

# Knaus Tabbert AG

Germany / Leisure Vehicles

Xetra

Bloomberg: KTA GR

ISIN: DE000A2YN504

Update

**RATING****PRICE TARGET**

Return Potential

Risk Rating

**BUY****€ 32.00**

114.5%

High

## STUFF HAPPENS, BUT . . .

Knaus Tabbert announced its third profit warning since 17 July saying it will shutter production at its factories in Jandelsbrunn and Nagyoroszi, Hungary, from 18 November 2024 until YE24. The RV maker again cited the need to help dealers cull their inventories and reduce its own stocks. Revenue is now expected to land "significantly lower than the €1.3bn communicated on 22 October 2024." Not much has gone right for KTA in H2—three profit warnings in less than four months and the sudden departure of CEO, Wolfgang Speck. Assuming the company succeeds in reducing working capital and net debt levels, the company will start 2025 with a healthier capital structure. But fundamentals alone won't be enough to win back shaken investors until the ship is clearly righted. We still think that near-term tumult will ease and keep our Buy rating with a €32 TP (old: €50), which takes a longer-term fundamental view.

**Stuff happens, but . . .** The latest of three profit warnings comes only a week after the Q3 earnings call and has further shaken already dispirited investors. We attribute the poor timing of the latest ad-hoc to the departure of CEO Wolfgang Speck, who stepped down literally on the eve of the Q3 results. We note that Mr Speck also acted as CFO and was the primary company spokesman leaving tough decisions to be made by interim CEO, Werner Vaterl. The upshot is that in Q4 the focus will be on reducing WC and leverage vs trying to reach the unrealistic topline guide. This should allow KTA to start next year with a clean slate and be in a stronger position to handle the well-known dealer challenges that are likely to spill over into next year. This stuff happens with many companies, but there is a limit to investor goodwill as KTA works through its current headaches. Now, credibility will have also have to be re-established.

**What now?** 2025 is now shaping up to be a "prove-it" year. Since the IPO, KTA shareholders have had to rollercoaster through: (1) fiendish supply chain disruptions; (2) an ensuing business boom fuelled by covid-driven catch up effects; and (3) now a . . . (p.t.o.)

### FINANCIAL HISTORY & PROJECTIONS

	2020	2021	2022	2023	2024E	2025E
Revenue (€m)	794.6	862.6	1,049.5	1,441.0	1,109.3	1,106.7
Y/Y growth	1.8%	8.6%	21.7%	37.3%	-23.0%	-0.2%
EBIT (€m)	46.6	38.4	45.5	95.4	-26.1	10.9
EBIT margin	5.9%	4.4%	4.3%	6.6%	-2.4%	1.0%
Net income (€m)	31.3	25.9	29.6	60.3	-26.6	0.6
EPS (diluted) (€)	7.63	2.50	2.85	5.81	-2.56	0.05
DPS (€)	1.50	1.50	1.50	2.90	0.00	0.00
FCF (€m)	50.9	-20.7	-69.9	-21.7	22.3	25.8
Net gearing	44.1%	74.8%	132.4%	127.6%	194.0%	181.8%
Liquid assets (€m)	8.9	9.7	12.6	11.7	9.3	9.0

### RISKS

Risks include, but are not limited to: supply chain, labour, macro-economic, and competitive factors.

### COMPANY PROFILE

Knaus Tabbert AG is a leading manufacturer of leisure vehicles in Europe with headquarters in Jandelsbrunn, Lower Bavaria. The company covers all RV segments from towable caravans, motorhomes, and camper vans to its flagship luxury motorhomes (Morello). KTA has four manufacturing facilities following the latest capacity expansion.

### MARKET DATA

As of 15 Nov 2024

Closing Price	€ 14.92
Shares outstanding	10.38m
Market Capitalisation	€ 154.82m
52-week Range	€ 14.14 / 48.00
Avg. Volume (12 Months)	18,781

Multiples	2023	2024E	2025E
P/E	2.6	n.a.	272.8
EV/Sales	0.3	0.4	0.4
EV/EBIT	4.9	n.a.	42.7
Div. Yield	19.4%	0.0%	0.0%

### STOCK OVERVIEW



### COMPANY DATA

As of 30 Sep 2024

Liquid Assets	€ 9.50m
Current Assets	€ 424.70m
Intangible Assets	€ 21.90m
Total Assets	€ 678.60m
Current Liabilities	€ 384.20m
Shareholders' Equity	€ 164.70m

### SHAREHOLDERS

H.T.P. Investments1 B.V.	41.0%
Catalina Capital Ptnrs B.V.	25.0%
Free Float	34.0%



. . . throttled down business to help strapped dealers and also tackle its own working capital issues after the 2023 growth surge. The upshot is we need to see what a "normalised" business looks like. But this may take some time, if dealerships continue to delay orders and push out delivery payment to the last minute. We expect the company to achieve its working capital goals and understand a skeleton staff will remain at their stations during the shutdown to get the nearly completed vehicles out the door and off the balance sheet.

