

Flughafen Wien AG

Logistics - Austria



NuWays

by Hauck Aufhäuser Lampe

Hold (old: Hold)

12.07.2024

EUR 59.00 (old: EUR 58.00)

Strong Q2 passenger numbers, still on HOLD; chg. est & PT

Topic: FWAG released better than expected June traffic results that marked new records.

Strong June traffic results: Group passenger numbers rose by 8.4% yoy to 3.97m (eNuW: 3.84m). While Vienna grew by 6.5% yoy to 3.02m passengers (eNuW: 2.95m), Malta - a desired summer destination - grew by +14% yoy to 0.86m (eNuW: 0.76m).

Q2 and YTD well above prior year: Q2 passenger numbers rose by 8% (YTD: +10%), despite rising ticket prices and geopolitical uncertainties, highlighting the unbroken demand for air travel.

Q2 results to come in strong: The 8% increase in Q2 passengers coupled with the 9.7% increase in airport charges (c. 40% of group sales) indicate a strong top-line growth for Q2'24e, which we expect to come in at **€ 275m** (eNuW, +11% yoy).

Busy summer in full swing: On June 28th, Vienna Airport recorded the strongest travel day in history while last month was also the **strongest June ever** recorded, highlighting that the airport successfully handled the start of the summer holidays in Austria. For Q3, this should also bode well, as the outgoing traffic will eventually become incoming traffic again.

Continued airline expansions at Vienna Airport: New airlines start to serve the destination Vienna (e.g. UAE's low cost carrier Air Arabia, starting in Dec.'24) but also existing airlines increase their frequencies (e.g. Air China operating daily as of Jul. '24) or serve new destinations (e.g. AUA now serving Boston) in order to meet the strong demand for air travel from and to Vienna.

Highest service quality maintained: While Vienna held its position as the most punctual Lufthansa hub, Malta airport has been awarded the best airport by ACI (5-10m passenger category).

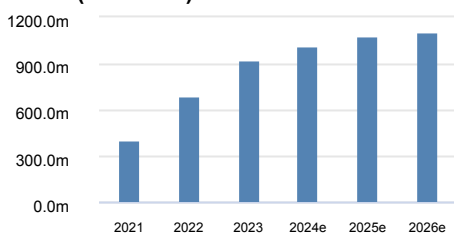
Action: While the initial outlook from Nov'23 for this year has been rather muted, the dark clouds have made way for sunny weather, visible by the strong passenger development so far. We now lift our FY'24 passenger estimate to 40.6m (old: 40.2m) and consequently **increase our PT to € 59.00** (old: € 58.00), however, the 16% upside is still not high enough to justify a BUY recommendation.

Consequently, we remain at **our HOLD recommendation** for now, but also highly appreciate the strong operating performance.

Y/E 31.12 (EUR m)	2021	2022	2023	2024e	2025e	2026e
Sales	407.0	692.7	931.5	1,019.6	1,077.8	1,115.2
Sales growth	22.0%	70.2%	34.5%	9.5%	5.7%	3.5%
EBITDA	154.4	295.9	393.6	425.2	456.2	477.1
Net debt (if net cash=0)	150.7	-149.1	-361.9	-402.3	-447.6	-490.5
FCF	45.1	277.1	287.0	151.1	177.3	191.6
Net Debt/EBITDA	1.0	0.0	0.0	0.0	0.0	0.0
EPS pro forma	0.05	1.26	2.01	2.38	2.68	2.83
EBITDA margin	37.9%	42.7%	42.2%	41.7%	42.3%	42.8%
ROCE	1.1%	9.1%	13.6%	14.2%	14.8%	14.8%
EV/sales	11.2	6.2	4.4	4.0	3.7	3.5
EV/EBITDA	29.5	14.4	10.3	9.5	8.7	8.3
PER	1036.3	40.2	25.2	21.2	18.8	17.9
Adjusted FCF yield	3.5%	7.9%	7.6%	7.1%	7.9%	8.4%

