

Buy CHF 74.00 (CHF 80.00) Price CHF 30.50 Upside 142.6 %	Value Indicators: CHF DCF: 74.00 FCF-Value Potential 21e: 61.54	Share data: Bloomberg: PMAG GR Reuters: PMAG.VI ISIN: AT0000KTM102	Description: Europe's largest manufacturer of sports motorcycles.
	Market Snapshot: CHF m Market cap: 687 No. of shares (m): 23 EV: 1,384 Freefloat MC: 261 Ø Trad. Vol. (30d): 502.13 th	Shareholders: Freefloat 38.0 % Pierer Industrie AG 62.0 % Remaining management 1.1 %	Risk Profile (WRe): 2020e Beta: 1.4 Price / Book: 1.8 x Equity Ratio: 40 % Net Fin. Debt / EBITDA: 2.0 x Net Debt / EBITDA: 2.2 x

Corona interrupts high speed growth story

PMAG reported final FY2019 figures which were in line with preliminaries issued in January. PMAG laid the foundation for further growth in 2019. With 234,449 KTM motorcycles and 45,650 HUSQVARNA motorcycles sold in 2019, the sales volume increased by about 7% compared to the previous year. Revenues came in at EUR 1,520.1m (+4%), with EBIT at EUR 131.7m (+2.3%) and net income above expectations as PMAG profited from a one-time consolidation effect due to the PEXCO eBike business.

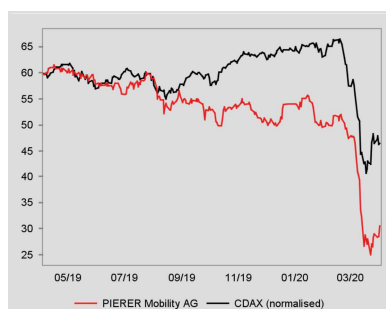
However, the initial guidance was withdrawn in March as PMAG was not spared from the impact of COVID-19. It is now clear that the high-speed growth story seen in the past has been temporarily interrupted. While the group had to withdraw its 2020e guidance, it confirmed its target of EUR 100m revenues in its newly-established HUSQVARNA E-Bicycles division. In 2020e, the objective of PIERER Mobility Group is to further expand market shares in the global motorcycle markets despite the crisis. To counteract the negative effects of the crisis, measures such as short-time work have been implemented. The company stated that most dealers have sufficient inventory to quickly react once demand returns. We have adjusted our estimates accordingly. We anticipate a revenue decline of some 18%. As we acknowledge an operating leverage but also that a relatively large share of sales and marketing costs (cut in racing budgets, exhibitions, etc.) are variable, we are looking for EBIT of some EUR 72m (5.8%). We expect some catch-up potential in 2021e.

Conclusion

While the current situation certainly hurts PMAG, the last downturn during the financial crisis clearly showed management's ability to cope with crisis situations. Last time, PMAG successfully outperformed its peers after the industry took a hit during the financial crisis. While we think that COVID-19 will interrupt the group's growth story in 2020e, it could also offer a chance for further consolidation within the industry. PMAG can capitalise on a strong balance sheet (equity ratio >38%) and a solid liquidity situation (WRe: ~200m). We think that the company could even benefit and steer the consolidation among European motorcycle manufacturers or at least take advantage of its strong B2B dealer network which the group is supporting during these difficult times.

While our reduced estimates lead to a lower PT of EUR 74, we definitely stick to our **Buy recommendation with >100% upside**.

Changes in Estimates:				Comment on Changes:			
FY End: 31.12. in EUR m	2020e (old)	+ / -	2021e (old)	+ / -	2022e (old)	+ / -	
Sales	1,664	-25.4 %	1,832	-15.2 %	n.a.	n.m.	■ We have adjusted our estimates due to COVID-19. ■ Dividend for FY 2019 suspended.
EBIT	117	-38.7 %	148	-20.9 %	n.a.	n.m.	
EPS	1.86	-44.6 %	2.44	-22.5 %	n.a.	n.m.	
DPS	0.30	0.0 %	0.30	0.0 %	n.a.	n.m.	