**Management musings** Until a new management board is set, KTA looks rudderless at a time when visibly strong leadership is needed to navigate the current challenges and to calm investors. That said, we think the tough decision to shutter production was the right move and certainly a decisive one by the interim CEO. While the optics of the timing were bad, it is understandable that Mr Vaterl needed a minute to make his own assessments. The RV business is unique, and one that will require a CEO that truly understands the industry. A CFO that can also act as a seasoned ambassador to the capital markets would also be welcomed.

**Table 1: Changes to FBe and target price**

	old	new	revision	upside	dividend yield	total return
Price target (€)	50	32	-36.0%	114.5%	0.0%	114.5%
All figures in €m	2024E			2025E		
	old	new	revision	old	new	revision
Revenue	1,297	1,109	-14.4%	1,301	1,107	-14.9%
EBITDA	63	5	-92.1%	75	37	-51.4%
Margin (%)	4.9%	0.5%	-	5.8%	3.3%	-
AEBITDA	63	5	-92.1%	75	37	-51.4%
Margin (%)	4.9%	0.5%	-	5.8%	3.3%	-

Source: First Berlin Equity Research estimates

**Updated FBe now factors in a significantly weaker Q4/24** We now expect Q4 to come in at similar levels to the September quarter with slightly lower profitability. Until visibility improves for next year, we have also dialled back our forecasts going forward. We have likewise upped our WACC to 11.8% (old: 11%) to account for the present lack of a permanent C-level and the depressed market capitalisation, given that some 60% of KTA's market value has vanished since 17 July.



## VALUATION MODEL

Our DCF model now points to fair value of €32 per share (old: €50). We still believe Knaus Tabbert will retain its market leading positions across numerous RV categories, plus the KTA stock is now trading at 0.96x book value after investors punished the stock on the latest profit warning. However, fundamentals will likely remain underappreciated over the near-term. Our rating remains Buy.

Figure 1: DCF model

In EURm	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E
Sales	1,109	1,107	1,151	1,233	1,321	1,407	1,479	1,544
NOPLAT	-26	8	36	50	61	69	77	84
(+) depreciation & amortisation	31	26	27	27	24	26	28	30
<b>Net operating cash flow</b>	<b>5</b>	<b>33</b>	<b>63</b>	<b>77</b>	<b>85</b>	<b>95</b>	<b>104</b>	<b>114</b>
(-) Total investments (CAPEX and WC)	29	-11	-39	-48	-53	-56	-55	-56
(-) Capital expenditures	-31	-31	-31	-33	-38	-41	-43	-45
(-) Working capital	60	20	-8	-14	-15	-15	-12	-11
Free cash flows (FCF)	34	23	24	29	31	39	49	58
<b>PV of FCFs</b>	<b>33</b>	<b>20</b>	<b>19</b>	<b>20</b>	<b>20</b>	<b>22</b>	<b>25</b>	<b>26</b>

In EUR '000		Terminal EBIT margin							
		8.0%	8.5%	9.0%	9.5%	10.0%	10.5%	11.0%	
PV of FCFs in explicit period	321	8.8%	49.9	54.4	59.0	63.6	68.2	72.7	77.3
(+) PV of FCFs in terminal period	261	9.8%	39.6	43.2	46.8	50.4	53.9	57.5	61.1
Enterprise value (EV)	582	10.8%	31.8	34.6	37.4	40.3	43.1	45.9	48.8
(+) Net cash / (-) net debt	-246	11.8%	25.5	27.8	30.1	32.4	34.7	36.9	39.2
(+) Investments / minority interests	0	12.8%	20.5	22.3	24.2	26.0	27.9	29.8	31.6
Shareholder value	336	13.8%	16.3	17.8	19.3	20.9	22.4	23.9	25.5
<b>Fair value per share (€)</b>	<b>32.0</b>	14.8%	12.8	14.0	15.3	16.6	17.9	19.1	20.4