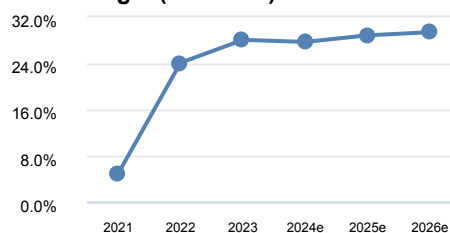
Source: Company data, NuWays, Close price as of 05.07.2024

Sales (2021-26e)



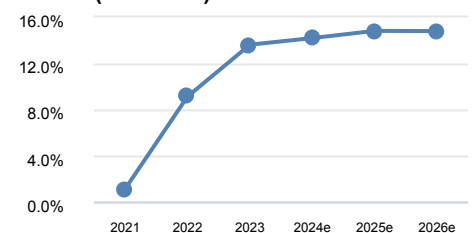
Source: NuWays Research

EBIT margin (2021-26e)



Source: NuWays Research

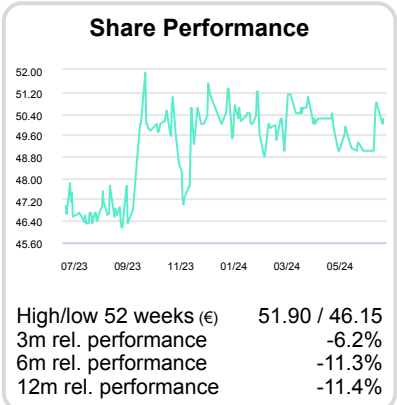
ROCE (2021-26e)



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 €)	50.20
Market cap (in € m)	4244.1
Number of shares (in m pcs)	83.9
Enterprise value (in € m)	4032.2
Ø trading volume (6 months)	3,986

Identifier

Bloomberg	FLU AV
Reuters	VIEV.VI
WKN	A2AMK9
ISIN	AT00000VIE62

Key shareholders

IFM	44.0%
State of Lower Austria	20.0%
City of Vienna	20.0%
Employee Foundation	10.0%
Free Float	6.0%

Estimates changes

	2024e	2025e	2026e
Sales	1%	1%	0%
EBIT	3%	0%	0%
EPS	2%	-0%	-0%

Comment on changes

- FY'24e estimates increased to reflect better than expected passenger momentum.

Guidance

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

Flughafen Wien AG

Update - 12.07.2024



FWAG group passengers (in m)	6 2024	6 2024 eNuW	6 2023	yoy	group share	YTD 2024	YTD 2024 eNuW	YTD 2023	yoy	group share
Group Passengers	3.97	3.84	3.66	8.4%		18.72	18.59	17.01	10.1%	
- thereof Vienna	3.02	2.95	2.84	6.5%	76.1%	14.39	14.32	13.33	7.9%	76.8%
- thereof Malta	0.86	0.76	0.75	13.9%	21.6%	4.07	3.97	3.43	18.4%	21.7%
- thereof Kosice	0.09	0.13	0.07	28.1%	2.3%	0.27	0.31	0.25	9.3%	1.4%

