

Hold (old: Hold)

30.10.2024

EUR 61.00 (old: EUR 61.00)

Q3 preview: strong growth and margins at cruising altitude

FWAG releases Q3 results on 14th November, which should mark not only new top- and bottom-line records, but should also show an increase in net liquidity thanks to solid cash generation despite the current CAPEX cycle.

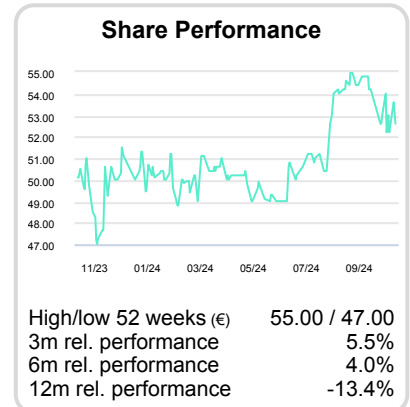
Sales should come in strong at € 306m, +13% yoy, eCons: € 305m (9M: € 794m, +14% yoy) thanks to vivid passenger volumes (Q3: +8% yoy; 9M: +9% yoy) coupled with higher airport charges (+9.7% yoy as of Jan. 2024). Mind you, Q3 is seasonally the most important quarter, accounting for c. 30% of FY revenues and c. 38% of FY EBITDA (both eNuW).

EBITDA should increase by 3% yoy to € 160m (eCons: € 165m; 9M: € 365m) but with an EBITDA margin of 52% below last year (-5pp yoy) due to higher expected OPEX of € 146m (+23% yoy). The OPEX rise should mainly be driven by an increase in personell expenses (eNuW: € 101m, +28% yoy), as an effect of a higher headcount (eNuW: +8% yoy) and the rise in collective bargaining agreements (+ 7% wage increase) and a higher rate of overtime hours during the busy season. On an absolute level however, EBITDA should thus mark a new record and it shows that the company currently operates well within a healthy margin corridor of 40-45% on a FY basis (eNuW: 41% for FY'24e).

FCF is seen at € 42m (eNuW; 9Me: € 140m) composed of a stellar CFO of € 117m (eNuW; 9Me: € 295m) and CAPEX of around € 75m (+135% yoy; 9Me: € 155m; eNuW) driven by the current southern expansion of Terminal 3. Consequently, we expect net liquidity to rise further and amount to € 391m by 9M'24e. To remind you, the cash build-up should continue until a final decision on the 3rd runway has been made ([see update from 9th October 2024](#)), which we regard as a pivotal decision for FWAG's future.

Moreover, FWAG publishes **Oct'24 traffic results** on 14th November, where we expect a continuation of strong demand meeting rising supply. Thus, we expect **3.8m passengers on group level** (+6% yoy; 105% of 2019 levels).

Albeit the company continues to operate well, we reiterate our **HOLD recommendation**, as we regard the stock as fairly valued, which only shows a mere 16% upside to our **PT of € 61.00** (based on DCF).



Market data

Share price (in €)	52.60
Market cap (in € m)	4529.2
Number of shares (in m pcs)	83.9
Enterprise value (in € m)	4318.5
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

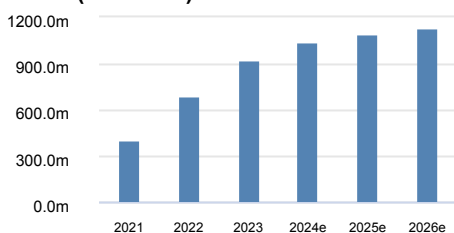
	2024e	2025e	2026e
Sales	0%	0%	0%
EBIT	0%	0%	0%
EPS	0%	0%	0%

Comment on changes

Y/E 31.12 (EUR m)	2021	2022	2023	2024e	2025e	2026e
Sales	407.0	692.7	931.5	1,038.0	1,093.7	1,133.6
Sales growth	22.0%	70.2%	34.5%	11.4%	5.4%	3.6%
EBITDA	154.4	295.9	393.6	425.6	472.1	495.5
Net debt (if net cash=0)	150.7	-149.1	-361.9	-401.1	-458.7	-508.4
FCF	45.1	277.1	287.0	150.0	189.7	205.6
Net Debt/EBITDA	1.0	0.0	0.0	0.0	0.0	0.0
EPS pro forma	0.05	1.26	2.01	2.39	2.82	2.98
EBITDA margin	37.9%	42.7%	42.2%	41.0%	43.2%	43.7%
ROCE	1.1%	9.1%	13.6%	14.2%	15.6%	15.6%
EV/sales	11.9	6.6	4.7	4.2	3.9	3.7
EV/EBITDA	31.4	15.4	11.1	10.1	9.0	8.5
PER	1106.0	42.9	26.9	22.6	19.2	18.1
Adjusted FCF yield	4.2%	8.7%	8.3%	6.3%	7.7%	8.4%

