

Buy (old: Buy)

08.11.2024

EUR 50.00 (old: EUR 50.00)

Solid Q3 preview and positive cross read; chg. est.

Topic: Rosenbauer will release its Q3 report on November 15. We expect the positive development after a strong H1 to continue.

Revenues are seen increasing 13.6% yoy to € 271m (eNuW) driven by (1) largely restored supply chains, and (2) substantial price increases, which are successively reflected in sales. This should also lead to a 0.8ppts increase in EBIT margin up to a healthy 5.2% (eNuW) and an EBIT of € 14.1m (+35% yoy). We expect this positive trend to continue for Q4'24e and thus a further improvement in profitability for FY24e after the transition year FY23 (eNuW EBIT margin FY24e: 5.2%; FY23: 3.5%; FY22: -1.1%).

Price increases should be a major growth driver: vehicle sales increased 14.8% yoy in H1, which includes a yoy **price increase of c. 6%**. We expect to see a similar magnitude of price increases in Q3. Once Rosenbauer lifts its vehicle prices, it takes usually 6-12 months to be reflected in the order intake. Hence, the price increases in FY23 are now cooked into the order book and should have a positive impact well into FY25e. Remind you, the order book end of Q1'24 had a 20% higher average price per firetruck than in the previous year. Consequently, price increases should be a major contributor to sales growth in the coming quarters, even if we don't expect Rosenbauer to raise its prices in the near term.

Demand expected to remain strong: in addition to price increases, further growth should be supported by a strong demand that shows up in a solid order intake (H1'24: € 744m; +12% yoy) and is driven by structural trends such as increasing extreme weather events caused by climate change and the electrification of fire trucks. With a record high in order backlog of € 2.02bn, Rosenbauer is set for continuous growth in the coming quarters.

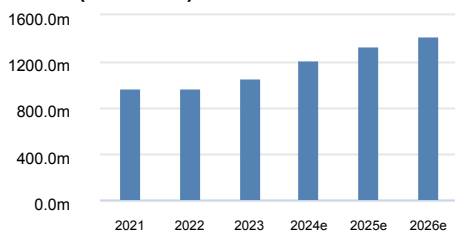
Positive cross read: Rosenbauer's largest competitor Pierce which belongs to the American conglomerate Oshkosh, released last week its Q3 numbers. **Revenue** within the "Fire apparatus" segment came in at \$ 340m, a **13% increase yoy** thanks to restored supply chains as well as price increases. **Operating income** in Vocational came in at \$ 100m (**+90% yoy**) with a solid margin increase of 4.7ppts yoy due to improved price/cost dynamics. The positive development of Oshkosh Pierce gives us additional confidence for Rosenbauer's Q3 figures next week.

We reiterate BUY with an unchanged € 50.00 PT based on DCF.

Y/E 31.12 (EUR m)	2021	2022	2023	2024e	2025e	2026e
Sales	975.1	972.2	1,064.5	1,217.6	1,332.0	1,426.2
Sales growth	-6.6%	-0.3%	9.5%	14.4%	9.4%	7.1%
EBITDA	63.8	18.9	67.7	94.7	102.2	108.5
Net debt (if net cash=0)	204.3	298.2	428.3	385.9	342.4	327.8
FCF	107.8	-19.9	-112.3	42.4	43.5	14.6
Net Debt/EBITDA	3.2	15.8	6.3	4.1	3.3	3.0
EPS pro forma	2.27	-3.57	-0.16	2.68	4.79	5.76
EBITDA margin	6.5%	1.9%	6.4%	7.8%	7.7%	7.6%
ROCE	6.1%	-1.9%	5.9%	9.3%	11.2%	12.1%
EV/sales	0.6	0.8	0.9	0.7	0.6	0.6
EV/EBITDA	9.6	39.8	14.0	9.5	8.4	7.8
PER	17.4	-11.0	-247.2	14.7	8.2	6.8
Adjusted FCF yield	4.7%	0.4%	3.9%	6.5%	7.9%	8.6%

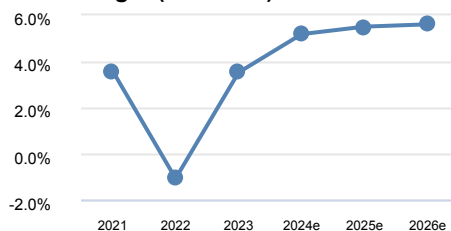
Source: Company data, NuWays, Close price as of 04.11.2024

Sales (2021-26e)



