eCons: € 48m). With our effective tax rate estimate of 26%, net income before minorities should thus arrive at € 36m (+43% yoy; eCons: € 36m). Noteworthy, figures mentioned above would mark new all-time records for FWAG, highlighting its sound operating turnaround after the COVID pandemic.

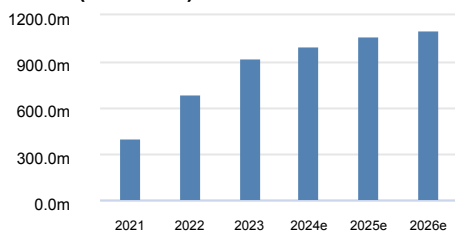
Furthermore, we expect a **busy summer ahead**, as the current summer flight plan looks set to outperform even the busy summer from last year. Therefore, **Q2 and Q3** (FWAG's most important quarters) should also come in **well above last year**. With the Q1 release FWAG will also publish Apr'24 traffic results, which we expect to come in at 3.4m (+6% yoy) passengers on group level (2.59m in VIE; 0.78 in MAL; 0.04m in KSC) and kick off the busy summer ahead (see p. 2 for FY'24e passenger development).

Albeit sound operating performance, FWAG's shares only show only a 16% catch-up potential to our **PT of € 58.00** (based on DCF). Thus, we reiterate our **HOLD recommendation**, while on the other hand, existing investors should **continue to benefit from growing and stable dividends**.

Y/E 31.12 (EUR m)	2021	2022	2023	2024e	2025e	2026e
Sales	407.0	692.7	931.5	1,010.3	1,064.5	1,107.6
Sales growth	22.0%	70.2%	34.5%	8.5%	5.4%	4.0%
EBITDA	154.4	295.9	393.6	416.7	448.9	469.5
Net debt (if net cash=0)	150.7	-149.1	-361.9	-502.7	-556.7	-604.2
FCF	45.1	277.1	287.0	251.5	182.3	193.3
Net Debt/EBITDA	1.0	0.0	0.0	0.0	0.0	0.0
EPS pro forma	0.05	1.26	2.01	2.32	2.63	2.77
EBITDA margin	37.9%	42.7%	42.2%	41.2%	42.2%	42.4%
ROCE	1.1%	9.1%	13.6%	13.7%	14.3%	14.4%
EV/sales	11.0	6.1	4.3	3.8	3.6	3.4
EV/EBITDA	29.1	14.2	10.2	9.3	8.5	8.0
PER	1019.9	39.6	24.8	21.5	18.9	18.0
Adjusted FCF yield	3.5%	7.9%	7.6%	7.3%	8.1%	8.6%

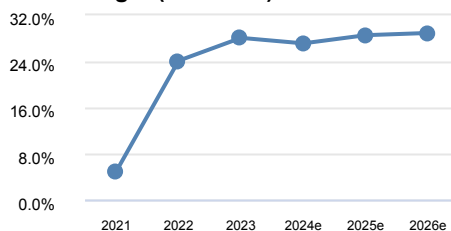
Source: Company data, NuWays, Close price as of 10.05.2024

Sales (2021-26e)



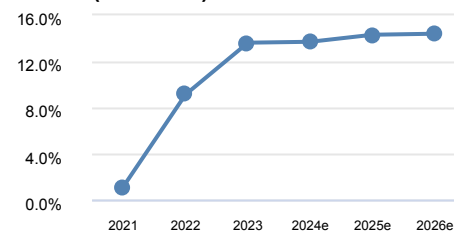
Source: NuWays Research

EBIT margin (2021-26e)



Source: NuWays Research

ROCE (2021-26e)

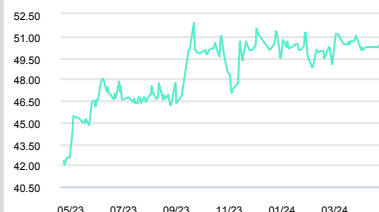


Source: NuWays Research

Company description

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

Share Performance



High/low 52 weeks (€)	51.90 / 42.00
3m rel. performance	-11.7%
6m rel. performance	-13.5%
12m rel. performance	2.2%

