

Hold (old: Hold)

17.05.2024

EUR 58.00 (old: EUR 58.00)

Q1 review: powerful take-off into 2024

FWAG released sound Q1 results, in line with our estimates. While top-line was driven by solid passenger growth, bottom-line benefitted from a positive financial result and grew disproportionately. In detail:

Upbeat winter travel grew top-line: Against last year's muted outlook, Q1 passengers numbers rose by 14% on group level (VIE: +11% yoy) thanks to a higher number of flights (+9% of movements). On top of that, the increase in airport charges (c. 41% of sales) of up to 9.7%, effective as of Jan'24, lead to overall **sales growth of 17% yoy to € 210m** (eNuW: € 211m).

Proportionate EBITDA growth: Material costs declined by 15% yoy thanks to (1) an increased contribution from FWAG's own PV power production, (2) a mild winter and (3) lower energy prices, which decreased the expenses for de-icing liquids and energy. On the other hand, collective labour agreements and the increase in headcount pushed personnel expenses to € 89m, up 18% yoy, while other OPEX grew by 30% yoy. In sum, **EBITDA expanded by 19% yoy to € 80m** (eNuW: € 79m)

Disproportionate expansion of net income: With constant D&A (+3% yoy) and unchanged tax rate (26%) as well as a strong improvement of the financial result (€ 3.8m vs. -0.9m in Q1'23), **net income grew disproportionately to sales by a staggering 49% yoy to € 37m** (eNuW: € 36m).

Guidance increased: Due to the sound results, FWAG slightly raised its FY guidance to > € 1bn sales (old: c. € 980m), > € 400m EBITDA (old: > € 390m) and net profit before minorities of > € 220m (old: > € 210m) which is now in line with our estimates.

Solid cash generation: During Q1, FWAG generated a FCF of € 31m, despite a hefty increase in CAPEX (€ 38m, + 138% yoy) due the current southern expansion of Terminal 3. Consequently, net cash stands at € 393m, up 9% yoy (€ 449m excl. lease liabilities). Going forward, **neither the upcoming dividend payment (€ 111m in Q2), nor the current CAPEX cycle should decrease net cash.**

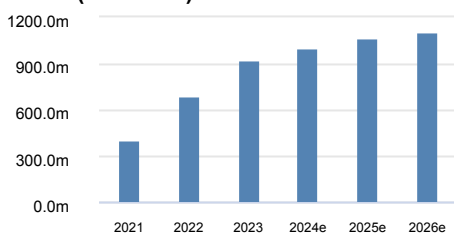
Bright outlook at cruising altitude: Current summer booking numbers are on the same level as the record of 2019, implying an overall passenger growth of 6% for this year, in line with our estimates.

Nonetheless, the solid operating performance seems reflected in the current valuation. Therefore, FWAG remains a **HOLD** with an unchanged **PT of € 58.00**, based on DCF.

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	10.8	5.9	4.2	3.7	3.5	3.3
EV/EBITDA	28.5	13.9	9.9	9.0	8.3	7.8
PER	995.4	38.6	24.2	21.0	18.5	17.5
Adjusted FCF yield	3.5%	7.9%	7.6%	7.5%	8.3%	8.9%

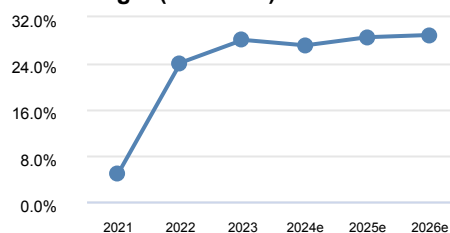
Source: Company data, NuWays, Close price as of 15.05.2024

Sales (2021-26e)



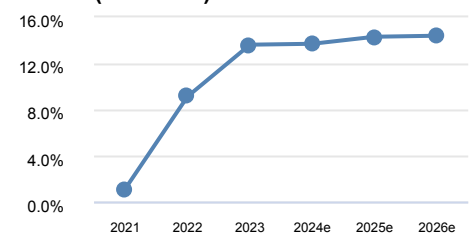
Source: NuWays Research

EBIT margin (2021-26e)



Source: NuWays Research

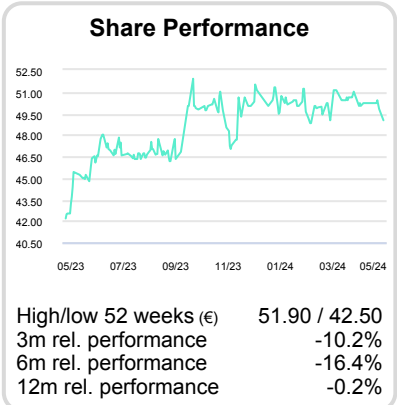
ROCE (2021-26e)



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.