  

	WACC	Terminal growth rate							
		0.5%	1.0%	1.5%	2.0%	2.5%	3.0%	3.5%	
Cost of equity	13.6%	8.8%	53.9	56.7	59.9	63.6	67.8	72.8	78.8
Cost of debt	4.5%	9.8%	43.5	45.6	47.8	50.4	53.2	56.6	60.4
Tax rate	29.5%	10.8%	35.3	36.8	38.5	40.3	42.3	44.6	47.2
After-tax cost of debt	3.2%	11.8%	28.7	29.8	31.0	32.4	33.9	35.5	37.4
Share of equity capital	83.2%	12.8%	23.3	24.1	25.0	26.0	27.1	28.4	29.7
Share of debt capital	16.8%	13.8%	18.8	19.4	20.1	20.9	21.7	22.6	23.6
<b>WACC</b>	<b>11.8%</b>	14.8%	14.9	15.4	16.0	16.6	17.2	17.9	18.7

\*Please note our model runs through 2036 and we have only shown the abbreviated version for formatting purposes



## INCOME STATEMENT

All figures in EURm	2020	2021	2022	2023	2024E	2025E
<b>Revenues</b>	<b>795</b>	<b>863</b>	<b>1,050</b>	<b>1,441</b>	<b>1,109</b>	<b>1,107</b>
Cost of goods sold	-558	-625	-776	-1,071	-824	-824
<b>Gross profit</b>	<b>245</b>	<b>261</b>	<b>296</b>	<b>394</b>	<b>305</b>	<b>301</b>
Personnel expenses	-111	-127	-142	-158	-160	-145
Other OpEx	-71	-78	-91	-122	-148	-126
Other income	3	3	6	10	8	7
<b>EBITDA</b>	<b>66</b>	<b>59</b>	<b>69</b>	<b>124</b>	<b>5</b>	<b>37</b>
Depreciation & amortisation	-19	-21	-24	-28	-31	-26
<b>Operating income (EBIT)</b>	<b>47</b>	<b>38</b>	<b>45</b>	<b>95</b>	<b>-26</b>	<b>11</b>
Net financial result	-2	-1	-4	-10	-12	-10
Other financial result	0	0	0	0	0	0
<b>Pre-tax income (EBT)</b>	<b>44</b>	<b>37</b>	<b>42</b>	<b>86</b>	<b>-38</b>	<b>1</b>
Income taxes	-13	-11	-12	-25	11	0
Minority interests	0	0	0	0	0	0
<b>Net income / loss</b>	<b>31</b>	<b>26</b>	<b>30</b>	<b>60</b>	<b>-27</b>	<b>1</b>
<b>Diluted EPS (in €)</b>	<b>7.6</b>	<b>2.5</b>	<b>2.9</b>	<b>5.8</b>	<b>-2.6</b>	<b>0.1</b>
<b>AEBITDA</b>	<b>68</b>	<b>61</b>	<b>70</b>	<b>124</b>	<b>5</b>	<b>37</b>
<b>Ratios</b>						
Gross margin	30.8%	30.3%	28.2%	27.3%	27.5%	27.2%
EBITDA margin on revenues	8.3%	6.9%	6.6%	8.6%	0.5%	3.3%
EBIT margin on revenues	5.9%	4.4%	4.3%	6.6%	-2.4%	1.0%
AEBITDA margin on revenues	8.5%	7.0%	6.7%	8.6%	0.5%	3.3%
Net margin on revenues	3.9%	3.0%	2.8%	4.2%	-2.4%	0.1%
Tax rate	28.9%	29.9%	29.1%	29.7%	29.5%	29.5%
<b>Expenses as % of revenues</b>						
Personnel expenses	14.0%	14.8%	13.5%	10.9%	14.4%	13.1%
Other OpEx	8.9%	9.0%	8.7%	8.5%	13.3%	11.4%
Depreciation & amortisation	2.4%	2.4%	2.3%	2.0%	2.8%	2.3%
<b>Y-Y Growth</b>						
Revenues	1.8%	8.6%	21.7%	37.3%	-23.0%	-0.2%
Operating income	1.5%	-17.6%	18.5%	109.8%	n.m.	n.m.
Net income/ loss	0.5%	-17.3%	14.3%	103.7%	n.m.	n.m.