Market data

Share price (in €)	49.80
Market cap (in € m)	4177.0
Number of shares (in m pcs)	83.9
Enterprise value (in € m)	3864.7
Ø trading volume (6 months)	3,986

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

	2024e	2025e	2026e
Sales	0%	0%	0%
EBIT	0%	0%	0%
EPS	0%	0%	0%

Comment on changes

Source: NuWays Research

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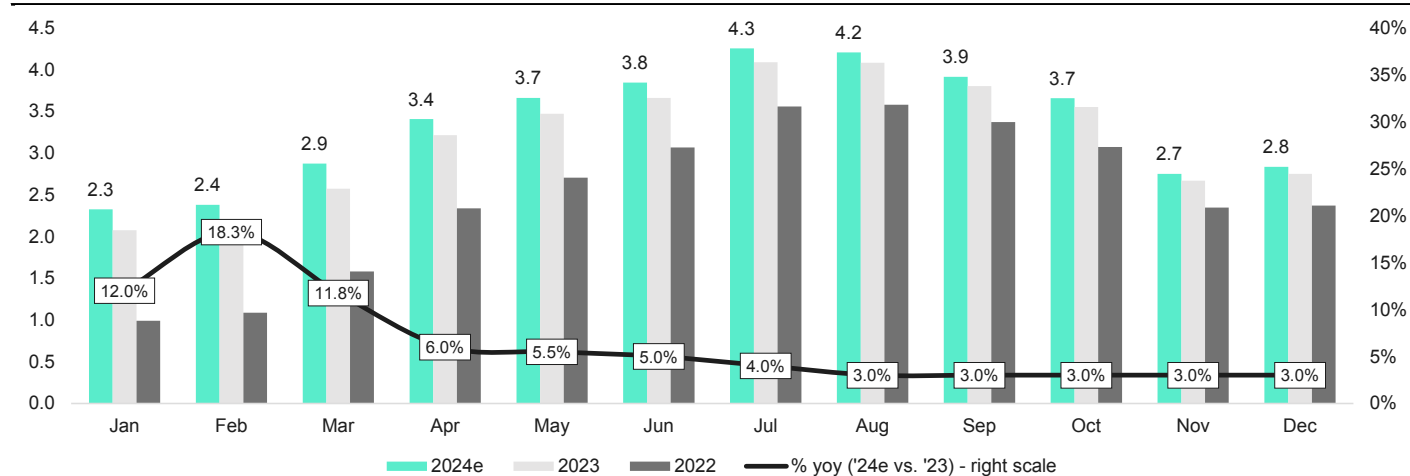
Source: NuWays Research

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Estimated passenger development 2024e (in m)



Source: Company data, NuWays (Apr-Dec 2024 are our estimates)

Financials

Profit and loss (EUR m)	2021	2022	2023	2024e	2025e	2026e
Net sales	407.0	692.7	931.5	1,010.3	1,064.5	1,107.6
Sales growth	22.0%	70.2%	34.5%	8.5%	5.4%	4.0%
Increase/decrease in finished goods and work-in-process	0.0	0.0	0.0	0.0	0.0	0.0
Total sales	407.0	692.7	931.5	1,010.3	1,064.5	1,107.6
Other operating income	23.8	20.3	10.1	10.0	10.0	11.0
Material expenses	29.8	44.5	54.1	59.6	65.6	68.4
Personnel expenses	196.7	272.3	349.4	392.4	402.6	417.5
Other operating expenses	49.9	100.3	144.7	151.6	157.4	163.2
Total operating expenses	252.6	396.8	538.0	593.6	615.6	638.1
EBITDA	154.4	295.9	393.6	416.7	448.9	469.5
Depreciation	134.1	131.1	131.8	142.3	144.8	148.8
EBITA	20.3	164.9	261.8	274.3	304.1	320.7
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	0.4	-2.3	0.0	0.0	0.0	0.0
EBIT (inc revaluation net)	20.0	167.2	261.8	274.3	304.1	320.7
Interest income	2.0	4.4	15.9	18.3	19.2	19.4
Interest expenses	13.1	13.5	20.4	2.5	2.1	2.0
Investment income	0.7	-0.2	0.4	0.0	0.0	0.0
Financial result	-10.4	-9.3	-4.1	15.8	17.0	17.3
Recurring pretax income from continuing operations	9.5	157.9	257.7	290.1	321.1	338.0
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	9.5	157.9	257.7	290.1	321.1	338.0
Income tax expense	2.9	29.8	69.1	72.5	73.9	77.7
Net income from continuing operations	6.6	128.1	188.6	217.6	247.3	260.3
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
Net income	6.6	128.1	188.6	217.6	247.3	260.3
Minority interest	2.9	20.2	20.1	23.2	26.4	27.8
Net profit (reported)	3.7	107.9	168.4	194.3	220.9	232.5
Average number of shares	83.9	83.9	83.9	83.9	83.9	83.9
EPS reported	0.04	1.29	2.01	2.32	2.63	2.77