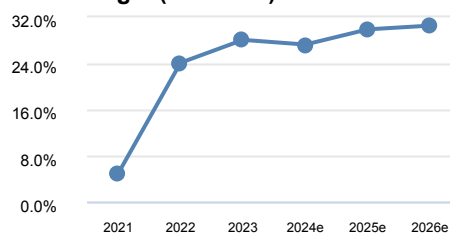
Source: Company data, NuWays, Close price as of 25.10.2024

Sales (2021-26e)



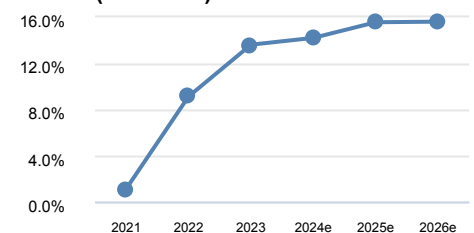
Source: NuWays Research

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.

Guidance

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

Financials

Profit and loss (EUR m)	2021	2022	2023	2024e	2025e	2026e
Net sales	407.0	692.7	931.5	1,038.0	1,093.7	1,133.6
<i>Sales growth</i>	22.0%	70.2%	34.5%	11.4%	5.4%	3.6%
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	1,038.0	1,093.7	1,133.6
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	401.9	408.6	417.5
Other operating expenses	49.9	100.3	144.7	163.0	157.4	163.2
Total operating expenses	252.6	396.8	538.0	612.4	621.6	638.1
EBITDA	154.4	295.9	393.6	425.6	472.1	495.5
Depreciation	134.1	131.1	131.8	142.3	144.8	148.8
EBITA	20.3	164.9	261.8	283.3	327.3	346.7
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	283.3	327.3	346.7
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	299.0	343.3	363.5
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	9.5	157.9	257.7	299.0	343.3	363.5
Income tax expense	2.9	29.8	69.1	74.7	79.0	83.6
Net income from continuing operations	6.6	128.1	188.6	224.2	264.3	279.9
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	224.2	264.3	279.9
Minority interest	2.9	20.2	20.1	23.9	28.2	29.9
Net profit (reported)	3.7	107.9	168.4	200.3	236.1	250.0
Average number of shares	83.9	83.9	83.9	83.9	83.9	83.9
EPS reported	0.04	1.29	2.01	2.39	2.82	2.98

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%	11.4%	5.4%	3.6%
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%	5.5%	6.0%	6.0%
Personnel expenses	48.3%	39.3%	37.5%	38.7%	37.4%	36.8%
Other operating expenses	12.3%	14.5%	15.5%	15.7%	14.4%	14.4%
Total operating expenses	62.1%	57.3%	57.8%	59.0%	56.8%	56.3%
EBITDA	37.9%	42.7%	42.2%	41.0%	43.2%	43.7%
Depreciation	32.9%	18.9%	14.1%	13.7%	13.2%	13.1%
EBITA	5.0%	23.8%	28.1%	27.3%	29.9%	30.6%
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	0.1%	-0.3%	0.0%	0.0%	0.0%	0.0%
EBIT (inc revaluation net)	4.9%	24.1%	28.1%	27.3%	29.9%	30.6%
Interest income	0.5%	0.6%	1.7%	1.7%	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%	28.8%	31.4%	32.1%
Extraordinary income/loss	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Earnings before taxes	2.3%	22.8%	27.7%	28.8%	31.4%	32.1%
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%	21.6%	24.2%	24.7%
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%	21.6%	24.2%	24.7%
Minority interest	0.7%	2.9%	2.2%	2.3%	2.6%	2.6%
Net profit (reported)	0.9%	15.6%	18.1%	19.3%	21.6%	22.1%

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	8.5	9.0	9.3
Accounts receivable	110.7	100.7	106.8	119.0	125.4	130.0
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	456.2	513.7	563.4
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	312.5	537.1	531.7	583.8	648.1	702.7
TOTAL ASSETS	2,073.8	2,224.9	2,194.4	2,314.1	2,448.6	2,574.4

SHAREHOLDERS EQUITY	1,210.0	1,323.6	1,422.6	1,512.1	1,616.1	1,710.2
MINORITY INTEREST	104.5	124.9	133.9	157.8	186.0	215.9
Long-term liabilities to banks	280.6	200.0	0.0	0.0	0.0	0.0
Bonds (long-term)	0.0	0.0	0.0	0.0	0.0	0.0
other interest-bearing liabilities	0.0	54.8	55.3	55.0	55.0	55.0
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
NON-CURRENT LIABILITIES	511.5	498.0	346.2	346.0	346.0	346.0
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	45.5	47.9	49.7
Advance payments received on orders	0.0	0.0	0.0	0.0	0.0	0.0
Accrued taxes	8.0	32.2	71.5	71.5	71.5	71.5
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	247.8	278.5	291.7	298.2	300.5	302.3
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	2,073.8	2,224.9	2,194.4	2,314.1	2,448.6	2,574.4

