

## WHAT'S NEW?

## PIERER MOBILITY

Analyst:	mark.diethelm@vontobel.com
Bloomberg: PMAG SE	Price: CHF 92.0
Enterprise value (mns)	CHF 3,356
Market cap (mns)	CHF 3,158
Reporting Currency	EUR

**Buy** **PT: CHF 108 (NEW)**

Income Stat. (mns)	2020A	2021E	2022E	2023E
Revenues	1530	2038	2155	2341
EBITDA	234	333	356	384
EBIT	107	190	204	225
Net profit	34.9	136	146	163
Growth (%)	2020A	2021E	2022E	2023E
Revenues	0.7	33.2	5.7	8.6
Net profit	-35.9	289	7.8	11.1
EPS (rep.)	-37.7	154	7.77	11.1
Margin analysis (%)	2020A	2021E	2022E	2023E
Gross margin	27.9	28.7	29.0	29.2
EBITDA margin	15.3	16.3	16.5	16.4
EBIT margin	7.0	9.3	9.4	9.6
Balance sheet (%)	2020A	2021E	2022E	2023E
NWC/Revenues	14.5	8.5	9.1	9.9
Net debt (mns)	312	236	182	90.4
Equity to tot. assets	38.8	41.9	45.3	49.4
Gearing	47.8	30.6	20.6	8.8
Net debt/EBITDA	1.3	0.7	0.5	0.2
CF statement (mns)	2020A	2021E	2022E	2023E
Capex	-148	-196	-172	-174
Operating FCF	165	104	95.8	129
Inc(+)/Dec(-) in cash	105	16.3	33.8	41.9
CF analysis (%)	2020A	2021E	2022E	2023E
Op. CF margin	20.4	14.7	12.4	12.9
Capex/Revenues	9.7	9.6	8.0	7.4
Capex/Depreciation	117	137	113	109
Per-share data (CHF)	2020A	2021E	2022E	2023E
EPS (rep.)	1.67	4.25	4.58	5.08
EPS (adj.)	1.67	4.25	4.58	5.08
Net cash	-15.1	-7.4	-5.7	-2.8
Dividend	0.54	1.05	1.16	1.26
Payout ratio (%)	32.0	24.7	25.2	24.8
Valuation (X)	2020A	2021E	2022E	2023E
P/E	42.5	22.1	20.1	18.1
P/E (adj.)	42.5	22.1	20.1	18.1
P/B	4.08	3.95	3.37	2.92
EV/EBITDA	8.5	10.2	9.4	8.5
FCF yield %	11.1	3.5	3.2	4.3
Dividend yield %	0.8	1.1	1.3	1.4
Profit. ratios (%)	2020A	2021E	2022E	2023E
ROIC	7.2	12.8	13.0	13.7
ROE	10.0	24.2	17.9	17.3
ROA	4.2	7.8	7.8	8.2
BB Consensus (mns)	2020A	2021E	2022E	2023E
Revenues	1499	2032	2127	2284
EBITDA	221	326	344	374
EBIT	93	183	193	215
Net profit	29	110	134	151
EPS	1.33	3.54	3.83	4.47

## Conference call/analyst meeting

No conference call or analyst meeting scheduled

## Robust momentum continued in 2H21 with strong acceleration in E-Bikes - lifted FY21 sales and EBIT guidance - Buy with new PT of CHF 108 (105)

## FACTS &amp; COMMENT:

**Strong FY21 volume development:** PMAG achieved in 2021 motorcycles unit growth of 23% y/y to 333k units, which is about 3% higher than VTe (excl. Bajaj sold units in India), mostly driven by Europe, Americas and Australia. In 2H21, motorcycle unit sales were below prior year's level due to component shortages but also versus a very strong 2H20, which benefitted materially from restocking effects. The company's bike business had also a successful FY21 with total unit sales up by 40% y/y to 103k units (VTe: 94k). E-Bikes unit sales in 2021 increased 37% y/y with a growth acceleration from 15% y/y in 1H21 to 72% y/y in 2H22 despite component shortages.

**Increased sales FY21 guide :** Based on the achieved volumes, PMAG lifts its FY21 sales guidance to EUR 2.02bn to 2.04bn vs. EUR 1.9bn to 2bn previously. At the mid-point, this is a 4% sales increase for FY21 and 9% higher for 2H21 (mid-point).