Profit and loss (common size)	2021	2022	2023	2024e	2025e	2026e
Net sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Sales growth	22.0%	70.2%	34.5%	8.5%	5.4%	4.0%
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	5.8%	2.9%	1.1%	1.0%	0.9%	1.0%
Material expenses	7.3%	6.4%	5.8%	5.9%	6.2%	6.2%
Personnel expenses	48.3%	39.3%	37.5%	38.8%	37.8%	37.7%
Other operating expenses	12.3%	14.5%	15.5%	15.0%	14.8%	14.7%
Total operating expenses	62.1%	57.3%	57.8%	58.8%	57.8%	57.6%
EBITDA	37.9%	42.7%	42.2%	41.2%	42.2%	42.4%
Depreciation	32.9%	18.9%	14.1%	14.1%	13.6%	13.4%
EBITA	5.0%	23.8%	28.1%	27.2%	28.6%	29.0%
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	0.1%	-0.3%	0.0%	0.0%	0.0%	0.0%
EBIT (inc revaluation net)	4.9%	24.1%	28.1%	27.2%	28.6%	29.0%
Interest income	0.5%	0.6%	1.7%	1.8%	1.8%	1.7%
Interest expenses	3.2%	1.9%	2.2%	0.3%	0.2%	0.2%
Investment income	0.2%	-0.0%	0.0%	0.0%	0.0%	0.0%
Financial result	neg.	neg.	neg.	1.6%	1.6%	1.6%
Recurring pretax income from continuing operations	2.3%	22.8%	27.7%	28.7%	30.2%	30.5%
Extraordinary income/loss	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Earnings before taxes	2.3%	22.8%	27.7%	28.7%	30.2%	30.5%
Tax rate	30.4%	18.9%	26.8%	25.0%	23.0%	23.0%
Net income from continuing operations	1.6%	18.5%	20.2%	21.5%	23.2%	23.5%
Income from discontinued operations (net of tax)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net income	1.6%	18.5%	20.2%	21.5%	23.2%	23.5%
Minority interest	0.7%	2.9%	2.2%	2.3%	2.5%	2.5%
Net profit (reported)	0.9%	15.6%	18.1%	19.2%	20.7%	21.0%

Source: Company data, NuWays

Balance sheet (EUR m)	2021	2022	2023	2024e	2025e	2026e
Intangible assets	165.6	159.2	156.2	156.2	156.2	156.2
Property, plant and equipment	1,403.9	1,339.2	1,324.3	1,391.9	1,462.1	1,533.3
Financial assets	191.8	189.5	182.2	182.2	182.2	182.2
FIXED ASSETS	1,761.3	1,687.9	1,662.7	1,730.3	1,800.5	1,871.7
Inventories	6.4	7.3	7.7	8.3	8.7	9.1
Accounts receivable	110.7	100.7	106.8	115.9	122.1	127.0
Other assets and short-term financial assets	14.2	0.0	0.0	0.0	0.0	0.0
Liquid assets	181.3	429.0	417.2	545.7	596.8	643.3
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	312.5	537.1	531.7	669.8	727.7	779.4
TOTAL ASSETS	2,073.8	2,224.9	2,194.4	2,400.2	2,528.2	2,651.1

