

WHAT'S NEW?

PIERER MOBILITY

Analyst:	mark.diethelm@vontobel.com
Bloomberg: PMAG SE	Price: CHF 83.0
Enterprise value (mns)	CHF 2,235
Market cap (mns)	CHF 1,854
Reporting Currency	EUR

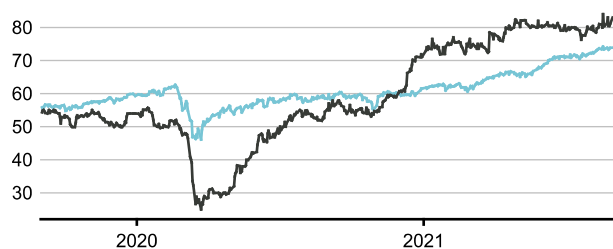
Buy **PT: CHF 90.0**

Income Stat. (mns)	2020A	2021E	2022E	2023E
Revenues	1530	1871	2042	2294
EBITDA	234	297	326	360
EBIT	107	156	180	206
Net profit	34.9	60.4	72.2	87.4
Growth (%)	2020A	2021E	2022E	2023E
Revenues	0.7	22.2	9.1	12.4
Net profit	-35.9	73.1	19.5	21.0
EPS (rep.)	-37.7	77.5	19.5	21.0
Margin analysis (%)	2020A	2021E	2022E	2023E
Gross margin	27.9	28.7	29.1	29.1
EBITDA margin	15.3	15.9	16.0	15.7
EBIT margin	7.0	8.3	8.8	9.0
Balance sheet (%)	2020A	2021E	2022E	2023E
NWC/Revenues	14.5	11.2	12.9	13.1
Net debt (mns)	312	298	239	151
Equity to tot. assets	38.8	43.2	46.7	50.7
Gearing	47.8	39.6	27.4	15.0
Net debt/EBITDA	1.3	1.0	0.7	0.4
CF statement (mns)	2020A	2021E	2022E	2023E
Capex	-148	-165	-171	-172
Operating FCF	165	40.1	84.6	113
Inc(+)/Dec(-) in cash	105	-45.6	38.9	37.8
CF analysis (%)	2020A	2021E	2022E	2023E
Op. CF margin	20.4	10.9	12.5	12.5
Capex/Revenues	9.7	8.8	8.4	7.5
Capex/Depreciation	117	117	117	112
Per-share data (CHF)	2020A	2021E	2022E	2023E
EPS (rep.)	1.67	2.97	3.55	4.29
EPS (adj.)	1.67	2.97	3.55	4.29
Net cash	-15.1	-14.6	-11.8	-7.4
Dividend	0.54	0.55	0.55	0.55
Payout ratio (%)	32.0	18.5	15.5	12.8
Valuation (X)	2020A	2021E	2022E	2023E
P/E	42.5	28.0	23.4	19.3
P/E (adj.)	42.5	28.0	23.4	19.3
P/B	4.08	4.13	3.60	3.10
EV/EBITDA	8.3	7.4	6.6	5.7
FCF yield %	11.1	2.4	5.0	6.7
Dividend yield %	0.8	0.7	0.7	0.7
Profit. ratios (%)	2020A	2021E	2022E	2023E
ROIC	7.2	10.2	11.0	12.0
ROE	10.0	15.7	16.5	17.3
ROA	4.2	6.5	7.2	7.8
BB Consensus (mns)	2020A	2021E	2022E	2023E
Revenues	1530	1870	2053	2330
EBITDA	239	301	329	359
EBIT	107	156	179	205
Net profit	36	58	68	77
EPS	1.62	2.61	3.09	3.42

Conference call/analyst meeting

Conf call at 10am CET. Dial-in: +41 (0) 58 310 5000 (Switzerland) / +49 (0) 69 505 0082 (Germany)

Performance



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

Source: Bloomberg, Vontobel Equity Research

1H21 well above expectations with high profitability driven by motorcycle segment - Robust FCF - Guidance confirmed - Buy

FACTS & COMMENT:

Strong 1H21 results: Driven by already reported strong 1H21 unit growth in motorcycles (+95%) and despite a more muted development in e-bikes (+25% y/y) due to component shortages, group sales increased by 80% y/y to EUR 1.078bn, 8% above VTe. Motorcycles sales were 9% ahead while e-bikes sales were 7% below our expectations, due to component shortages. Strong was also the profitability with a high group EBIT-margin of 9.5% driven by the MC segment, which achieved a record margin of 10.1%. E-Bike profitability increased by 110bps to 6.2%. Net profit after minorities of EUR 40m was also above VTe (EUR 33m).

Robust FCF: Despite the strong unit and sales growth, cash generation was robust in 1H21 as the NWC increase was more limited than assumed. As a result, OpFCF came in better than expected with EUR 65m (6% of sales; 1-t target 3-5%) vs. VTe of EUR 38m.

Hiked FY21 guidance confirmed: Last week, ahead of the 1H21 results, PMAG already hiked its FY21 sales guidance to EUR 1.9-2bn (old: 1.85-1.95bn) while confirming its profitability targets (EBIT 8-9%).

OUR CONCLUSION:

1H21 was clearly better than expected with strong growth and profitability in the motorcycle segment while the e-bike segment was softer than assumed (component shortages). OpFCF was ahead due limited impact on NWC from the top-line growth. The recently hiked FY21 outlook was confirmed, which looks conservative given the strong 1H21. However, PMAG benefited in 1H21 from inventory restocking - unlikely to repeat in 2H - and likely some conservatism given supply chain issues. Buy confirmed.

Results 1H21

EUR (mn)	Reported	VTe	Cons	YoY (%)	vs VT (%)	vs C (%)
Revenues	1078	996	-	80	8	-
- o/w powered two-wheeler	992	906	-	87	9	-
- o/w e-bicycles	84	90	-	n.a.	-7	-
EBITDA	171	160	-	167	7	-
EBITDA margin (IFRS) (%)	15.9	16.1	-	518 bp	-20 bp	-
EBIT	102.6	91.2	-	n.m.	12	-
EBIT margin (%)	9.5	9.2	-	-	36 bp	-
Net profit after minorities	40	33	-	n.m.	21	-
Net margin (%)	3.7	3.3	-	n.m.	-	-
FCF	65	36	-	n.m.	81	-

Source: Company data, 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	32	28
Hold	67	67	13
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 June 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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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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