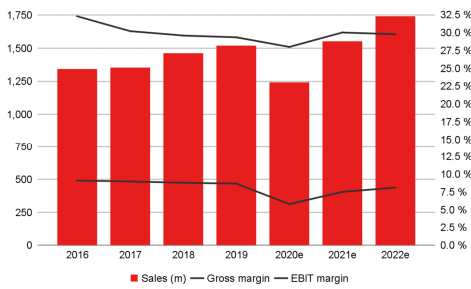


Rel. Performance vs CDAX:	
1 month:	-16.1 %
6 months:	-23.1 %
Year to date:	-15.9 %
Trailing 12 months:	-27.0 %

Company events:	
30.04.20	AGM
07.05.20	Ex-Divi
31.08.20	H1

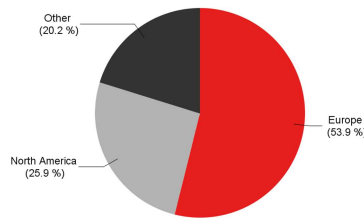
FY End: 31.12. in EUR m	CAGR (19-22e)	2016	2017	2018	2019	2020e	2021e	2022e
Sales	4.7 %	1,343	1,354	1,462	1,520	1,242	1,553	1,742
Change Sales yoy		9.8 %	0.8 %	8.0 %	4.0 %	-18.3 %	25.0 %	12.2 %
Gross profit margin		32.3 %	30.2 %	29.6 %	29.3 %	28.0 %	30.0 %	29.8 %
EBITDA	4.0 %	198	194	211	241	189	239	271
Margin		14.8 %	14.3 %	14.4 %	15.8 %	15.2 %	15.4 %	15.5 %
EBIT	2.4 %	122	122	129	132	72	117	141
Margin		9.1 %	9.0 %	8.8 %	8.7 %	5.8 %	7.5 %	8.1 %
Net income	-0.8 %	52	45	67	54	23	42	53
EPS	-0.8 %	2.30	1.98	2.99	2.42	1.03	1.89	2.36
EPS adj.	-0.8 %	2.30	1.77	1.82	2.42	1.03	1.89	2.36
DPS	-	0.03	0.30	0.30	0.00	0.30	0.30	0.30
Dividend Yield		0.1 %	0.6 %	0.5 %	n.a.	1.0 %	1.0 %	1.0 %
FCFPS		1.05	-0.77	-4.35	4.10	0.59	3.88	1.79
EV / Sales		1.3 x	1.6 x	1.6 x	1.4 x	1.1 x	0.9 x	0.9 x
EV / EBITDA		9.0 x	11.0 x	11.0 x	9.0 x	6.9 x	6.0 x	5.7 x
EV / EBIT		14.6 x	17.5 x	18.1 x	16.4 x	18.2 x	12.4 x	10.8 x
P / E		15.7 x	26.0 x	20.8 x	21.3 x	28.0 x	15.3 x	12.2 x
P / E adj.		15.7 x	29.1 x	34.1 x	21.3 x	28.0 x	15.3 x	12.2 x
FCF Potential Yield		6.2 %	4.7 %	6.2 %	6.7 %	8.6 %	9.4 %	9.9 %
Net Debt		388	399	348	425	414	344	320
ROE		22.0 %	15.1 %	21.9 %	17.1 %	6.6 %	11.2 %	12.6 %
ROCE (NOPAT)		12.2 %	10.0 %	10.7 %	11.0 %	5.1 %	8.2 %	9.8 %
Guidance:	Guidance withdrawn							