SHAREHOLDERS EQUITY	1,210.0	1,323.6	1,422.6	1,506.2	1,598.8	1,685.5
MINORITY INTEREST	104.5	124.9	133.9	157.1	183.5	211.3
Provisions for pensions and similar obligations	167.4	173.9	190.4	190.4	190.4	190.4
Other provisions and accrued liabilities	63.4	69.3	100.6	100.6	100.6	100.6
Short-term liabilities to banks	51.3	25.0	0.1	0.1	0.1	0.1
Accounts payable	29.8	35.3	39.0	44.3	46.7	48.6
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)	132.0	158.8	160.5	160.5	160.5	160.5
Deferred taxes	26.8	27.2	20.5	20.5	20.5	20.5
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0
CURRENT LIABILITIES	161.8	194.1	199.5	204.8	207.2	209.1
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	2,073.8	2,224.9	2,194.4	2,400.2	2,528.2	2,651.1

Balance sheet (common size)	2021	2022	2023	2024e	2025e	2026e
Intangible assets	8.0%	7.2%	7.1%	6.5%	6.2%	5.9%
Property, plant and equipment	67.7%	60.2%	60.3%	58.0%	57.8%	57.8%
Financial assets	9.2%	8.5%	8.3%	7.6%	7.2%	6.9%
FIXED ASSETS	84.9%	75.9%	75.8%	72.1%	71.2%	70.6%
Inventories	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Accounts receivable	5.3%	4.5%	4.9%	4.8%	4.8%	4.8%
Other assets and short-term financial assets	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%
Liquid assets	8.7%	19.3%	19.0%	22.7%	23.6%	24.3%
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	15.1%	24.1%	24.2%	27.9%	28.8%	29.4%
TOTAL ASSETS	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

SHAREHOLDERS EQUITY	58.3%	59.5%	64.8%	62.8%	63.2%	63.6%
MINORITY INTEREST	5.0%	5.6%	6.1%	6.5%	7.3%	8.0%
Provisions for pensions and similar obligations	8.1%	7.8%	8.7%	7.9%	7.5%	7.2%
Other provisions and accrued liabilities	3.1%	3.1%	4.6%	4.2%	4.0%	3.8%
Short-term liabilities to banks	2.5%	1.1%	0.0%	0.0%	0.0%	0.0%
Accounts payable	1.4%	1.6%	1.8%	1.8%	1.8%	1.8%
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)	6.4%	7.1%	7.3%	6.7%	6.3%	6.1%
Deferred taxes	1.3%	1.2%	0.9%	0.9%	0.8%	0.8%
Deferred income	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
CURRENT LIABILITIES	7.8%	8.7%	9.1%	8.5%	8.2%	7.9%
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)	2021	2022	2023	2024e	2025e	2026e
Net profit/loss	17.9	137.4	188.6	217.6	247.3	260.3
Depreciation of fixed assets (incl. leases)	134.1	131.1	131.8	142.3	144.8	148.8
Amortisation of goodwill & intangible assets	0.0	0.0	0.0	0.0	0.0	0.0
Other costs affecting income / expenses	14.1	-1.1	1.4	0.0	0.0	0.0
Cash flow from operating activities	47.7	278.6	325.8	401.5	332.3	346.3
Increase/decrease in inventory	-0.4	-0.9	-0.3	-0.6	-0.4	-0.4
Increase/decrease in accounts receivable	-55.2	12.2	-6.1	-9.0	-6.2	-4.9
Increase/decrease in accounts payable	0.0	38.6	3.7	5.3	2.4	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	-55.7	49.9	-2.7	-4.4	-4.3	-3.4
Cash flow from operating activities	105.7	337.6	384.8	461.5	397.3	413.3
CAPEX	60.7	60.5	97.8	210.0	215.0	220.0
Payments for acquisitions	0.1	0.0	0.0	0.0	0.0	0.0
Financial investments	-15.2	287.8	58.8	44.0	55.0	0.0
Income from asset disposals	6.7	43.9	0.0	0.0	0.0	0.0
Cash flow from investing activities	-38.8	-304.5	-156.6	-254.0	-270.0	-220.0
Cash flow before financing	66.9	33.1	152.5	96.8	-0.9	47.5
Increase/decrease in debt position	-116.4	-51.6	-224.5	-12.4	-2.9	-1.0
Purchase of own shares	0.0	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	75.7	110.7	128.3	145.8
Others	0.0	0.0	-1.3	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	-116.4	-51.6	-301.5	-123.1	-131.2	-146.8
Increase/decrease in liquid assets	-49.5	-18.4	-73.3	84.5	-3.8	46.5
Liquid assets at end of period	123.6	105.2	31.9	116.4	112.5	159.0