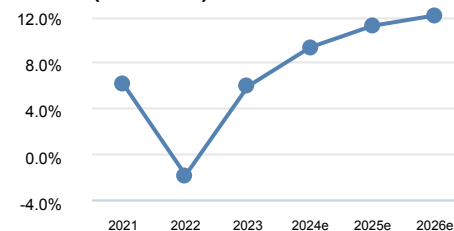
Source: NuWays Research

EBIT margin (2021-26e)



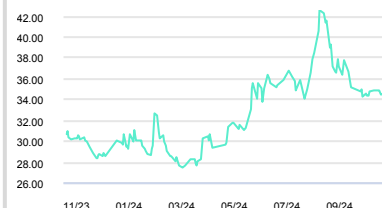
Source: NuWays Research

ROCE (2021-26e)



Source: NuWays Research

Share Performance



High/low 52 weeks (€)	42.50 / 27.40
3m rel. performance	-1.1%
6m rel. performance	19.7%
12m rel. performance	2.9%

Market data

Share price (in €)	34.50
Market cap (in € m)	267.9
Number of shares (in m pcs)	6.8
Enterprise value (in € m)	904.6
Ø trading volume (6 months)	1,977

Identifier

Bloomberg	ROS AV
Reuters	RBAV
WKN	892502
ISIN	AT0000922554

Key shareholders

Rosenbauer Family	51.0%
Lazard Freres Gestion	6.0%
Free Float	43.0%

Estimates changes

	2024e	2025e	2026e
Sales	0%	0%	-0%
EBIT	2%	2%	2%
EPS	6%	3%	3%

Comment on changes

- We increased our estimates due to the favorable development in recent months regarding the ease of supply chains and a continued strong demand.

Company description

Rosenbauer develops and produces vehicles, fire extinguishing systems, digital solutions and systems for preventive firefighting in Europe and America. In addition, fire and safety equipment such as nozzles and submersible pumps strategically complement Rosenbauer's product portfolio.

Guidance

- 2024 sales: € 1.2bn
- 2024 EBIT margin: 5%

Financials

Profit and loss (EUR m)	2021	2022	2023	2024e	2025e	2026e
Net sales	975.0	972.2	1,064.5	1,217.6	1,332.0	1,426.2
Sales growth	-6.6%	-0.3%	9.5%	14.4%	9.4%	7.1%
Increase/decrease in finished goods and work-in-process	-16.3	-5.7	-53.7	0.0	0.0	0.0
Total sales	958.7	966.6	1,010.9	1,217.6	1,332.0	1,426.2
Other operating income	9.0	10.2	12.9	11.2	14.7	15.7
Material expenses	547.8	572.6	652.6	767.1	829.8	867.1
Personnel expenses	255.6	286.4	307.2	377.4	415.6	445.0
Other operating expenses	1.3	1.9	2.6	1.2	3.2	3.5
Total operating expenses	121.4	139.5	127.6	147.8	159.7	169.5
EBITDA	63.8	18.9	67.7	94.7	102.2	108.5
Depreciation	28.8	29.4	30.2	31.6	28.8	28.4
EBITA	35.0	-10.6	37.5	63.2	73.4	80.1
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	0.0	0.0	0.0	0.0	0.0	0.0
EBIT (inc revaluation net)	35.0	-10.6	37.5	63.2	73.4	80.1
Interest income	0.6	4.1	3.4	2.1	1.5	1.5
Interest expenses	6.2	18.0	34.3	35.1	30.0	28.0
Investment income	-0.6	-5.7	0.4	0.3	0.3	0.3
Financial result	-6.2	-19.6	-30.5	-32.7	-28.2	-26.2
Recurring pretax income from continuing operations	28.9	-30.2	7.0	30.4	45.2	53.8
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	28.9	-30.2	7.0	30.4	45.2	53.8
Income tax expense	5.7	-7.8	5.8	9.9	10.4	12.4
Net income from continuing operations	23.2	-22.3	1.2	20.5	34.8	41.4
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
Net income	23.2	-22.3	1.2	20.5	34.8	41.4
Minority interest	7.8	1.9	2.2	2.2	2.2	2.2
Net profit (reported)	15.4	-24.3	-1.1	18.3	32.6	39.2
Average number of shares	6.8	6.8	6.8	6.8	6.8	6.8
EPS reported	2.27	-3.57	-0.16	2.68	4.79	5.76