## BALANCE SHEET

All figures in EURm	2020	2021	2022	2023	2024E	2025E
<b>Assets</b>						
<b>Current assets, total</b>	<b>161</b>	<b>191</b>	<b>344</b>	<b>430</b>	<b>325</b>	<b>302</b>
Cash and equivalents	9	10	13	12	9	9
Other ST assets	16	24	38	23	24	24
Trade receivables	11	7	33	85	76	76
Inventories	124	145	253	309	215	192
Tax receivables	2	6	7	1	1	1
<b>Non-current assets, total</b>	<b>124</b>	<b>154</b>	<b>214</b>	<b>253</b>	<b>253</b>	<b>259</b>
Property, plant and equipment	103	131	184	222	223	227
Intangible assets	16	18	23	23	21	23
Deferred tax assets	3	3	5	7	7	7
Other LT assets	2	2	2	2	2	2
<b>Total assets</b>	<b>286</b>	<b>345</b>	<b>557</b>	<b>682</b>	<b>578</b>	<b>561</b>
<b>Shareholders' equity &amp; debt</b>						
<b>Current liabilities, total</b>	<b>128</b>	<b>179</b>	<b>279</b>	<b>355</b>	<b>286</b>	<b>263</b>
Trade payables	35	38	113	122	79	77
ST debt	49	93	90	141	137	116
Provisions	6	8	18	24	24	24
Other current liabilities	37	40	59	68	45	45
<b>Long-term liabilities, total</b>	<b>34</b>	<b>32</b>	<b>132</b>	<b>135</b>	<b>156</b>	<b>162</b>
LT provisions	13	14	5	6	6	7
LT debt	6	2	103	102	123	128
Deferred tax	7	8	10	11	11	11
Other non-current liabilities	9	8	14	15	15	16
<b>Shareholders' equity</b>	<b>124</b>	<b>134</b>	<b>147</b>	<b>193</b>	<b>136</b>	<b>136</b>
<b>Total consolidated equity and debt</b>	<b>286</b>	<b>345</b>	<b>557</b>	<b>682</b>	<b>578</b>	<b>561</b>
<b>Ratios</b>						
Current ratio (x)	1.3	1.1	1.2	1.2	1.1	1.2
Quick ratio (x)	0.3	0.3	0.3	0.3	0.4	0.4
Equity ratio	43%	39%	26%	28%	24%	24%
Net debt / (net cash)	55	100	195	246	264	248
Net gearing	44%	75%	132%	128%	194%	182%
Net debt / EBITDA	0.8	1.7	2.8	2.0	52.8	6.8
Return on equity (ROE)	25%	19%	20%	31%	-20%	0%
Capital employed (CE)	219	262	381	516	456	441
Return on capital employed (ROCE)	21%	15%	12%	18%	-6%	2%



## CASH FLOW STATEMENT

All figures in EURm	2020	2021	2022	2023	2024E	2025E
<b>Net income</b>	<b>31</b>	<b>26</b>	<b>30</b>	<b>60</b>	<b>-27</b>	<b>1</b>
Depreciation & amortisation	19	21	24	28	31	26
Change to LT accruals	3	2	2	7	0	0
Other non-cash items	0	1	3	0	-22	0
Asset disposals	1	0	0	0	0	0
Income tax	12	11	12	25	-11	0
Net interest expense	2	1	3	10	12	10
<b>Operating cash flow</b>	<b>69</b>	<b>63</b>	<b>73</b>	<b>131</b>	<b>-17</b>	<b>37</b>
Change in working capital	11	-24	-58	-88	60	20
Tax paid	-10	-11	-12	-10	11	0
<b>Net operating cash flow</b>	<b>71</b>	<b>27</b>	<b>3</b>	<b>32</b>	<b>53</b>	<b>57</b>
<b>Cash flow from investing</b>	<b>-20</b>	<b>-48</b>	<b>-73</b>	<b>-54</b>	<b>-31</b>	<b>-31</b>
Equity inflow, net	25	0	0	0	0	0
Debt inflow, net	-39	41	94	50	17	-16
Interest paid	-3	-1	-3	-11	-12	-10
Dividend paid to shareholders	-30	-16	-16	-16	-30	0
Other financial cash flow	-3	-3	-3	-4	0	0
<b>Cash flow from financing</b>	<b>-50</b>	<b>21</b>	<b>72</b>	<b>19</b>	<b>-25</b>	<b>-26</b>
<b>Net cash flows</b>	<b>1</b>	<b>0</b>	<b>3</b>	<b>-2</b>	<b>-2</b>	<b>0</b>
Cash, start of the year	2	3	3	6	3	1
<b>Cash, end of the year</b>	<b>3</b>	<b>3</b>	<b>6</b>	<b>3</b>	<b>1</b>	<b>1</b>
<b>Cash on deposit</b>	<b>6</b>	<b>7</b>	<b>7</b>	<b>8</b>	<b>8</b>	<b>8</b>
<b>Free cash flow (FCF)</b>	<b>51</b>	<b>-21</b>	<b>-70</b>	<b>-22</b>	<b>22</b>	<b>26</b>
FCF/share (in €)	4.9	-2.0	-6.7	-2.1	2.2	2.5

