

WHAT'S NEW?

PIERER MOBILITY

Analyst:	mark.diethelm@vontobel.com
Bloomberg: PMAG SE	Price: CHF 57.7
Enterprise value (mns)	CHF 2,071
Market cap (mns)	CHF 1,939
Reporting Currency	EUR

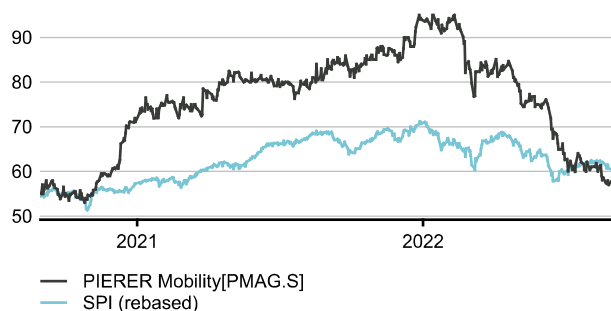
Buy **PT: CHF 108**

Income Stat. (mns)	2021A	2022E	2023E	2024E
Revenues	2042	2217	2396	2596
EBITDA	333	362	388	413
EBIT	194	207	222	246
Net profit	92.3	159	171	189
Growth (%)	2021A	2022E	2023E	2024E
Revenues	33.5	8.6	8.0	8.4
Net profit	188	72.6	7.2	10.9
EPS (rep.)	151	26.5	7.23	10.9
Margin analysis (%)	2021A	2022E	2023E	2024E
Gross margin	29.1	28.9	29.1	29.2
EBITDA margin	16.3	16.3	16.2	15.9
EBIT margin	9.5	9.3	9.3	9.5
Balance sheet (%)	2021A	2022E	2023E	2024E
NWC/Revenues	7.9	7.7	8.5	8.7
Net debt (mns)	190	123	30.3	-81.0
Equity to tot. assets	37.6	41.5	45.4	48.7
Gearing	24.8	13.7	2.9	-6.8
Net debt/EBITDA	0.6	0.3	0.1	-0.2
CF statement (mns)	2021A	2022E	2023E	2024E
Capex	-181	-188	-194	-188
Operating FCF	186	102	131	153
Inc(+)/Dec(-) in cash	155	46.8	42.8	81.3
CF analysis (%)	2021A	2022E	2023E	2024E
Op. CF margin	18.0	13.1	13.5	13.1
Capex/Revenues	8.9	8.5	8.1	7.2
Capex/Depreciation	130	121	117	113
Per-share data (CHF)	2021A	2022E	2023E	2024E
EPS (rep.)	3.85	4.88	5.23	5.80
EPS (adj.)	3.88	4.88	5.23	5.80
Net cash	-5.9	-3.8	-0.9	2.5
Dividend	1.05	1.13	1.23	1.29
Payout ratio (%)	27.2	23.2	23.6	22.2
Valuation (X)	2021A	2022E	2023E	2024E
P/E	24.4	11.8	11.0	10.0
P/E (adj.)	24.2	11.8	11.0	10.0
P/B	3.96	2.12	1.83	1.59
EV/EBITDA	11.0	5.7	5.1	4.5
FCF yield %	6.2	5.4	6.9	8.1
Dividend yield %	1.1	2.0	2.1	2.2
Profit. ratios (%)	2021A	2022E	2023E	2024E
ROIC	13.2	13.5	13.7	14.6
ROE	16.5	19.3	17.8	17.1
ROA	8.2	7.7	7.8	8.1
BB Consensus (mns)	2021A	2022E	2023E	2024E
Revenues	2040	2219	2410	2558
EBITDA	331	352	374	407
EBIT	187	202	223	241
Net profit	115	140	151	171
EPS	3.67	4.39	4.72	5.08

Conference call/analyst meeting

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Performance



Source: Bloomberg, Vontobel Equity Research

Robust 1H22 despite supply challenges - FY22 guidance increased on easing supply issues - Buy

FACTS & COMMENT:

Sales and revenues: Due to the difficult supply situation, demand could not be fully met in both motorcycles (MC) and e-bicycles. MC unit sales fell by 7% y/y and e-bikes by 4% y/y. Despite lower unit sales, group revenues increased by 7% y/y (6% ahead of market), particularly due to MCs (+8% y/y) while e-bike (-6% y/y) were below expectations. As PMAG did not material adjust prices (only new models), revenues were driven by mix, lower dealer rebates with minor FX impacts.

Profitability & FCF: Group EBIT of EUR 93mn (margin 8%; VTe: 8%) was 6% ahead, driven by MCs which recorded an EBIT at last year's level despite higher input costs and no price rounds. e-bike EBIT was slightly -ve due to lower volumes/higher cost but is expected to record a significant stronger 2nd half. 1H22 FCF was negative (expected) due to higher inventories as well as unfinished products.

Lifted FY22 outlook: PMAG lifted its FY22 revenue growth outlook to 10-15% (old: 6-10%) with an EBIT margin of 8-10% (unchanged).

Other: New bicycle facility in Taiwan to reduce sourcing risk through direct access to Asian market.

OUR CONCLUSION:

PMAG delivered a good set of 1H22 results given the difficult supply situation. This particularly applies to profitability, where a good margin level was achieved despite no material price adjustments. The FY22 guidance increase is not driven by FX but cont'd solid demand, easing of supply, which supports deliveries of street MCs and e-bicycles. Despite a negative FCF in 1H22, the 2nd half is expected to see a strong NWC reversal with a positive FCF outlook for FY22. Buy.

Results 1H FY22

EUR (mn)	Reported	VTe	Cons	YoY (%)	vs VT (%)	vs C (%)
Revenues	1154	1091	1087	7	6	6
EBITDA	162	163	-	-5	0	-
EBITDA margin (IFRS) (%)	14.1	14.9	-	-182 bp	-85 bp	-
EBIT	93	87	88.6	n.m.	6	5
EBIT margin (%)	8.0	8.0	8.2	-148 bp	2 bp	-11 bp
Net profit incl. minorities	68	64	-	115.0	6	-
Net margin (%)	5.9	5.8	-	n.m.	-	-

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

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Implenia[IMPN.S] was last changed from Reduce to Hold on 28-03-19
 PIERER Mobility[PMAG.S] was last changed from Hold to Buy on 04-10-17
 Partners Group[PGHN.S] was last changed from Hold to Buy on 19-01-15

4. Global rating breakdown

	VT Research universe No.	VT Research universe As %	Share of Bank VT clients in rating category As %
Buy	37	37	43
Hold	63	63	27
Reduce	0	0	0

The table above is revised at the beginning of each quarter, i.e. it currently reflects the status as at 30 June 2022 .

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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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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.
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