Source: Company data, NuWays

Source: Company data, NuWays

Financials

Profit and loss (EUR m)	2021	2022	2023	2024e	2025e	2026e
Net sales	407.0	692.7	931.5	1,019.6	1,077.8	1,115.2
<i>Sales growth</i>	22.0%	70.2%	34.5%	9.5%	5.7%	3.5%
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	1,019.6	1,077.8	1,115.2
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	401.9	408.6	417.5
Other operating expenses	49.9	100.3	144.7	145.0	157.4	163.2
Total operating expenses	252.6	396.8	538.0	594.4	621.6	638.1
EBITDA	154.4	295.9	393.6	425.2	456.2	477.1
Depreciation	134.1	131.1	131.8	142.3	144.8	148.8
EBITA	20.3	164.9	261.8	282.9	311.4	328.3
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	282.9	311.4	328.3
Interest income	2.0	4.4	15.9	17.9	18.1	19.0
Interest expenses	13.1	13.5	20.4	2.1	2.1	2.1
Investment income	0.7	-0.2	0.4	0.0	0.0	0.0
Financial result	-10.4	-9.3	-4.1	15.7	16.0	16.8
Recurring pretax income from continuing operations	9.5	157.9	257.7	298.6	327.4	345.1
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	9.5	157.9	257.7	298.6	327.4	345.1
Income tax expense	2.9	29.8	69.1	74.6	75.3	79.4
Net income from continuing operations	6.6	128.1	188.6	223.9	252.1	265.7
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	223.9	252.1	265.7
Minority interest	2.9	20.2	20.1	23.9	26.9	28.4
Net profit (reported)	3.7	107.9	168.4	200.0	225.2	237.4
Average number of shares	83.9	83.9	83.9	83.9	83.9	83.9
EPS reported	0.04	1.29	2.01	2.38	2.68	2.83

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%	9.5%	5.7%	3.5%
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%	5.6%	6.1%	6.1%
Personnel expenses	48.3%	39.3%	37.5%	39.4%	37.9%	37.4%
Other operating expenses	12.3%	14.5%	15.5%	14.2%	14.6%	14.6%
Total operating expenses	62.1%	57.3%	57.8%	58.3%	57.7%	57.2%
EBITDA	37.9%	42.7%	42.2%	41.7%	42.3%	42.8%
Depreciation	32.9%	18.9%	14.1%	14.0%	13.4%	13.3%
EBITA	5.0%	23.8%	28.1%	27.7%	28.9%	29.4%
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%	27.7%	28.9%	29.4%
Interest income	0.5%	0.6%	1.7%	1.8%	1.7%	1.7%
Interest expenses	3.2%	1.9%	2.2%	0.2%	0.2%	0.2%
Investment income	0.2%	-0.0%	0.0%	0.0%	0.0%	0.0%
Financial result	neg.	neg.	neg.	1.5%	1.5%	1.5%
Recurring pretax income from continuing operations	2.3%	22.8%	27.7%	29.3%	30.4%	30.9%
Extraordinary income/loss	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Earnings before taxes	2.3%	22.8%	27.7%	29.3%	30.4%	30.9%
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%	22.0%	23.4%	23.8%
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%	22.0%	23.4%	23.8%
Minority interest	0.7%	2.9%	2.2%	2.3%	2.5%	2.5%
Net profit (reported)	0.9%	15.6%	18.1%	19.6%	20.9%	21.3%

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	8.4	8.9	9.2
Accounts receivable	110.7	100.7	106.8	116.9	123.6	127.9
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	457.4	502.6	545.5
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	582.7	635.0	682.6
TOTAL ASSETS	2,073.8	2,224.9	2,194.4	2,313.0	2,435.5	2,554.3

SHAREHOLDERS EQUITY	1,210.0	1,323.6	1,422.6	1,511.9	1,605.0	1,693.8
MINORITY INTEREST	104.5	124.9	133.9	157.8	184.7	213.0
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	0.0	0.0
Accounts payable	29.8	35.3	39.0	44.7	47.2	48.9
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	205.2	207.8	209.4
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	2,073.8	2,224.9	2,194.4	2,313.0	2,435.5	2,554.3

Balance sheet (common size)	2021	2022	2023	2024e	2025e	2026e
Intangible assets	8.0%	7.2%	7.1%	6.8%	6.4%	6.1%
Property, plant and equipment	67.7%	60.2%	60.3%	60.2%	60.0%	60.0%
Financial assets	9.2%	8.5%	8.3%	7.9%	7.5%	7.1%
FIXED ASSETS	84.9%	75.9%	75.8%	74.8%	73.9%	73.3%
Inventories	0.3%	0.3%	0.3%	0.4%	0.4%	0.4%
Accounts receivable	5.3%	4.5%	4.9%	5.1%	5.1%	5.0%
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%	19.8%	20.6%	21.4%
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%	25.2%	26.1%	26.7%
TOTAL ASSETS	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