### Y-Y Growth

Operating cash flow	61%	-62%	-90%	1047%	66%	6%
Free cash flow	218%	n.m.	n.m.	n.m.	n.m.	16%

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**ASSET VALUATION SYSTEM**

First Berlin's system for asset valuation is divided into an asset recommendation and a risk assessment.

**ASSET RECOMMENDATION**

The recommendations determined in accordance with the share price trend anticipated by First Berlin in the respectively indicated investment period are as follows:

Category		1	2
Current market capitalisation (in €)		0 - 2 billion	> 2 billion
Strong Buy <sup>1</sup>	An expected favourable price trend of:	> 50%	> 30%
Buy	An expected favourable price trend of:	> 25%	> 15%
Add	An expected favourable price trend of:	0% to 25%	0% to 15%
Reduce	An expected negative price trend of:	0% to -15%	0% to -10%
Sell	An expected negative price trend of:	< -15%	< -10%

<sup>1</sup> The expected price trend is in combination with sizable confidence in the quality and forecast security of management.

Our recommendation system places each company into one of two market capitalisation categories. Category 1 companies have a market capitalisation of €0 – €2 billion, and Category 2 companies have a market capitalisation of > €2 billion. The expected return thresholds underlying our recommendation system are lower for Category 2 companies than for Category 1 companies. This reflects the generally lower level of risk associated with higher market capitalisation companies.

**RISK ASSESSMENT**

The First Berlin categories for risk assessment are low, average, high and speculative. They are determined by ten factors: Corporate governance, quality of earnings, management strength, balance sheet and financial risk, competitive position, standard of financial disclosure, regulatory and political uncertainty, strength of brandname, market capitalisation and free float. These risk factors are incorporated into the First Berlin valuation models and are thus included in the target prices. First Berlin customers may request the models.

**RECOMMENDATION & PRICE TARGET HISTORY**

Report No.:	Date of publication	Previous day closing price	Recommendation	Price target
Initial Report	13 January 2022	€57.00	Buy	€95.00
2...21	↓	↓	↓	↓
22	3 April 2024	€41.25	Buy	€86.00
23	10 May 2024	€45.95	Buy	€86.00
24	15 July 2024	€37.40	Buy	€86.00
25	18 July 2024	€33.20	Buy	€69.00
26	11 September 2024	€32.35	Buy	€69.00
27	11 September 2024	€30.00	Buy	€69.00
28	29 October 2024	€24.45	Buy	€54.00
29	8 November 2024	€19.72	Buy	€50.00
30	Today	€14.92	Buy	€32.00

**INVESTMENT HORIZON**

Unless otherwise stated in the financial analysis, the ratings refer to an investment period of twelve months.



### UPDATES

At the time of publication of this financial analysis it is not certain whether, when and on what occasion an update will be provided. In general First Berlin strives to review the financial analysis for its topicality and, if required, to update it in a very timely manner in connection with the reporting obligations of the analysed company or on the occasion of ad hoc notifications.

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#### Legally required information regarding

- key sources of information in the preparation of this research report
- valuation methods and principles
- sensitivity of valuation parameters

can be accessed through the following internet link: <https://firstberlin.com/disclaimer-english-link/>

**SUPERVISORY AUTHORITY: Bundesanstalt für Finanzdienstleistungsaufsicht (German Federal Financial Supervisory Authority) [BaFin], Graurheindorferstraße 108, 53117 Bonn and Marie-Curie-Straße 24-28, 60439 Frankfurt am Main**

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