Key ratios (EUR m)	2021	2022	2023	2024e	2025e	2026e
P&L growth analysis						
Sales growth	22.0%	70.2%	34.5%	8.5%	5.4%	4.0%
EBITDA growth	185.5%	91.7%	33.0%	5.9%	7.7%	4.6%
EBIT growth	-123.1%	737.8%	56.6%	4.8%	10.9%	5.5%
EPS growth	-105.1%	2787.8%	56.1%	15.4%	13.7%	5.3%
Efficiency						
Sales per employee	83.8	147.2	193.1	204.1	215.1	223.8
EBITDA per employee	31.8	62.9	81.6	84.2	90.7	94.8
No. employees (average)	4,858	4,704	4,823	4,950	4,950	4,950
Balance sheet analysis						
Avg. working capital / sales	17.7%	8.1%	8.7%	7.6%	7.5%	7.6%
Inventory turnover (sales/inventory)	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable turnover	99.3	53.1	41.9	41.9	41.9	41.9
Accounts payable turnover	26.7	18.6	15.3	16.0	16.0	16.0
Cash flow analysis						
Free cash flow	45.1	277.1	287.0	251.5	182.3	193.3
Free cash flow/sales	11.1%	40.0%	30.8%	24.9%	17.1%	17.4%
FCF / net profit	252.6%	201.7%	152.2%	115.6%	73.7%	74.3%
Capex / sales	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Solvency						
Net debt	150.7	-149.1	-361.9	-502.7	-556.7	-604.2
Net Debt/EBITDA	1.0	0.0	0.0	0.0	0.0	0.0
Dividend payout ratio	0.0%	59.9%	65.7%	66.0%	66.0%	66.0%
Interest paid / avg. debt	3.8%	3.7%	10.5%	1.6%	4.5%	5.0%
Returns						
ROCE	1.1%	9.1%	13.6%	13.7%	14.3%	14.4%
ROE	0.3%	8.2%	11.8%	12.9%	13.8%	13.8%
Adjusted FCF yield	3.5%	7.9%	7.6%	7.3%	8.1%	8.6%
Dividend yield	0.0%	1.5%	2.7%	3.1%	3.5%	3.7%
DPS	0.0	0.8	1.3	1.5	1.7	1.8
EPS reported	0.04	1.29	2.01	2.32	2.63	2.77
Average number of shares	83.9	83.9	83.9	83.9	83.9	83.9
Valuation ratios						
P/BV	3.5	3.2	2.9	2.8	2.6	2.5
EV/sales	11.0	6.1	4.3	3.8	3.6	3.4
EV/EBITDA	29.1	14.2	10.2	9.3	8.5	8.0
EV/EBIT	225.3	25.1	15.3	14.1	12.5	11.7

Source: Company data, NuWays

Disclosures

Disclosures regarding research publications of NuWays AG pursuant to section 85 of the German Securities Trading Act (WpHG)

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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	13.03.2024	Wendisch, Henry	Hold	EUR 58.00	EUR 50.20
	28.02.2024	Wendisch, Henry	Hold	EUR 57.00	EUR 50.00
	18.01.2024	Wendisch, Henry	Hold	EUR 52.00	EUR 49.55
	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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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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