Sales & margin development in EUR m



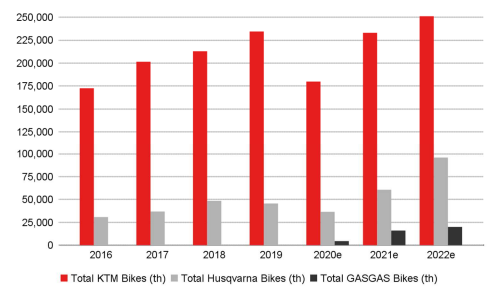
Source: Warburg Research

Sales by regions 2019; in %



Source: Warburg Research

Motorcycles unit sales by brand in units



Source: Warburg Research

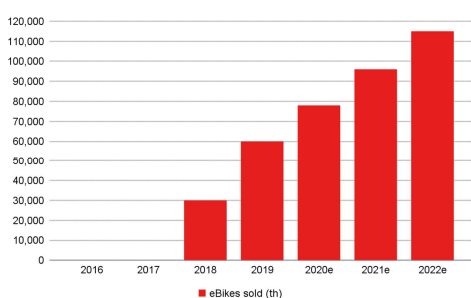
Company Background

- PMAG, is the biggest European motorcycle manufacturer and a global leader in off-road motorcycles. The company operates under the brands KTM, Husqvarna Motorcycles & GASGAS which are marketed separately.
- Racing plays an important role in generating new sales and winning new customers in both segments. In motorcycle racing, the driver is the hero and the brand is associated with the face of the winning driver.
- According to PMAG, wins can be translated 1-to-1 into off-road sales, while this effect is less pronounced for street motorcycles.
- Besides motorcycles, PMAG has set ambitious sales targets for its eBike business (PEXCO) of more than 80K units and roughly EUR 100m sales for 2020e already, while only targeting Europe in a first step.

Competitive Quality

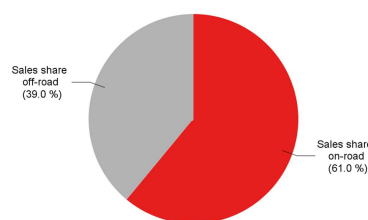
- PMAG is the market leader in Europe and has a strong footprint in USA (market share 12% and 9% respectively). Despite that, off-road is PMAG's legacy business where it benefits from a 70% market share in Europe.
- Customers look for quality and brands, which PMAG can offer as its products offer technically differentiated product features. A substantial amount of time and capital is needed to achieve the technology level of PMAG.
- Even stricter emission regulation disadvantages smaller players and new entrants and serve as a barrier to entry. At the same time it generates chances for M&A.
- PMAG is the industry leader in R&D spending, which enables it to defend its existing product offering and quickly understand new trends.
- PMAG created a unique vertical supply chain which ensures production of all critical and performance related components in house (WP, engines).

eBike unit sales development in units



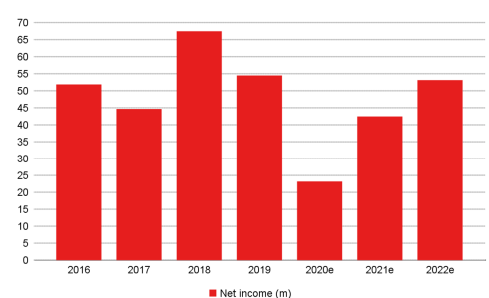
Source: Warburg Research

Sales share on/off-road 2019; in %



Source: Warburg Research

Net income development in EUR m



Source: Warburg Research

DCF model

Figures in EUR m	Detailed forecast period			Transitional period										Term. Value
	2020e	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	
Sales	1,242	1,553	1,742	1,916	2,080	2,230	2,368	2,492	2,604	2,703	2,791	2,868	2,935	2.0 %
Sales change	-18.3 %	25.0 %	12.2 %	10.0 %	8.5 %	7.2 %	6.2 %	5.3 %	4.5 %	3.8 %	3.2 %	2.8 %	2.3 %	
EBIT	71	116	140	163	176	187	198	207	215	222	227	232	236	
EBIT-margin	5.7 %	7.4 %	8.0 %	8.5 %	8.4 %	8.4 %	8.3 %	8.3 %	8.2 %	8.2 %	8.1 %	8.1 %	8.0 %	
Tax rate (EBT)	25.0 %	25.0 %	25.0 %	25.0 %	25.5 %	25.9 %	26.4 %	26.9 %	27.4 %	27.9 %	28.4 %	28.9 %	29.5 %	
NOPAT	54	87	105	122	131	139	145	151	156	160	163	165	167	
Depreciation	117	124	131	125	132	138	142	146	148	150	151	151	151	
in % of Sales	9.5 %	8.0 %	7.5 %	6.5 %	6.3 %	6.2 %	6.0 %	5.9 %	5.7 %	5.6 %	5.4 %	5.3 %	5.1 %	
Changes in provisions	-2	2	0	2	3	2	2	2	2	2	1	1	1	
Change in Liquidity from														
- Working Capital	19	-47	24	17	20	18	15	13	11	8	7	5	3	
- Capex	125	155	155	153	159	164	166	168	168	167	165	163	159	
Capex in % of Sales	10.1 %	10.0 %	8.9 %	8.0 %	7.7 %	7.3 %	7.0 %	6.7 %	6.4 %	6.2 %	5.9 %	5.7 %	5.4 %	
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	
Free Cash Flow (WACC Model)	24	105	57	78	86	97	108	118	128	136	143	150	156	
PV of FCF	23	94	48	61	63	67	69	71	71	71	70	68	66	1,377
share of PVs	7.42 %			30.49 %										62.09 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	30.00 %	Financial Strength	1.30
Cost of debt (after tax)	1.7 %	Liquidity (share)	1.50
Market return	7.00 %	Cyclicality	1.50
Risk free rate	1.50 %	Transparency	1.40
		Others	1.30
WACC	6.97 %	Beta	1.40

