

FINANCIAL MODEL UPDATE

PIERER MOBILITY

Analyst:	mark.dietheim@vontobel.com		
Bloomberg: PMAG SE	Price: CHF 93.2		
Enterprise value (mns)	CHF 3,294		
Market cap (mns)	CHF 3,158		
Reporting Currency	EUR		

Buy **PT: CHF 108**

Income Stat. (mns)	2020A	2021E	2022E	2023E
Revenues	1530	2043	2218	2396
EBITDA	234	332	358	383
EBIT	107	194	208	223
Net profit	34.9	93.5	153	164
Growth (%)	2020A	2021E	2022E	2023E
Revenues	0.7	33.5	8.6	8.0
Net profit	-35.9	168	64.1	6.8
EPS (rep.)	-37.7	133	21.7	6.77
Margin analysis (%)	2020A	2021E	2022E	2023E
Gross margin	27.9	28.6	29.0	29.1
EBITDA margin	15.3	16.3	16.2	16.0
EBIT margin	7.0	9.5	9.4	9.3
Balance sheet (%)	2020A	2021E	2022E	2023E
NWC/Revenues	14.5	7.9	7.8	8.6
Net debt (mns)	312	192	125	28.2
Equity to tot. assets	38.8	41.3	45.0	48.8
Gearing	47.8	24.4	13.6	2.7
Net debt/EBITDA	1.3	0.6	0.3	0.1
CF statement (mns)	2020A	2021E	2022E	2023E
Capex	-148	-179	-181	-187
Operating FCF	165	175	102	135
Inc(+)/Dec(-) in cash	105	60.5	46.7	47.0
CF analysis (%)	2020A	2021E	2022E	2023E
Op. CF margin	20.4	17.3	12.8	13.5
Capex/Revenues	9.7	8.7	8.2	7.8
Capex/Depreciation	117	129	121	117
Per-share data (CHF)	2020A	2021E	2022E	2023E
EPS (rep.)	1.67	3.90	4.75	5.07
EPS (adj.)	1.67	3.90	4.75	5.07
Net cash	-15.1	-6.0	-3.9	-0.9
Dividend	0.54	1.05	1.14	1.25
Payout ratio (%)	32.0	26.9	24.1	24.6
Valuation (X)	2020A	2021E	2022E	2023E
P/E	42.5	24.1	19.6	18.4
P/E (adj.)	42.5	24.1	19.6	18.4
P/B	4.08	3.89	3.32	2.88
EV/EBITDA	8.5	11.0	9.2	8.3
FCF yield %	11.1	5.8	3.4	4.5
Dividend yield %	0.8	1.1	1.2	1.3
Profit. ratios (%)	2020A	2021E	2022E	2023E
ROIC	7.2	13.2	13.6	13.8
ROE	10.0	16.5	18.3	16.8
ROA	4.2	8.6	7.8	7.8
BB Consensus (mns)	2020A	2021E	2022E	2023E
Revenues	1499	2040	2157	2284
EBITDA	221	331	351	374
EBIT	93	187	197	215
Net profit	29	115	135	151
EPS	1.33	3.67	4.08	4.47

Conference call/analyst meeting

No conference call or analyst meeting scheduled

Supply improving with demand better than expected - Fine-tuning estimates - Buy unchanged

FACTS & COMMENT:

Robust demand: Demand for both segments remains supportive with healthy dealer inventories. The supply issues (i.e. Bosch) are easing and PMAG expects a normalization by Q2 2021.

E-Pilen delayed: Due the very robust demand, the introduction of the e-motorcycle (E-Pilen) has been delayed to 2023. PMAG also hinted at a launch of an e-Duke, a +ve surprise. The standup e-scooter will be launched in FY22 but the introduction of the e-scooter (Vectorr) has been postponed as current market demand/structure does not allow for attractive margins (less than 1/3 of group GM). The m-t goal for e-bikes (EUR 0.5bn) was reiterated with the current gross margin to reach the motorcycle level (>30%) in the mid-term.

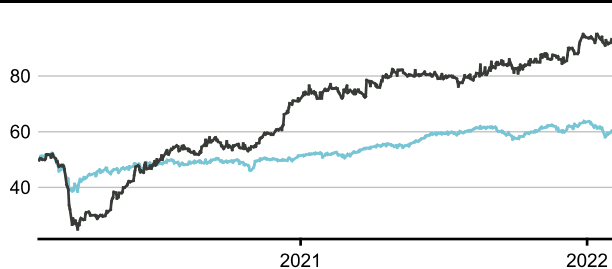
2022 profitability: PMAG does not see COGS/Opex headwinds (higher raw mat. costs passed on), which would result in a margin decline vs. FY21. As such, the mid-point of the FY22 target range seems conservative.

Fine-tuned estimates: We only fine-tuned our estimates with limited EPS changes beyond FY21. PMAG stated that NWC intensity should remain below 10% going forward, improving FCF quality.

OUR CONCLUSION:

PMAG continues to benefit from solid demand for its "classic" motorcycles while the e-bike segment enjoys structural demand growth, increasingly overseas. The launch delay of the high-end e-motorcycles into 2023 ensures +ve top-line support next year. The FY22 margin outlook is conservative as the supply constraints are easing and cost headwinds not being material. FCF quality further improved due to focus on cash generation. We have fine-tuned our estimates and confirm our Buy/PT of CHF 108.

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	FY21 chg	FY22 chg	FY23 chg
Revenues	2043	2218	2396	2038	2155	2341	0.2%	2.9%	2.3%
EBITDA	332.2	358.2	383.4	332.8	356.1	383.8	-0.2%	0.6%	-0.1%
- margin	16.3%	16.2%	16.0%	16.3%	16.5%	16.4%			
Group profit (incl. Minorities)	149.4	155.0	165.5	137.5	148.0	164.4	8.6%	4.7%	0.6%
Operating FCF	174.7	101.9	135.4	94.1	105.8	128.8	85.7%	-3.7%	5.1%
FCF/sales	8.6%	4.6%	5.7%	4.6%	4.9%	5.5%			

Source: Vontobel Equity Research

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 Julius Baer[BAER.S] was last changed from Reduce to Hold on 23-07-13
 Novartis[NOVN.S] was last changed from Hold to Buy on 08-12-21
 PIERER Mobility[PMAG.S] was last changed from Hold to Buy on 04-10-17
 SIG Combibloc[SIGNC.S] was last changed from NA to Hold on 03-05-19
 Zurich Insurance Group[ZURN.S] was last changed from Buy to Hold on 17-10-12

4. Global rating breakdown

	VT Research universe	VT Research universe	Share of Bank VT clients in rating category
	No.	As %	As %
Buy	34	34	47
Hold	67	66	25
Reduce	0	0	0

The table above is revised at the beginning of each quarter, i.e. it currently reflects the status as at 31 December 2021 .

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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.

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Rating	Definition
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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
SMIM	Swiss Market Index Mid stocks
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
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
Restricted	Coverage is temporarily restricted (no price target)
Suspended Coverage	Coverage is temporarily suspended (no price target)

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