

WHAT'S NEW?

PIERER MOBILITY

Analyst:	mark.diethelm@vontobel.com
Bloomberg: PMAG SE	Price: CHF 77.6
Enterprise value (mns)	CHF 2,114
Market cap (mns)	CHF 1,734
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	26.1	21.9	18.6
P/E (adj.)	42.5	26.1	21.9	18.6
P/B	4.08	3.86	3.37	2.99
EV/EBITDA	8.3	7.0	6.2	5.6
FCF yield %	11.1	2.5	5.4	7.0
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

No conference call or analyst meeting scheduled

Bajaj agrees to KTM AG shareholder simplification - Regulatory approvals expected in Q3 and transaction executed during 2H21 - Buy

FACTS & COMMENT:

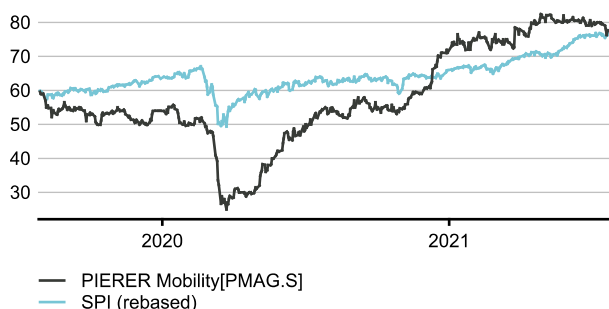
Agreement in principle reached: Pierer Mobility yesterday announced, that Bajaj has agreed in principle to the shareholder simplification. Bajaj Auto - via its Dutch subsidiary Bajaj Auto International Holdings BV - holds close to 48% in KTM AG. The majority (97%) of this stake will be converted into Pierer Mobility shares, which requires a capital increase (max 50% of outstanding shares) from authorized share capital. The latter will now prepared but can only be executed following the final valuations are done and regulatory approvals are received, which we expect in August/September.

Complex shareholding structure removed: The agreement will result in Pierer Mobility holding about 98.2% of KTM AG, up from 51.7%. This will reduce shareholder complexity within Pierer Mobility and improve transparency. Furthermore, the substantial minority charges in the P&L will be eliminated and despite the capital increase, it will be accretive to earnings per share.

OUR CONCLUSION:

The agreement for the simplification of KTM AG is clearly welcomed. A financial assessment will only be possible when the final valuation and transaction terms will be published but we believe there will be a positive economic value impact as the larger dividend payments to minorities fall away and complexity will be removed. Furthermore, with Bajaj gaining a stake in the e-mobility segment, the mid- to long-term interests between PMAG and Bajaj are even stronger aligned. Buy confirmed.

Performance



Source: Bloomberg, Vontobel Equity Research

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3. Research rating history

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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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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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