Valuation (m)

Present values 2032e	841		
Terminal Value	1,377		
Financial liabilities	609		
Pension liabilities	27		
Hybrid capital	0		
Minority interest	245		
Market val. of investments	14		
Liquidity	222	No. of shares (m)	22.5
Equity Value	1,573	Value per share (EUR)	69.81

Sensitivity Value per Share (EUR)

Beta	WACC	Terminal Growth							Beta	WACC	Delta EBIT-margin						
		1.25 %	1.50 %	1.75 %	2.00 %	2.25 %	2.50 %	2.75 %			-1.5 pp	-1.0 pp	-0.5 pp	+0.0 pp	+0.5 pp	+1.0 pp	+1.5 pp
1.66	8.0 %	46.53	48.08	49.76	51.58	53.56	55.72	58.08	1.66	8.0 %	34.29	40.05	45.82	51.58	57.34	63.11	68.87
1.53	7.5 %	53.53	55.46	57.55	59.84	62.35	65.11	68.17	1.53	7.5 %	40.90	47.21	53.53	59.84	66.16	72.47	78.79
1.46	7.2 %	57.48	59.64	62.00	64.58	67.43	70.57	74.07	1.46	7.2 %	44.69	51.32	57.95	64.58	71.21	77.84	84.47
1.40	7.0 %	61.79	64.22	66.88	69.81	73.05	76.66	80.69	1.40	7.0 %	48.88	55.86	62.84	69.81	76.79	83.77	90.74
1.34	6.7 %	66.51	69.25	72.27	75.61	79.32	83.47	88.14	1.34	6.7 %	53.52	60.88	68.24	75.61	82.97	90.33	97.69
1.27	6.5 %	71.69	74.80	78.24	82.06	86.34	91.15	96.62	1.27	6.5 %	58.69	66.48	74.27	82.06	89.85	97.64	105.43
1.14	6.0 %	83.74	87.80	92.34	97.45	103.25	109.89	117.56	1.14	6.0 %	71.03	79.84	88.64	97.45	106.26	115.06	123.87

- Sales growth slows from 10% to 2% in perpetuity.
- EBIT margin declines during transitional phase from 8.5% to 8%.
- EBIT used in our DCF differs from EBIT in the P&L as we exclude at-equity earnings...
- ... and separately add at-equity participations at book value. We deduct minority interest at 14x minority earnings.

Free Cash Flow Value Potential

Warburg Research's valuation tool "FCF Value Potential" reflects the ability of the company to generate sustainable free cash flows. It is based on the "FCF potential" - a FCF "ex growth" figure - which assumes unchanged working capital and pure maintenance capex. A value indication is derived via the perpetuity of a given year's "FCF potential" with consideration of the weighted costs of capital. The fluctuating value indications over time add a timing element to the DCF model (our preferred valuation tool).

