

## WHAT'S NEW?

## PIERER MOBILITY

Analyst:	mark.diethelm@vontobel.com
Bloomberg: PMAG SE	Price: CHF 80.5
Enterprise value (mns)	CHF 2,179
Market cap (mns)	CHF 1,798
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	27.1	22.7	18.7
P/E (adj.)	42.5	27.1	22.7	18.7
P/B	4.08	4.01	3.49	3.01
EV/EBITDA	8.3	7.2	6.4	5.6
FCF yield %	11.1	2.4	5.2	6.9
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
<b>BB Consensus (mns)</b>	<b>2020A</b>	<b>2021E</b>	<b>2022E</b>	<b>2023E</b>
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

### Top-line guidance lifted ahead of 1H21 results driven by motorcycle segment - Margin targets unchanged - Favorable trends continue - Buy

## FACTS &amp; COMMENT:

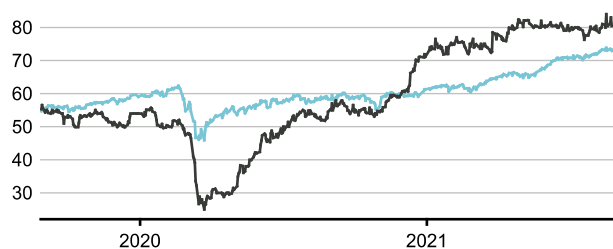
**Another FY21 revenue guidance increase:** Ahead of its 1H21 results next Tuesday (31 August) and following a board meeting, PMAG lifted its sales guidance by EUR 50m (mid-point) to EUR 1.9bn to 2bn, representing revenue growth of 27% y/y (+28% vs. FY19) and compares with market expectations of EUR 1.89bn. The increase is due to the continued positive global demand for powered two-wheelers and despite supply chain challenges. This is the 2nd guidance upgrade (1st in April after Q1 trading statement) with revenues now seen 5% (mid-point) above the initial FY21 guidance (EUR 1.8bn-1.9bn) issued in February.

**Profitability targets unchanged:** The profitability targets with an EBITDA margin of >15% and EBIT margin range of 8-9% remain unchanged. At the mid-point of the revised revenue and EBIT margin guidance, this implies an operating profit of around EUR 165 mn versus consensus of EUR 158.5 mn.

## OUR CONCLUSION:

The guidance upgrade - albeit a minor one - is positive as we had anticipated only a reiteration with the 1H21 results next Tuesday due the supply chain issues. We believe the upgrade is mostly driven by motorcycles as e-bikes seem to be more affected by component shortages. The confirmation of the profitability targets implies that higher input costs can be absorbed without impacting profitability (+ve). Near and long-term trends remain favorable for both (e-)motorcycles and e-bikes. Buy.

## Performance



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

Source: Bloomberg, Vontobel Equity Research

**1. Analyst declaration**

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The Ratings and/or Rating Outlook of the analyzed companies were last changed as follows:

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
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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
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