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	-6.6%	-0.3%	9.5%	14.4%	9.4%	7.1%
Increase/decrease in finished goods and work-in-process	-1.7%	-0.6%	-5.0%	0.0%	0.0%	0.0%
Total sales	98.3%	99.4%	95.0%	100.0%	100.0%	100.0%
Other operating income	0.9%	1.0%	1.2%	0.9%	1.1%	1.1%
Material expenses	56.2%	58.9%	61.3%	63.0%	62.3%	60.8%
Personnel expenses	26.2%	29.5%	28.9%	31.0%	31.2%	31.2%
Other operating expenses	0.1%	0.2%	0.2%	0.1%	0.2%	0.2%
Total operating expenses	12.5%	14.3%	12.0%	12.1%	12.0%	11.9%
EBITDA	6.5%	1.9%	6.4%	7.8%	7.7%	7.6%
Depreciation	3.0%	3.0%	2.8%	2.6%	2.2%	2.0%
EBITA	3.6%	-1.1%	3.5%	5.2%	5.5%	5.6%
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	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EBIT (inc revaluation net)	3.6%	-1.1%	3.5%	5.2%	5.5%	5.6%
Interest income	0.1%	0.4%	0.3%	0.2%	0.1%	0.1%
Interest expenses	0.6%	1.8%	3.2%	2.9%	2.3%	2.0%
Investment income	-0.1%	-0.6%	0.0%	0.0%	0.0%	0.0%
Financial result	neg.	neg.	neg.	neg.	neg.	neg.
Recurring pretax income from continuing operations	3.0%	-3.1%	0.7%	2.5%	3.4%	3.8%
Extraordinary income/loss	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Earnings before taxes	3.0%	-3.1%	0.7%	2.5%	3.4%	3.8%
Tax rate	19.6%	25.9%	83.4%	32.7%	23.0%	23.0%
Net income from continuing operations	2.4%	-2.3%	0.1%	1.7%	2.6%	2.9%
Income from discontinued operations (net of tax)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net income	2.4%	-2.3%	0.1%	1.7%	2.6%	2.9%
Minority interest	0.8%	0.2%	0.2%	0.2%	0.2%	0.2%
Net profit (reported)	1.6%	-2.5%	-0.1%	1.5%	2.4%	2.7%

Source: Company data, NuWays

Balance sheet (EUR m)	2021	2022	2023	2024e	2025e	2026e
Intangible assets	46.4	54.1	58.0	64.7	72.1	79.2
Property, plant and equipment	197.3	190.0	180.0	172.7	170.6	170.7
Financial assets	15.1	24.7	24.0	24.0	24.0	24.0
FIXED ASSETS	258.8	268.7	262.0	261.5	266.6	273.9
Inventories	407.8	490.8	591.1	575.2	563.5	588.3
Accounts receivable	159.0	177.9	278.0	259.1	266.4	269.1
Other assets and short-term financial assets	0.0	0.0	0.0	0.0	0.0	0.0
Liquid assets	65.4	35.6	34.9	21.5	24.9	19.6
Deferred taxes	0.5	0.5	0.7	0.7	0.7	0.7
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0
CURRENT ASSETS	632.8	704.9	904.7	856.5	855.6	877.7
TOTAL ASSETS	891.6	973.6	1,166.7	1,117.9	1,122.3	1,151.6

SHAREHOLDERS EQUITY	217.8	183.9	180.9	199.2	231.7	270.9
MINORITY INTEREST	7.3	2.1	2.2	2.2	2.2	2.2
Long-term liabilities to banks	161.1	202.2	2.4	2.4	2.4	2.4
Bonds (long-term)	0.0	0.0	0.0	0.0	0.0	0.0
other interest-bearing liabilities	36.1	12.8	31.3	35.0	35.0	35.0
Provisions for pensions and similar obligations	32.4	24.6	26.0	26.0	26.0	26.0
Other provisions and accrued liabilities	17.4	24.9	22.7	22.7	22.7	22.7
NON-CURRENT LIABILITIES	247.0	264.5	82.3	86.0	86.0	86.0
Short-term liabilities to banks	72.5	118.8	429.5	370.0	330.0	310.0
Accounts payable	63.9	78.7	114.9	101.5	111.0	118.8
Advance payments received on orders	130.6	190.5	248.8	248.8	248.8	248.8
Accrued taxes	9.4	5.8	2.8	2.8	2.8	2.8
Other liabilities (incl. from lease and rental contracts)	140.8	124.0	99.5	99.5	101.5	103.5
Deferred taxes	2.2	5.3	5.7	7.9	8.2	8.4
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0
CURRENT LIABILITIES	419.5	523.1	901.3	830.5	802.3	792.4
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	891.6	973.6	1,166.7	1,117.9	1,122.3	1,151.6