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%	60.1%	59.7%	59.6%
Financial assets	9.2%	8.5%	8.3%	7.9%	7.4%	7.1%
FIXED ASSETS	84.9%	75.9%	75.8%	74.8%	73.5%	72.7%
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%	19.7%	21.0%	21.9%
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%	26.5%	27.3%
TOTAL ASSETS	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

SHAREHOLDERS EQUITY	58.3%	59.5%	64.8%	65.3%	66.0%	66.4%
MINORITY INTEREST	5.0%	5.6%	6.1%	6.8%	7.6%	8.4%
Long-term liabilities to banks	13.5%	9.0%	0.0%	0.0%	0.0%	0.0%
Bonds (long-term)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
other interest-bearing liabilities	0.0%	2.5%	2.5%	2.4%	2.2%	2.1%
Provisions for pensions and similar obligations	8.1%	7.8%	8.7%	8.2%	7.8%	7.4%
Other provisions and accrued liabilities	3.1%	3.1%	4.6%	4.3%	4.1%	3.9%
NON-CURRENT LIABILITIES	24.7%	22.4%	15.8%	15.0%	14.1%	13.4%
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%	2.0%	2.0%	1.9%
Advance payments received on orders	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Accrued taxes	0.4%	1.4%	3.3%	3.1%	2.9%	2.8%
Other liabilities (incl. from lease and rental contracts)	6.4%	7.1%	7.3%	6.9%	6.6%	6.2%
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	12.0%	12.5%	13.3%	12.9%	12.3%	11.7%
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	224.2	264.3	279.9
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	65.3	297.7	350.9	285.0	341.7	370.6
Increase/decrease in inventory	-0.4	-0.9	-0.3	-0.9	-0.5	-0.3
Increase/decrease in accounts receivable	-55.2	12.2	-6.1	-12.2	-6.4	-4.6
Increase/decrease in accounts payable	0.0	38.6	3.7	6.5	2.4	1.7
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	-6.6	-4.4	-3.2
Cash flow from operating activities	105.7	337.6	384.8	360.0	404.7	425.6
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	15.3	12.5	9.7
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	132.2	155.8
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	-111.0	-132.3	-155.8
Increase/decrease in liquid assets	-49.5	-18.4	-73.3	15.0	12.4	9.7
Liquid assets at end of period	123.6	105.2	31.9	46.9	59.4	69.1

Key ratios (EUR m)	2021	2022	2023	2024e	2025e	2026e
P&L growth analysis						
Sales growth	22.0%	70.2%	34.5%	11.4%	5.4%	3.6%
EBITDA growth	185.5%	91.7%	33.0%	8.1%	10.9%	5.0%
EBIT growth	-123.1%	737.8%	56.6%	8.2%	15.5%	5.9%
EPS growth	-105.1%	2787.8%	56.1%	18.9%	17.9%	5.9%
Efficiency						
Sales per employee	83.8	147.2	193.1	209.7	220.9	229.0
EBITDA per employee	31.8	62.9	81.6	86.0	95.4	100.1
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%	7.4%	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	150.0	189.7	205.6
Free cash flow/sales	11.1%	40.0%	30.8%	14.4%	17.3%	18.1%
FCF / net profit	252.6%	201.7%	152.2%	66.9%	71.8%	73.4%
Capex / sales	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Solvency						
Net debt	150.7	-149.1	-361.9	-401.1	-458.7	-508.4
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%	15.6%	15.6%
ROE	0.3%	8.2%	11.8%	13.2%	14.6%	14.6%
Adjusted FCF yield	4.2%	8.7%	8.3%	6.3%	7.7%	8.4%
Dividend yield	0.0%	1.4%	2.4%	2.9%	3.4%	3.6%
DPS	0.0	0.8	1.3	1.6	1.9	2.0
EPS reported	0.04	1.29	2.01	2.39	2.82	2.98
Average number of shares	83.9	83.9	83.9	83.9	83.9	83.9
Valuation ratios						
P/BV	3.7	3.4	3.2	3.0	2.8	2.6
EV/sales	11.9	6.6	4.7	4.2	3.9	3.7
EV/EBITDA	31.4	15.4	11.1	10.1	9.0	8.5
EV/EBIT	242.9	27.2	16.6	15.2	13.0	12.1

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	16.10.2024	Wendisch, Henry	Hold	EUR 61.00	EUR 52.20
	12.07.2024	Wendisch, Henry	Hold	EUR 59.00	EUR 50.20
	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

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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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8. Miscellaneous

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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