

## WHAT'S NEW?

## PIERER MOBILITY

Analyst:	mark.diethelm@vontobel.com
Bloomberg: PMAG SE	Price: CHF 72.4
Enterprise value (mns)	CHF 2,667
Market cap (mns)	CHF 2,432
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	13.9	12.8	11.9
P/E (adj.)	13.9	13.9	12.8	11.9
P/B	2.51	2.36	2.08	1.84
EV/EBITDA	6.6	6.3	5.7	5.3
FCF yield %	1.5	3.5	6.3	6.0
Dividend yield %	2.9	2.9	2.9	3.0
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	2646	2856	3235
EBITDA	386	410	446	491
EBIT	233	247	266	309
Net profit	162	175	186	216
EPS	4.75	5.17	5.62	6.39

## Conference call/analyst meeting

Conf call 10.30am CET. Dial-in: +41 (0) 58 310 5000

## Strong top-line and good profitability in motorcycles offset by difficult bicycle market - FY23 outlook reiterated - New mobility revenue mid-term targets delayed

## FACTS &amp; COMMENT:

**Strong top-line:** PMAG reported sales of EUR 1.388 bn, an increase of 20% y/y. Revenues were 12% above VTe (no consensus) with the delta coming from motorcycle (MC), which recorded sales growth of 19% (VTe: 5% y/y). Due to the strong MC unit sales, market shares in key regions (Europe, US) expanded. Bicycles (New Mobility) revenue were in-line with our expectations.

**Mixed profitability:** Solid MC profitability (EBIT-margin 9.2%; VTe: 9.5%) and due to the stronger than expected sales, 1H23 EBIT beat VTe assumptions by 10%. However, this was offset by a weak bicycle profitability where EBIT loss expanded. The latter is due to difficult end-markets where competitors offer heavy discounts to reduce. Group EBIT was 12% below VTe.

**Improved 1H23 FCF:** 1H23 FCF was EUR -96m, a clear improvement y/y (1H22: EUR -146m) despite higher Capex thanks to a reduction in NWC.

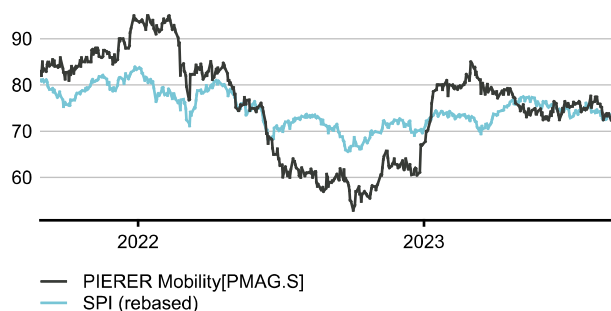
**New mobility mid-term target:** Due to the challenging market conditions, PMAG delays the EUR 500m revenue target from '25 to '27, in-line with VTe.

**FY23 guide confirmed:** Sales growth of 6-10% and an EBIT-Margin between 8-10% for FY23 confirmed.

## OUR CONCLUSION:

1H23 top-line was stronger than expected with motorcycle sales surprising on the upside. Profitability was mixed with a solid margin in motorcycles while the new mobility segment suffering from destocking and heavy discounting by competitors. The wash-out in the bicycle industry will likely continue, resulting in a delay of the mid-term targets for this segment. FY23 guidance confirmation is reassuring, implying a stronger profitability in 2H23. Limited (cons.) estimate changes expected. Buy.

## Performance



Source: Bloomberg, Vontobel Equity Research

## 1HFY23 results

EUR (mn)	Reported	VTe	Cons	YoY (%)	vs VT (%)	vs C (%)
Revenues	1388	1236	-	20	12	-
EBITDA	179	198	-	10	-10	-
EBITDA margin (IFRS) (%)	12.9	16.0	-	-117 bp	-311 bp	-
EBIT	97	110	-	n.m.	-12	-
EBIT margin (%)	7.0	8.9	-	-106 bp	-194 bp	-

Source: Company data, AWP, FactSet, Vontobel Equity Research

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

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Buy	39	40	44
Hold	59	60	34
Reduce	0	0	0

The table above is revised at the beginning of each quarter, i.e. it currently reflects the status as of 30 June 2023 .

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Hold	Price target (when set) implies 0-10% up/downside on a 12-month horizon
Reduce	Price target (when set) implies 10% downside on a 12-month horizon
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Hold	Price target (when set) implies 0-15% up/downside on a 12-month horizon
Reduce	Price target (when set) implies 10% downside on a 12-month horizon
Other	All other Swiss stocks
Buy	Price target (when set) implies 20% or more upside on a 12-month horizon
Hold	Price target (when set) implies 0-20% up/downside on a 12-month horizon
Reduce	Price target (when set) implies 15% downside on a 12-month horizon
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