Balance sheet (common size)	2021	2022	2023	2024e	2025e	2026e
Intangible assets	5.2%	5.6%	5.0%	5.8%	6.4%	6.9%
Property, plant and equipment	22.1%	19.5%	15.4%	15.5%	15.2%	14.8%
Financial assets	1.7%	2.5%	2.1%	2.1%	2.1%	2.1%
FIXED ASSETS	29.0%	27.6%	22.5%	23.4%	23.8%	23.8%
Inventories	45.7%	50.4%	50.7%	51.5%	50.2%	51.1%
Accounts receivable	17.8%	18.3%	23.8%	23.2%	23.7%	23.4%
Other assets and short-term financial assets	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Liquid assets	7.3%	3.7%	3.0%	1.9%	2.2%	1.7%
Deferred taxes	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Deferred charges and prepaid expenses	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
CURRENT ASSETS	71.0%	72.4%	77.5%	76.6%	76.2%	76.2%
TOTAL ASSETS	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

SHAREHOLDERS EQUITY	24.4%	18.9%	15.5%	17.8%	20.6%	23.5%
MINORITY INTEREST	0.8%	0.2%	0.2%	0.2%	0.2%	0.2%
Long-term liabilities to banks	18.1%	20.8%	0.2%	0.2%	0.2%	0.2%
Bonds (long-term)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
other interest-bearing liabilities	4.1%	1.3%	2.7%	3.1%	3.1%	3.0%
Provisions for pensions and similar obligations	3.6%	2.5%	2.2%	2.3%	2.3%	2.3%
Other provisions and accrued liabilities	2.0%	2.6%	1.9%	2.0%	2.0%	2.0%
NON-CURRENT LIABILITIES	27.7%	27.2%	7.1%	7.7%	7.7%	7.5%
Short-term liabilities to banks	8.1%	12.2%	36.8%	33.1%	29.4%	26.9%
Accounts payable	7.2%	8.1%	9.9%	9.1%	9.9%	10.3%
Advance payments received on orders	14.6%	19.6%	21.3%	22.3%	22.2%	21.6%
Accrued taxes	1.1%	0.6%	0.2%	0.2%	0.2%	0.2%
Other liabilities (incl. from lease and rental contracts)	15.8%	12.7%	8.5%	8.9%	9.0%	9.0%
Deferred taxes	0.2%	0.5%	0.5%	0.7%	0.7%	0.7%
Deferred income	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
CURRENT LIABILITIES	47.0%	53.7%	77.2%	74.3%	71.5%	68.8%
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)	2021	2022	2023	2024e	2025e	2026e
Net profit/loss	23.2	-22.3	1.2	20.5	34.8	41.4
Depreciation of fixed assets (incl. leases)	28.8	29.4	30.2	31.6	28.8	28.4
Amortisation of goodwill & intangible assets	0.0	0.0	0.0	0.0	0.0	0.0
Other costs affecting income / expenses	-1.1	7.5	-2.2	0.0	0.0	0.0
Cash flow from operating activities	124.2	-15.5	-105.5	49.8	55.8	29.0
Increase/decrease in inventory	9.5	-73.1	-106.4	15.9	11.6	-24.7
Increase/decrease in accounts receivable	77.6	-10.2	-103.0	19.0	-7.3	-2.7
Increase/decrease in accounts payable	14.4	2.5	36.2	-13.5	9.5	7.8
Increase/decrease in other working capital positions	-4.9	80.6	59.8	0.0	0.0	0.0
Increase/decrease in working capital	96.7	-0.2	-113.4	21.4	13.8	-19.6
Cash flow from operating activities	145.8	6.5	-82.8	73.5	77.4	50.3
CAPEX	38.1	26.5	29.5	31.0	34.0	35.7
Payments for acquisitions	0.0	82.0	0.0	0.0	0.0	0.0
Financial investments	0.0	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	2.5	3.1	5.6	0.0	0.0	0.0
Cash flow from investing activities	-35.6	-105.4	-23.9	-31.0	-34.0	-35.7
Cash flow before financing	100.1	-104.9	-106.7	42.4	43.5	14.6
Increase/decrease in debt position	-39.4	80.6	107.2	-55.8	-40.0	-20.0
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	10.2	6.1	0.0	0.0	0.0	0.0
Others	-17.7	-4.6	-1.5	0.0	0.0	0.0
Effects of exchange rate changes on cash	3.5	-0.9	0.2	0.0	0.0	0.0
Cash flow from financing activities	-67.3	69.9	105.8	-55.8	-40.0	-20.0
Increase/decrease in liquid assets	46.4	-29.8	-0.7	-13.4	3.5	-5.4
Liquid assets at end of period	65.4	35.6	34.9	21.5	24.9	19.6

