

WHAT'S NEW?

PIERER MOBILITY

Analyst:	mark.diethelm@vontobel.com
Bloomberg: PMAG SE	Price: CHF 75.9
Enterprise value (mns)	CHF 2,076
Market cap (mns)	CHF 1,696
Reporting Currency	EUR

Buy **PT: CHF 90.0 (NEW)**

Income Stat. (mns)	2019A	2020A	2021E	2022E
Revenues	1520	1530	1871	2042
EBITDA	241	234	297	326
EBIT	132	107	156	180
Net profit	54.5	34.9	60.4	72.2
Growth (%)	2019A	2020A	2021E	2022E
Revenues	-2.5	0.7	22.2	9.1
Net profit	-19.2	-35.9	73.1	19.5
EPS (rep.)	-19.4	-37.7	77.5	19.5
Margin analysis (%)	2019A	2020A	2021E	2022E
Gross margin	29.3	27.9	28.7	29.1
EBITDA margin	15.8	15.3	15.9	16.0
EBIT margin	8.7	7.0	8.3	8.8
Balance sheet (%)	2019A	2020A	2021E	2022E
NWC/Revenues	16.9	14.5	11.2	12.9
Net debt (mns)	396	312	298	239
Equity to tot. assets	38.3	38.8	43.2	46.7
Gearing	64.0	47.8	39.6	27.4
Net debt/EBITDA	1.6	1.3	1.0	0.7
CF statement (mns)	2019A	2020A	2021E	2022E
Capex	-150	-148	-165	-171
Operating FCF	108	165	40.1	84.6
Inc(+)/Dec(-) in cash	71.3	105	-45.6	38.9
CF analysis (%)	2019A	2020A	2021E	2022E
Op. CF margin	16.9	20.4	10.9	12.5
Capex/Revenues	9.9	9.7	8.8	8.4
Capex/Depreciation	137	117	117	117
Per-share data (CHF)	2019A	2020A	2021E	2022E
EPS (rep.)	2.68	1.67	2.97	3.55
EPS (adj.)	2.30	1.67	2.97	3.55
Net cash	-19.5	-15.1	-14.6	-11.8
Dividend	0.00	0.54	0.55	0.55
Payout ratio (%)	0.0	32.0	18.5	15.5
Valuation (X)	2019A	2020A	2021E	2022E
P/E	20.1	42.5	25.6	21.4
P/E (adj.)	23.4	42.5	25.6	21.4
P/B	3.24	4.08	3.78	3.30
EV/EBITDA	6.8	8.3	6.9	6.1
FCF yield %	9.8	11.1	2.6	5.5
Dividend yield %	0.0	0.8	0.7	0.7
Profit. ratios (%)	2019A	2020A	2021E	2022E
ROIC	9.4	7.2	10.2	11.0
ROE	17.1	10.0	15.7	16.5
ROA	6.5	4.2	6.5	7.2
BB Consensus (mns)	2019A	2020A	2021E	2022E
Revenues	1520	1530	1793	1990
EBITDA	241	239	292	326
EBIT	132	107	148	173
Net profit	50	36	55	66
EPS	2.30	1.62	2.44	2.96

Conference call/analyst meeting

No conference call or analyst meeting scheduled

Record 1st quarter - FY21 sales guidance lifted with more upside potential - PT up to 90 (88). Buy reiterated

FACTS & COMMENT:

Strong growth in 1Q21: PMAG published yesterday that it recorded an organic 82% y/y revenue increase in 1Q21 to EUR 509mn. The growth was driven by both traditional motorcycles (units +80% y/y) but also e-bicycles (units +107% y/y). According to PMAG, demand both in January and February were unusually high as consumers bought earlier and demand for motorcycles and e-bikes remained unbroken. Moreover, production was not subject to component shortages, helping PMAG gain market shares. March development not comparable due to the lockdown, which started last year mid-March.

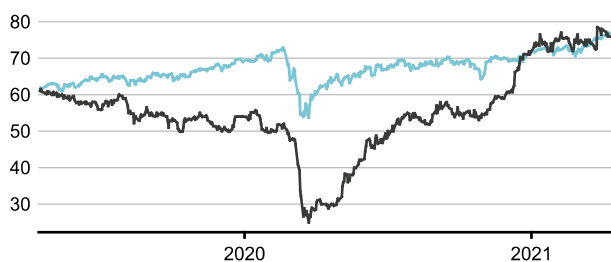
Lower dealer inventories : In Europe, the PMAG recorded a 79% increase in unit sales (54k units) while North America was very strong (+145% y/y to 12.6k units) and so was Australia (+109% y/y to 4.4k units). According to PMAG, dealer inventories' declined further, hence, growth was not a restocking effect.

FY21 sales guidance increase: Due to the strong start of the year, PMAG has increased its FY21 sales guidance by EUR 50m (3%) to EUR 1.85bn - 1.95bn. The new guidance reflects potential supply constraints later in FY21.

OUR CONCLUSION:

Demand has remained strong and PMAG continues to benefit from changing consumer preferences, particularly in North America. We believe that PMAG has gained further market shares because it was not affected by supply constraints (electronics). The company's lifted sales guidance seems cautious relative to the strong 1Q growth but PMAG expects some supply constraints ahead but sees upside if the situation turns out better than anticipated. PT lifted to CHF 90 (88) on higher estimates. Buy.

Performance



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

Source: Bloomberg, Vontobel Equity Research

Changes to Vontobel estimates	FY21 new	FY22 new	FY21 old	FY21 old	FY21 chg	FY22 chg
Revenues	1871	2042	1817	2002	3%	2%
EBITDA	296.7	326.1	289.1	320.8	3%	2%
- margin	15.9%	16.0%	15.9%	16.0%		
EBIT	155.9	180.0	148.3	174.8	5%	3%
- margin	8.3%	8.8%	8.2%	8.7%		
Net profit	60.4	72.2	57.2	70.0	6%	3%
Operating FCF	40.1	84.6	39.1	82.5	2%	3%
FCF/sales	2.1%	4.1%	2.2%	4.1%		

Source: Vontobel Equity Research

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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	32	31	28
Hold	68	66	15
Reduce	3	3	33

The table above is revised at the beginning of each quarter, i.e. it currently reflects the status as at 31 December 2020 .

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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
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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
Restricted	Coverage is temporarily restricted (no price target)
Suspended Coverage	Coverage is temporarily suspended (no price target)

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