

WHAT'S NEW?

PIERER MOBILITY

Analyst:	mark.diethelm@vontobel.com
Bloomberg: PMAG SE	Price: CHF 73.7
Enterprise value (mns)	CHF 2,711
Market cap (mns)	CHF 2,476
Reporting Currency	EUR

Buy **PT: CHF 95.0**

Income Stat. (mns)	2022A	2023E	2024E	2025E
Revenues	2437	2637	2807	2931
EBITDA	381	421	450	476
EBIT	235	242	263	279
Net profit	166	176	191	205
Growth (%)	2022A	2023E	2024E	2025E
Revenues	19.3	8.2	6.5	4.4
Net profit	79.6	5.9	8.7	7.3
EPS (rep.)	26.6	6.89	8.66	7.27
Margin analysis (%)	2022A	2023E	2024E	2025E
Gross margin	28.4	29.5	29.6	29.7
EBITDA margin	15.6	16.0	16.0	16.3
EBIT margin	9.7	9.2	9.4	9.5
Balance sheet (%)	2022A	2023E	2024E	2025E
NWC/Revenues	6.8	7.8	8.2	8.1
Net debt (mns)	257	238	156	79.4
Equity to tot. assets	35.8	42.0	45.7	49.0
Gearing	28.1	22.8	13.2	6.0
Net debt/EBITDA	0.7	0.6	0.3	0.2
CF statement (mns)	2022A	2023E	2024E	2025E
Capex	-247	-256	-254	-261
Operating FCF	33.8	85.1	152	147
Inc(+)/Dec(-) in cash	-94.8	-11.3	32.0	36.4
CF analysis (%)	2022A	2023E	2024E	2025E
Op. CF margin	11.5	12.9	14.5	13.9
Capex/Revenues	10.1	9.7	9.0	8.9
Capex/Depreciation	169	143	136	132
Per-share data (CHF)	2022A	2023E	2024E	2025E
EPS (rep.)	4.88	5.21	5.67	6.08
EPS (adj.)	4.83	5.21	5.67	6.08
Net cash	-7.5	-7.1	-4.6	-2.4
Dividend	1.98	2.10	2.10	2.15
Payout ratio (%)	40.5	40.2	37.0	35.3
Valuation (X)	2022A	2023E	2024E	2025E
P/E	13.8	14.1	13.0	12.1
P/E (adj.)	13.9	14.1	13.0	12.1
P/B	2.51	2.40	2.12	1.87
EV/EBITDA	6.6	6.4	5.8	5.4
FCF yield %	1.5	3.4	6.1	5.9
Dividend yield %	2.9	2.8	2.8	2.9
Profit. ratios (%)	2022A	2023E	2024E	2025E
ROIC	14.4	13.1	13.3	13.4
ROE	19.9	18.1	17.3	16.4
ROA	7.3	7.0	7.6	7.7
BB Consensus (mns)	2022A	2023E	2024E	2025E
Revenues	2428	2626	2831	3298
EBITDA	386	412	448	473
EBIT	233	244	269	315
Net profit	162	174	192	223
EPS	4.75	4.93	5.74	NA

Conference call/analyst meeting

No conference call or analyst meeting scheduled

Robust development in motorcycles - Consolidation and overcapacities shape e-bicycles market - Electric product launches ahead - Buy and PT of CHF 95 confirmed

FACTS & COMMENT:

Product roadmap: At an investor event, PMAG reiterated its product vision/roadmap and confirmed its mid-term goals. Alternative fuels are already possible while batteries for larger displacement engines remain unattractive. Hence, there will be a technology mix in the mid-term.

Current market development: According to motorcycle statistics, Europe remains +ve and above 2022. In America, the picture looks similar albeit less dynamic. In the European bicycle market, volumes are robust but driven by a consolidation with smaller players discounting in order to relieve balance sheets & and absorb overcapacities.

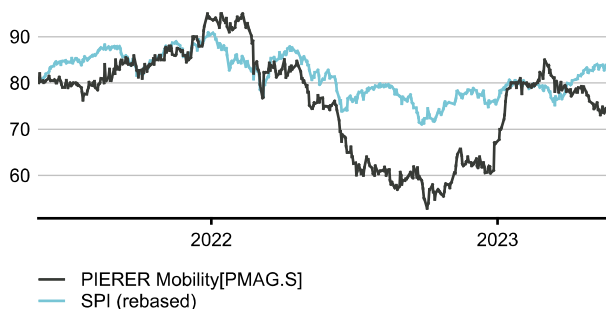
CFMoto: With Chinese players gaining momentum, PMAG's JV with CFMoto will become a revenue growth driver as PMAG will distribute CFMoto motorcycles (with KTM-based engines) in Europe with attractive margins.

Electric products: Electric motorcycle products are ready but battery costs remain too expensive. Consequently, PMAG will focus on smaller batteries (off-road) first. The standup e-scooter will launch soon and PMAG might potentially distribute Bajaj's e-scooter at one point.

OUR CONCLUSION:

PMAG re-confirmed its product roadmap/vision and financial near- & mid-term goals (i.e. e-bicycle sales target of EUR 0.5bn by '25). The high innovation rate with a larger amount of new motorcycle & bicycle products in 2024/25 as well as the expansion of the electric product portfolio in the near-term will support the top-line. The e-bicycle market consolidation opens also new opportunities. PMAG offers profitable growth in traditional and electric two-wheelers at an attractive valuation. Buy.

Performance



Source: Bloomberg, Vontobel Equity Research

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LEM[LEHN.S] was last changed from Reduce to Hold on 28-09-18

PIERER Mobility[PMAG.S] was last changed from Hold to Buy on 04-10-17

4. Global rating breakdown

	VT Research universe No.	VT Research universe As %	Share of Bank VT clients in rating category As %
Buy	41	41	41
Hold	58	59	36
Reduce	0	0	0

The table above is revised at the beginning of each quarter, i.e. it currently reflects the status as of 31 March 2023 .

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Reduce	Price target (when set) implies 10% downside on a 12-month horizon
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Restricted	Coverage is temporarily restricted (no price target)
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