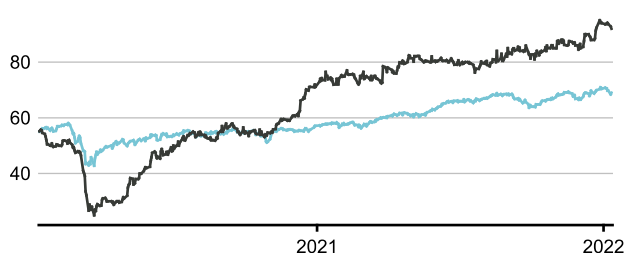
**Higher EBIT margin:** PMAG expects FY21 EBIT-margin between 9.0-9.5% (previously 8-9%), implying a 2H21 margin level of around 9% vs. 9.5% in 1H21.

**Next event:** FY21 prelims on 1 February 2022.

## OUR CONCLUSION:

Demand has continued to remain strong with PMAG achieving unit growth in 2H21 above our expectations despite the supply challenges, particularly in 4Q21. Thanks to the good volume level and despite higher logistics costs, PMAG was able to maintain the high profitability level from 1H21 and the lifted FY21 EBIT-margin guidance is a positive surprise. We have revised our estimates and expect the positive development in 2022 to continue. Buy confirmed with new PT of CHF 108 (105).

## Performance



— PIERER Mobility[PMAG.S]  
— SPI (rebased)

Source: Bloomberg, Vontobel Equity Research

## Changes to Vontobel estimates

(EUR m)	FY21 new	FY22 new	FY23 new	FY21 old	FY22 old	FY23 old
Revenues	2038	2155	2341	2003	2142	2334
EBITDA	332.8	356.1	383.8	319.4	347.2	379.6
- margin	16.3%	16.5%	16.4%	15.9%	16.2%	16.3%
EBIT	189.8	203.6	224.6	176.4	194.7	220.4
- margin	9.3%	9.4%	9.6%	8.8%	9.1%	9.4%
Net profit (after minorities)	135.9	146.4	162.6	126.2	140.3	159.8
EPS (EUR)	4.0	4.4	4.8	3.76	4.18	4.76
Operating FCF	104.3	95.8	128.8	98.7	91.5	123.8
FCF/sales	5.1%	4.4%	5.5%	4.9%	4.3%	5.3%

Source: Vontobel Equity Research

## Disclaimer & Disclosures – Equity Research

### 1. Analyst declaration

This publication is deemed to be marketing material within the meaning of Article 68 of the Swiss Financial Services Act and for informational purposes only. This Vontobel Report has been produced by the organizational unit responsible for investment research (Research unit, sell-side analysis) of Bank Vontobel AG. Bank Vontobel AG is subject to supervision by the Swiss Financial Market Supervisory Authority (FINMA). The authors listed on page 1 confirm that this report gives a complete and precise reflection of their opinion of the analyzed company and that they have neither directly nor indirectly received compensation for their assessment or opinion. The compensation of the authors of this report is not directly related to the investment banking volume generated between Vontobel Group and the analyzed company. The author(s) of this document owns securities in the analyzed companies: None. The document was not submitted to the analyzed companies before publication or distribution.

### 2. Disclosure of conflicts of interest

As an internationally active company, Vontobel Group is subject to a number of provisions in drawing up and distributing its investment research documents. The maker and distributors of this financial analysis point out the following potential conflicts of interests: The author and its associated companies

- will or are attempting to generate investment banking business with the analyzed companies within the next three months,
- conduct transactions with securities of the analyzed companies from time to time
- have participated in capital market transactions/the issue of securities of the following analyzed companies in the last 12 months: None
- have been active as Market Maker in equities of the following analyzed companies in the last 12 months: PIERER Mobility AG
- have provided other publicly known Investment Banking services for the following companies mentioned in this report in the last 12 months: None
- have received compensation for products and services outside Investment Banking from the following analyzed companies: None
- hold mandatory disclosable (%) of the voting rights of the following analyzed companies: None
- have executives who are members of the board of the analyzed companies: None and
- have executives who are members of the board of Bank Vontobel AG or affiliated companies: None
- have no significant financial interest in the analyzed companies and
- have reached no agreement with the analyzed companies regarding this financial analysis.

### 3. Research rating history

The Ratings and/or Rating Outlook of the analyzed companies were last changed as follows:

Autoneum[AUTON.S] was last changed from Restricted to Hold on 08-03-19

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

VAT Group[VACN.S] was last changed from Hold to Buy on 19-11-20

### 4. Global rating breakdown

	VT Research universe		VT Research universe		Share of Bank VT clients in rating category	
	No.	As %	No.	As %	As %	As %
Buy	32		32		25	
Hold	68		67		15	
Reduce	1		1		100	

The table above is revised at the beginning of each quarter, i.e. it currently reflects the status as at 30 September 2021 .

