

GOOD TO KNOW

PIERER MOBILITY

Analyst:	mark.diethelm@vontobel.com
Bloomberg: PMAG SE	Price: CHF 76.3
Enterprise value (mns)	CHF 2,085
Market cap (mns)	CHF 1,705
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	25.7	21.5	18.6
P/E (adj.)	42.5	25.7	21.5	18.6
P/B	4.08	3.80	3.31	2.99
EV/EBITDA	8.3	6.9	6.1	5.6
FCF yield %	11.1	2.6	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

Expansion of e-bicycle production capacity - JV with Maxcom - Securing component supply - Buy

FACTS & COMMENT:

JV in Bulgaria: PMAG has announced the formation of a 50%/50% Joint Venture with the largest Eastern European bicycle manufacturer Maxcom. Maxcom is already today a supplier/assembler for Pierer Mobility's R Raymon and Husqvarna e-bikes. The JV will build a state-of-the-art e-bike production facility in Bulgaria. Commissioning is planned for the 2nd half 2023. The annual production capacity is around 350'000 units (PMAG sold 56'000 e-bikes in 2020).

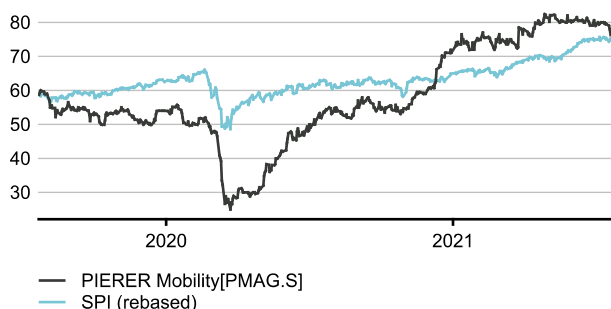
Total EUR 40mn investment: In total EUR 40m investments are planned for the production site with each party having a 50% interest. As the facility is being built over the course of 2 years, we estimate that the investment represents about 6% of PMAG's FY22/FY23 Capex budgets.

Potential suppliers with own production capacity: International suppliers are given the opportunity to set up their own production facilities on-site.

OUR CONCLUSION:

The expansion of the bicycle production capacity was already flagged. The formation of a JV with its existing production partner Maxcom is positive as investments are shared. The production site supports PMAG's goal of generating about EUR 500m of revenues by 2025 with (e-)bicycles. That also suppliers are planned to set up local production ensures component supply and lowers PMAG's dependence on suppliers located in Asia.

Performance



Source: Bloomberg, 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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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
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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
Restricted	Coverage is temporarily restricted (no price target)
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