in EUR m	2016	2017	2018	2019	2020e	2021e	2022e	
Net Income before minorities	89	84	114	96	41	75	93	
+ Depreciation + Amortisation	76	72	82	109	117	123	129	
- Net Interest Income	-13	-13	-16	-14	-18	-17	-17	
- Maintenance Capex	67	68	73	76	62	78	87	
+ Other	0	0	4	1	0	-1	-1	
= Free Cash Flow Potential	111	101	144	144	113	136	151	
FCF Potential Yield (on market EV)	6.2 %	4.7 %	6.2 %	6.7 %	8.6 %	9.4 %	9.9 %	
WACC	6.97 %	6.97 %	6.97 %	6.97 %	6.97 %	6.97 %	6.97 %	
= Enterprise Value (EV)	1,781	2,137	2,324	2,162	1,310	1,443	1,532	
= Fair Enterprise Value	1,591	1,448	2,061	2,066	1,619	1,955	2,172	
- Net Debt (Cash)	396	396	396	396	387	315	291	
- Pension Liabilities	29	29	29	29	27	29	29	
- Other	0	0	0	0	0	0	0	
- Market value of minorities	577	577	577	577	245	449	561	
+ Market value of investments	14	14	14	14	14	16	17	
= Fair Market Capitalisation	603	459	1,072	1,077	974	1,178	1,309	
Number of shares, average	23	23	23	23	23	23	23	
= Fair value per share (EUR)	26.74	20.37	47.58	47.78	43.23	52.26	58.06	
premium (-) / discount (+) in %					49.7 %	81.0 %	101.1 %	
Sensitivity Fair value per Share (EUR)								
	9.97 %	5.49	1.04	20.05	20.19	21.60	26.15	29.04
	8.97 %	10.99	6.04	27.18	27.34	27.21	32.91	36.56
	7.97 %	17.88	12.31	36.10	36.28	34.21	41.37	45.96
WACC	6.97 %	26.74	20.37	47.58	47.78	43.23	52.26	58.06
	5.97 %	38.58	31.14	62.91	63.15	55.28	66.80	74.22
	4.97 %	55.18	46.25	84.41	84.70	72.17	87.19	96.89
	3.97 %	80.16	68.97	116.76	117.12	97.59	117.88	130.99

- We expect maintenance Capex at 5% of sales.
- "Others" include the adjustments from at-equity earnings which we separately add at book value.
- Additionally, we deduct minority interest at 14x minority earnings.

Valuation							
	2016	2017	2018	2019	2020e	2021e	2022e
Price / Book	3.0 x	3.7 x	4.7 x	3.4 x	1.8 x	1.6 x	1.5 x
Book value per share ex intangibles	-3.89	-3.49	-5.56	-8.16	-8.62	-8.31	-7.34
EV / Sales	1.3 x	1.6 x	1.6 x	1.4 x	1.1 x	0.9 x	0.9 x
EV / EBITDA	9.0 x	11.0 x	11.0 x	9.0 x	6.9 x	6.0 x	5.7 x
EV / EBIT	14.6 x	17.5 x	18.1 x	16.4 x	18.2 x	12.4 x	10.8 x
EV / EBIT adj.*	14.6 x	17.5 x	17.4 x	16.2 x	18.4 x	12.5 x	11.0 x
P / FCF	34.5 x	n.a.	n.a.	12.5 x	49.0 x	7.4 x	16.2 x
P / E	15.7 x	26.0 x	20.8 x	21.3 x	28.0 x	15.3 x	12.2 x
P / E adj.*	15.7 x	29.1 x	34.1 x	21.3 x	28.0 x	15.3 x	12.2 x
Dividend Yield	0.1 %	0.6 %	0.5 %	n.a.	1.0 %	1.0 %	1.0 %
FCF Potential Yield (on market EV)	6.2 %	4.7 %	6.2 %	6.7 %	8.6 %	9.4 %	9.9 %

*Adjustments made for: One-offs and Pankl deconsolidation effect

Company Specific Items							
	2016	2017	2018	2019	2020e	2021e	2022e
Total KTM Bikes	172,636	201,451	212,898	234,449	179,888	233,000	251,100
Total Husqvarna Bikes	30,787	36,883	48,554	45,650	36,520	60,715	95,945
Total GASGAS Bikes	0	0	0	0	4,500	16,000	20,000
Sales share off-road	50.0 %	45.0 %	40.0 %	39.0 %	36.0 %	34.0 %	34.0 %
Sales share on-road	50.0 %	55.0 %	60.0 %	61.0 %	64.0 %	66.0 %	66.0 %
eBikes sold	0	0	30,000	60,000	78,000	96,000	115,000