Key ratios (EUR m)	2021	2022	2023	2024e	2025e	2026e
P&L growth analysis						
Sales growth	-6.6%	-0.3%	9.5%	14.4%	9.4%	7.1%
EBITDA growth	-24.6%	-70.4%	259.1%	39.9%	7.9%	6.1%
EBIT growth	-39.3%	-130.1%	-455.5%	68.4%	16.2%	9.0%
EPS growth	-46.3%	-257.2%	-95.5%	-1783.8%	78.4%	20.4%
Efficiency						
Sales per employee	240.4	236.9	253.8	279.6	299.9	314.8
EBITDA per employee	15.7	4.6	16.1	21.8	23.0	23.9
No. employees (average)	4,057	4,104	4,195	4,355	4,442	4,531
Balance sheet analysis						
Avg. working capital / sales	43.1%	39.7%	42.5%	40.6%	35.8%	33.6%
Inventory turnover (sales/inventory)	2.0	1.9	1.7	1.8	2.0	2.0
Accounts receivable turnover	4.9	5.8	4.7	4.7	5.0	5.3
Accounts payable turnover	17.2	13.6	10.5	12.0	12.0	12.0
Cash flow analysis						
Free cash flow	107.8	-19.9	-112.3	42.4	43.5	14.6
Free cash flow/sales	11.1%	-2.0%	-10.6%	3.5%	3.3%	1.0%
FCF / net profit	464.2%	89.1%	neg.	207.0%	124.8%	35.3%
Capex / sales	3.9%	2.7%	2.8%	2.6%	2.6%	2.5%
Solvency						
Net debt	204.3	298.2	428.3	385.9	342.4	327.8
Net Debt/EBITDA	3.2	15.8	6.3	4.1	3.3	3.0
Dividend payout ratio	39.7%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest paid / avg. debt	2.1%	6.0%	8.6%	8.1%	7.7%	7.8%
Returns						
ROCE	6.1%	-1.9%	5.9%	9.3%	11.2%	12.1%
ROE	7.1%	-13.2%	-0.6%	9.2%	14.1%	14.5%
Adjusted FCF yield	4.7%	0.4%	3.9%	6.5%	7.9%	8.6%
Dividend yield	2.3%	0.0%	0.0%	0.0%	0.0%	0.0%
DPS	0.9	0.0	0.0	0.0	0.0	0.0
EPS reported	2.27	-3.57	-0.16	2.68	4.79	5.76
Average number of shares	6.8	6.8	6.8	6.8	6.8	6.8
Valuation ratios						
P/BV	1.2	1.5	1.5	1.3	1.2	1.0
EV/sales	0.6	0.8	0.9	0.7	0.6	0.6
EV/EBITDA	9.6	39.8	14.0	9.5	8.4	7.8
EV/EBIT	17.4	-71.1	25.2	14.3	11.7	10.6

Source: Company data, NuWays

Disclosures

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Company	Disclosures
Rosenbauer International AG	2

Historical target price and rating changes for Rosenbauer International AG

Company	Date	Analyst	Rating	Target Price	Close
Rosenbauer International AG	12.08.2024	Sandherr, Christian	Buy	EUR 50.00	EUR 34.90
	02.08.2024	Sandherr, Christian	Buy	EUR 50.00	EUR 35.80
	08.07.2024	Sandherr, Christian	Buy	EUR 50.00	EUR 35.30
	21.06.2024	Sandherr, Christian	Buy	EUR 50.00	EUR 35.00
	21.05.2024	Sandherr, Christian	Buy	EUR 50.00	EUR 31.70
	08.04.2024	Sandherr, Christian	Buy	EUR 50.00	EUR 28.00

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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.

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-

ment towards the actual capital structure is done by discounting the calculated free cash flows with the weighted average cost of capital (WACC), which takes into account both the cost of equity capital and the cost of debt. After discounting, the calculated total enterprise value is reduced by the interest-bearing debt capital in order to arrive at the equity value.

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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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