### 5. Rating plotter charts

The data used for the share price and/or price target chart may have to be adjusted to reflect corporate actions undertaken by the company.

Not Rated: Currently Restricted, Suspended Coverage, or no rating assigned to company due to e.g. advising of analyzed company in a capital market transaction, temporary suspension of analyst coverage or a similar reason.

For company specific disclosures, such as Research rating history or Rating plotter charts, please refer to the most recent company specific information provided by Bank Vontobel under "<https://research.vontobel.com/en/disclaimers/companies>" and/or contact Bank Vontobel for further information.

### 6. Methodology/Rating system

Bank Vontobel's financial analysts apply a variety of valuation methodologies (e.g. DCF and EVA modelling, 'sum-of-the-parts', break-up and event-related analysis, peer group and market multiple comparisons) to their own financial projections for the companies they cover. Overall, our investment recommendations take into consideration an assessment of the company in its entirety and of the sector to which it belongs ("bottom-up approach"). Price target calculation is based on a number of factors, observations and assumptions, including but not limited to: key business performance indicators and ratios, public and private valuation multiples, comparison with one or more peer groups of comparable companies, overall equity market valuations, and with the company's own history and track record.

The stock recommendations published by Vontobel's research team are defined as follows:

Rating	Definition
<b>SMI/SLI (ex SMI)</b>	
Buy	Price target (when set) implies 10% or more upside on a 12-month horizon
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
<b>SMIM</b>	
Buy	Price target (when set) implies 15% or more upside on a 12-month horizon
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
<b>Other</b>	
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
Restricted	Coverage is temporarily restricted (no price target)
Suspended Coverage	Coverage is temporarily suspended (no price target)

Analysts are required to review their recommendations under the following conditions:

Buy: When upside to price target falls below: 5% for SMI/SLI stocks for 30 calendar days; 10% for SMIM stocks for 30 calendar days; 15% for all other stocks for 45 calendar days.

Hold: When upside to price target reaches or exceeds: 10% for SMI/SLI stocks for 30 calendar days; 15% for SMIM stocks for 30 calendar days; 20% for all other stocks for 45 calendar days; or when downside to price target reaches or exceeds: 10% for SMI/SLI stocks for 30 calendar days; 15% for SMIM stocks for 30 calendar days; 20% for all other stocks for 45 calendar days.

Reduce: When downside to price target reaches or falls below: 5% for SMI stocks for 30 calendar days; 10% for all other stocks for 45 calendar days.

We reserve the right to waive repeated changes of recommendation during periods of unusually high equity market or specific stock price volatility

Share prices used in this financial report are closing prices on the date given. Deviations from this rule are disclosed. The underlying figures of a company valuation, i.e. the profit and loss statement, capital flow and balance sheet are estimates based on date and thus bear certain risks. These may change at any time and without prior notice if other, different models, assumptions, interpretations, and/or estimates are applied.

The use of the valuation methods does not rule out the risk that the stock fails to achieve the "fair value" within the projected period. Numerous factors influence share price performance. Unforeseen changes can arise from the emergence of competitive pressure, from a change in demand for the products of an issuer, technological development, from macroeconomic activity, exchange rate fluctuation or from a shift in society's moral concept. Changes in taxation law or supervisory regulations can often have a grave, unforeseen impact. This discourse on valuation methods and risk factors does not claim completeness.

### 7. Disclaimer & Sources

Although Vontobel Group believes that the information provided in this document is based on reliable sources, it cannot assume responsibility for the quality, correctness, timeliness or completeness of the information contained in this report. The author maintains the right to change and/or revoke all opinions expressed in this report at any time.