Consolidated profit and loss

In EUR m	2016	2017	2018	2019	2020e	2021e	2022e
Sales	1,343	1,354	1,462	1,520	1,242	1,553	1,742
Change Sales yoy	9.8 %	0.8 %	8.0 %	4.0 %	-18.3 %	25.0 %	12.2 %
COGS	909	945	1,029	1,074	894	1,087	1,223
Gross profit	434	409	433	446	348	466	519
<i>Gross margin</i>	<i>32.3 %</i>	<i>30.2 %</i>	<i>29.6 %</i>	<i>29.3 %</i>	<i>28.0 %</i>	<i>30.0 %</i>	<i>29.8 %</i>
Research and development	40	34	27	24	25	25	40
Sales and marketing	170	165	172	215	161	217	226
Administration expenses	80	60	71	84	68	85	84
Other operating expenses	28	32	30	1	28	23	31
Other operating income	5	4	0	11	6	0	2
Unfrequent items	0	0	0	0	0	0	0
EBITDA	198	194	211	241	189	239	271
<i>Margin</i>	<i>14.8 %</i>	<i>14.3 %</i>	<i>14.4 %</i>	<i>15.8 %</i>	<i>15.2 %</i>	<i>15.4 %</i>	<i>15.5 %</i>
Depreciation of fixed assets	43	38	43	53	55	57	59
EBITA	156	156	168	188	133	183	212
Amortisation of intangible assets	33	34	39	56	62	66	70
Goodwill amortisation	0	0	0	0	0	0	0
EBIT	122	122	129	132	72	117	141
<i>Margin</i>	<i>9.1 %</i>	<i>9.0 %</i>	<i>8.8 %</i>	<i>8.7 %</i>	<i>5.8 %</i>	<i>7.5 %</i>	<i>8.1 %</i>
EBIT adj.	122	122	134	133	71	116	140
Interest income	3	2	3	3	3	3	3
Interest expenses	20	13	18	17	19	18	18
Other financial income (loss)	3	-2	-1	0	-2	-2	-2
EBT	109	109	112	118	54	99	124
<i>Margin</i>	<i>8.1 %</i>	<i>8.1 %</i>	<i>7.7 %</i>	<i>7.8 %</i>	<i>4.4 %</i>	<i>6.4 %</i>	<i>7.1 %</i>
Total taxes	20	30	27	22	14	25	31
Net income from continuing operations	89	79	85	96	41	75	93
Income from discontinued operations (net of tax)	0	5	5	0	0	0	0
Net income before minorities	89	84	114	96	41	75	93
Minority interest	37	39	47	41	18	32	40
Net income	52	45	67	54	23	42	53
<i>Margin</i>	<i>3.9 %</i>	<i>3.3 %</i>	<i>4.6 %</i>	<i>3.6 %</i>	<i>1.9 %</i>	<i>2.7 %</i>	<i>3.0 %</i>
Number of shares, average	23	23	23	23	23	23	23
EPS	2.30	1.98	2.99	2.42	1.03	1.89	2.36
EPS adj.	2.30	1.77	1.82	2.42	1.03	1.89	2.36

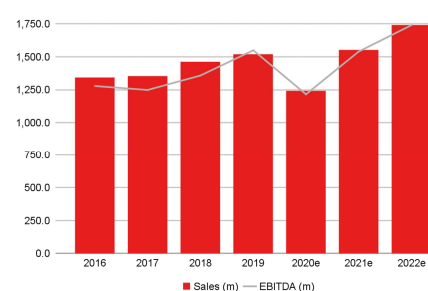
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Guidance: Guidance withdrawn

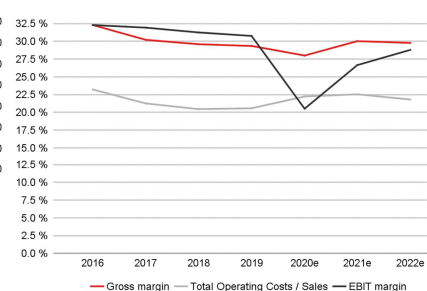
Financial Ratios

	2016	2017	2018	2019	2020e	2021e	2022e
Total Operating Costs / Sales	23.2 %	21.2 %	20.5 %	20.6 %	22.3 %	22.6 %	21.8 %
Operating Leverage	0.9 x	-0.4 x	0.7 x	0.6 x	2.5 x	2.5 x	1.7 x
EBITDA / Interest expenses	10.2 x	15.3 x	11.4 x	14.2 x	10.2 x	13.1 x	15.0 x
Tax rate (EBT)	18.5 %	27.6 %	24.2 %	18.8 %	25.0 %	25.0 %	25.0 %
Dividend Payout Ratio	0.8 %	8.6 %	7.9 %	0.0 %	16.6 %	9.1 %	7.3 %
Sales per Employee	264,936	322,856	339,817	348,016	348,016	348,016	348,016