Market data

Share price (in €)	49.00
Market cap (in € m)	4076.3
Number of shares (in m pcs)	83.9
Enterprise value (in € m)	3764.0
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

Guidance

- FY'24 Sales: > € 1bn
- FY'24 EBITDA: > € 400m
- FY'24 Net Income (b.m.): > € 220m

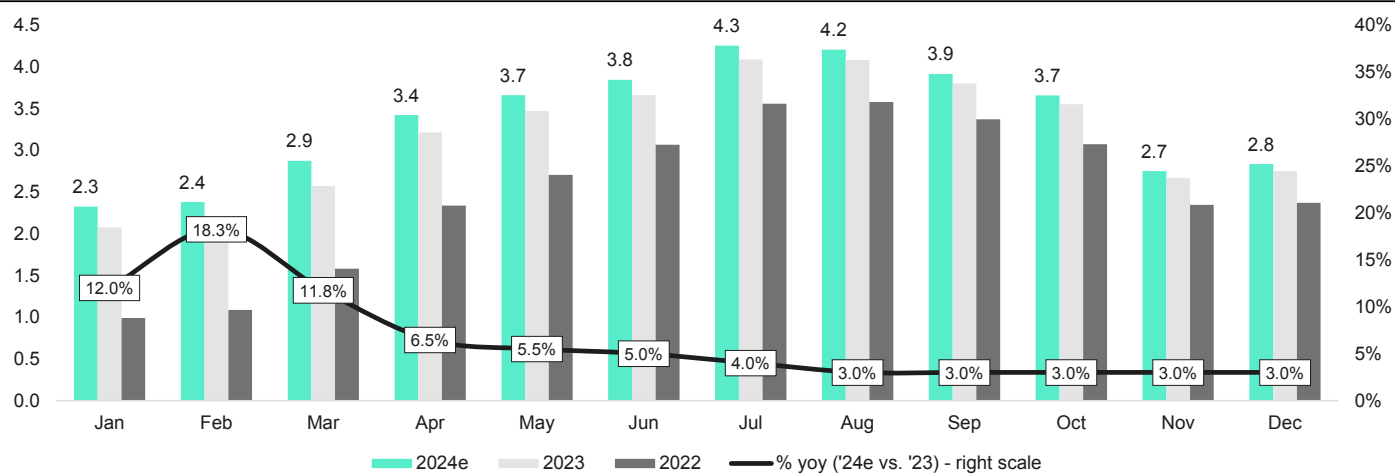
Flughafen Wien AG

Preview / Review - 17.05.2024

FWAG	Q1 2024	Q1 2024 eNuW	Q1 2023	yoy
Airport	98.0	96.7	81.4	20.4%
Handling & Security Services	39.7	41.2	37.1	6.9%
Retail & Properties	41.4	42.1	36.5	13.5%
Malta segment	25.7	24.7	18.9	35.7%
Other Segments	5.6	7.0	6.4	-12.7%
Sales	210.3	211.6	180.4	16.6%
Airport	37.6	35.0	27.8	35.3%
Handling & Security Services	1.7	5.0	4.6	-62.8%
Retail & Properties	21.1	22.0	19.5	8.7%
Malta segment	14.9	11.0	9.7	53.9%
Other Segments	4.2	6.1	5.3	-20.7%
Total EBITDA	79.5	79.1	66.8	19.0%
<i>EBITDA margin</i>	<i>37.8%</i>	<i>37.4%</i>	<i>37.0%</i>	<i>+ 0.8 pp</i>
Net profit (b.m.)	37.2	35.8	25.0	48.9%
<i>profit margin</i>	<i>17.7%</i>	<i>16.9%</i>	<i>13.8%</i>	<i>+ 3.8 pp</i>
EPS	0.40	0.39	0.27	45.9%
Passengers (m)	7.6	7.6	6.7	13.8%

Source: Company data, NuWays

Estimated passenger development 2024e (in m)



Source: Company data, NuWays (May-Dec' 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
<i>Sales growth</i>	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	57.5	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	153.7	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%
<i>Sales growth</i>	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%	5.7%	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%	15.2%	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%	7.5%	8.3%	8.9%
Dividend yield	0.0%	1.6%	2.7%	3.1%	3.6%	3.8%
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	3.4	3.1	2.9	2.7	2.5	2.4
EV/sales	10.8	5.9	4.2	3.7	3.5	3.3
EV/EBITDA	28.5	13.9	9.9	9.0	8.3	7.8
EV/EBIT	220.2	24.5	14.9	13.7	12.2	11.4

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	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 determination of the fair value per share, i.e. the price target, and the relevant rating is done on the basis of the adjusted free cash flow (adj. FCF) method and on the basis of the discounted cash flow – DCF model. Furthermore, a peer group comparison is made.

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.

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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