This research report is for information purposes only and does not constitute an offer or any further activity aimed at the acquisition or disposal of a financial instrument and/or a personal recommendation, be it transaction-related or portfolio-related, and/or any other financial service. This report has been written without regard for the specific knowledge and experience, investment objectives, financial situation and/or particular needs of individual recipients. The author neither guarantees that the equities discussed in this report are accessible to recipients nor that they are

appropriate or suitable for them. The author also points out that the statements contained in this report are on no account to be considered as advice on tax, accounting, legal or investment matters. This report does not constitute a prospectus or a basic information sheet. This research report has been produced for institutional investors only. If non-institutional investors receive this report it is recommended they seek advice from an asset manager or investment advisor prior to making an investment decision. Recipients of this report are not clients of Bank Vontobel if there are no other business or contractual relations. No part of this material may be reproduced or duplicated in any form, by any means, or redistributed, without acknowledgement of source and prior written consent from Vontobel Research. Bank Vontobel AG has taken internal organizational measures to prevent potential or, if unavoidable, to disclose existing conflicts of interest. For more details on handling conflicts of interest and maintaining the independence of financial analysis as well as other disclosures relating to the research of Bank Vontobel AG, see [www.vontobel.com](http://www.vontobel.com). Unless otherwise indicated, the source of the data presented in the tables/graphs of this report is "Vontobel Equity Research". "Company data" refers to company-specific sources of information such as annual/interim reports or press releases.

#### **8. Country-specific guidelines and information**

This research report may not be distributed to persons whose nationality or domicile do not permit the distribution of this report or where a special license is required, unless the author or distributor already has such a license. With the exception of the special distribution channels listed below, this report is distributed by the company on the front page.

##### **Additional information for US institutional clients**

In the United States of America, this publication is being distributed solely to persons that qualify as "major US institutional investors" under SEC Rule 15a-6. Vontobel Securities, Inc. accepts responsibility for the content of reports prepared by its non-US affiliate when distributed to US institutional investors. US investors who wish to effect any transaction in securities mentioned in this report should do so with Vontobel Securities, Inc. at the address hereafter and not with Bank Vontobel AG: Vontobel Securities, Inc., 1540 Broadway, 38th Floor, New York, NY 10036, Tel: 1 212 792 5820, fax: 1 212 792 5832, e-mail: [vonsecny@vonsec.com](mailto:vonsecny@vonsec.com)

Vontobel Securities Inc. New York, with headquarters at Vontobel Securities AG, Gotthardstrasse 43, 8022 Zurich, Tel +41 (0)58 76 17, Fax +41 (0)58 283 76 49, is a broker-dealer registered with the Securities and Exchange Commission and a member of the Financial Industry Regulatory Authority (FINRA). Bank Vontobel Zurich is a foreign broker dealer which is not delivering services into the USA except for those allowed under the exemption of SEC Rule 15a-6.

##### **Additional information for UK clients**

Bank Vontobel AG is a company limited by shares with a Swiss Banking license which has no permanent place of business in the UK and which is not regulated under the Financial Services and Markets Act 2000. The protections provided by the UK regulatory system will not be applicable to the recipients of any information or documentation provided by Bank Vontobel AG and compensation under the Financial Services Compensation Scheme will not be available. However, as regards distribution of this research document by Bank Vontobel Europe AG, London Branch, Third Floor, 22 Sackville Street, W1S 3DN London, Great Britain, Bank Vontobel Europe AG possesses the required permission by the Financial Services Authority and the Prudential Regulation Authority and is subject to these authorities supervision.

Past performance is not a guide to the future. The price of securities may go down as well as up and as a result investors may not get back the amount originally invested. Changes in the exchange rates may cause the value of investments to go down or up. Any literature, documentation or information provided is directed solely at persons we reasonably believe to be investment professionals. All such communications and the activity to which they relate are available only to such investment professionals; any activity arising from such communications will only be engaged in with investment professionals. Persons who do not have professional experience in matters relating to investments should not rely upon such communications. Any contact with analysts, brokers or other employees of Bank Vontobel AG must be directed with Bank Vontobel AG directly and not through offices or employees of Vontobel Group affiliates in London/UK.

##### **Information for clients in Germany**

Bank Vontobel Europe AG is responsible for distribution within the meaning of the German Securities Trading Act (WpHG). Bank Vontobel Europe AG is authorized and regulated by the Federal Financial Supervisory Authority (BaFin), Graurheindorfer Strasse 108, D-53117 Bonn. The Vontobel employees responsible for the distribution of investment research are subject to the respective valid legally and regulatorily required compliance regulations. In particular, measures have been implemented to prevent conflicts of interest (e.g. regulating the exchange of information with other employees, ensuring the independence of remuneration of relevant employees, preventing undue influence on these employees, ensuring compliance with guidelines for employee transactions etc.). Adherence to the respective compliance regulations and organizational instructions is monitored by Compliance offices.

##### **Information for Italian investors**

This research document prepared by Bank Vontobel is distributed according to EU rule 2016/958 by Vontobel Wealth Management SIM S.p.A, Milano authorized and regulated by Consob, via G.B. Martini, 3 – Roma.