SHAREHOLDERS EQUITY	58.3%	59.5%	64.8%	65.4%	65.9%	66.3%
MINORITY INTEREST	5.0%	5.6%	6.1%	6.8%	7.6%	8.3%
Provisions for pensions and similar obligations	8.1%	7.8%	8.7%	8.2%	7.8%	7.5%
Other provisions and accrued liabilities	3.1%	3.1%	4.6%	4.3%	4.1%	3.9%
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%	1.9%	1.9%	1.9%
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%	6.9%	6.6%	6.3%
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%	8.9%	8.5%	8.2%
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	223.9	252.1	265.7
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	301.1	327.3	344.6
Increase/decrease in inventory	-0.4	-0.9	-0.3	-0.7	-0.5	-0.3
Increase/decrease in accounts receivable	-55.2	12.2	-6.1	-10.1	-6.7	-4.3
Increase/decrease in accounts payable	0.0	38.6	3.7	5.7	2.6	1.6
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	-5.1	-4.6	-3.0
Cash flow from operating activities	105.7	337.6	384.8	361.1	392.3	411.6
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	24.0	45.0	40.0
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	-234.0	-260.0	-260.0
Cash flow before financing	66.9	33.1	152.5	16.4	0.3	3.0
Increase/decrease in debt position	-116.4	-51.6	-224.5	-0.3	-0.1	0.0
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	132.0	148.6
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	-111.0	-132.1	-148.6
Increase/decrease in liquid assets	-49.5	-18.4	-73.3	16.2	0.2	3.0
Liquid assets at end of period	123.6	105.2	31.9	48.1	48.2	51.2

Key ratios (EUR m)	2021	2022	2023	2024e	2025e	2026e
P&L growth analysis						
Sales growth	22.0%	70.2%	34.5%	9.5%	5.7%	3.5%
EBITDA growth	185.5%	91.7%	33.0%	8.0%	7.3%	4.6%
EBIT growth	-123.1%	737.8%	56.6%	8.0%	10.1%	5.4%
EPS growth	-105.1%	2787.8%	56.1%	18.8%	12.6%	5.4%
Efficiency						
Sales per employee	83.8	147.2	193.1	206.0	217.7	225.3
EBITDA per employee	31.8	62.9	81.6	85.9	92.2	96.4
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%	7.5%	7.5%	7.6%
Inventory turnover (sales/inventory)	5.7	3.9	3.0	3.0	3.0	3.0
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	151.1	177.3	191.6
Free cash flow/sales	11.1%	40.0%	30.8%	14.8%	16.4%	17.2%
FCF / net profit	252.6%	201.7%	152.2%	67.5%	70.3%	72.1%
Capex / sales	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Solvency						
Net debt	150.7	-149.1	-361.9	-402.3	-447.6	-490.5
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%	1.3%	3.9%	3.9%
Returns						
ROCE	1.1%	9.1%	13.6%	14.2%	14.8%	14.8%
ROE	0.3%	8.2%	11.8%	13.2%	14.0%	14.0%
Adjusted FCF yield	3.5%	7.9%	7.6%	7.1%	7.9%	8.4%
Dividend yield	0.0%	1.5%	2.6%	3.1%	3.5%	3.7%
DPS	0.0	0.8	1.3	1.6	1.8	1.9
EPS reported	0.04	1.29	2.01	2.38	2.68	2.83
Average number of shares	83.9	83.9	83.9	83.9	83.9	83.9
Valuation ratios						
P/BV	3.5	3.2	3.0	2.8	2.6	2.5
EV/sales	11.2	6.2	4.4	4.0	3.7	3.5
EV/EBITDA	29.5	14.4	10.3	9.5	8.7	8.3
EV/EBIT	228.6	25.5	15.6	14.3	12.8	12.0

Source: Company data, NuWays

Disclosures

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

Indication of conflict of interest

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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

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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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