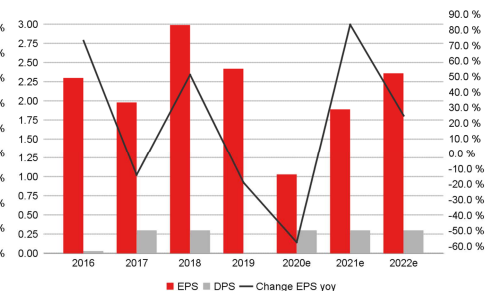
Sales, EBITDA
in EUR m



Operating Performance
in %



Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

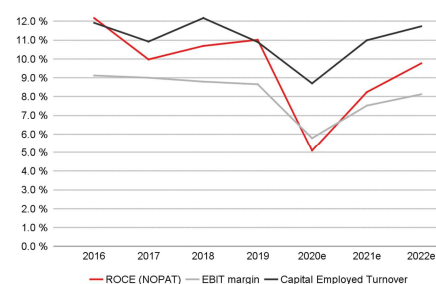
Consolidated balance sheet

In EUR m	2016	2017	2018	2019	2020e	2021e	2022e
Assets							
Goodwill and other intangible assets	362	397	423	522	556	585	609
thereof other intangible assets	244	280	327	392	425	454	479
thereof Goodwill	118	117	96	130	130	130	130
Property, plant and equipment	303	357	283	326	301	304	305
Financial assets	6	15	26	14	14	16	17
Other long-term assets	11	6	9	15	13	16	18
Fixed assets	682	775	742	878	884	920	950
Inventories	252	297	287	322	310	293	323
Accounts receivable	122	120	149	175	160	179	201
Liquid assets	284	169	89	161	222	286	302
Other short-term assets	84	104	87	78	64	80	90
Current assets	741	691	612	736	756	838	914
Total Assets	1,424	1,465	1,354	1,614	1,640	1,758	1,864
Liabilities and shareholders' equity							
Subscribed capital	225	225	23	23	23	23	23
Capital reserve	10	10	10	10	10	10	10
Retained earnings	0	0	0	0	0	0	0
Other equity components	39	83	265	306	329	365	411
Shareholders' equity	274	318	297	338	362	397	444
Minority interest	181	211	253	280	293	317	348
Total equity	455	529	551	619	655	715	791
Provisions	41	50	43	49	47	49	49
thereof provisions for pensions and similar obligations	24	24	25	29	27	29	29
Financial liabilities (total)	648	544	413	557	609	601	593
thereof short-term financial liabilities	191	171	73	86	86	86	86
Accounts payable	131	178	191	223	177	225	253
Other liabilities	149	164	157	167	152	168	178
Liabilities	969	937	803	995	985	1,043	1,073
Total liabilities and shareholders' equity	1,424	1,465	1,354	1,614	1,640	1,758	1,864

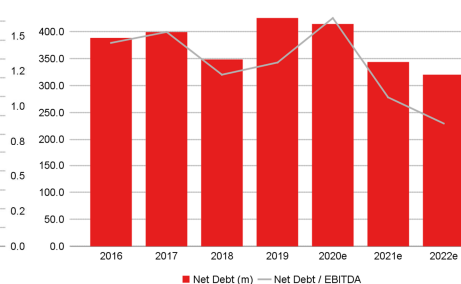
Financial Ratios

	2016	2017	2018	2019	2020e	2021e	2022e
Efficiency of Capital Employment							
Operating Assets Turnover	2.5 x	2.3 x	2.8 x	2.5 x	2.1 x	2.8 x	3.0 x
Capital Employed Turnover	1.6 x	1.5 x	1.6 x	1.5 x	1.2 x	1.5 x	1.6 x
ROA	7.6 %	5.8 %	9.1 %	6.2 %	2.6 %	4.6 %	5.6 %
Return on Capital							
ROCE (NOPAT)	12.2 %	10.0 %	10.7 %	11.0 %	5.1 %	8.2 %	9.8 %
ROE	22.0 %	15.1 %	21.9 %	17.1 %	6.6 %	11.2 %	12.6 %
Adj. ROE	22.0 %	13.5 %	13.4 %	17.1 %	6.6 %	11.2 %	12.6 %
Balance sheet quality							
Net Debt	388	399	348	425	414	344	320
Net Financial Debt	365	375	323	396	387	315	291
Net Gearing	85.3 %	75.5 %	63.2 %	68.7 %	63.2 %	48.1 %	40.4 %
Net Fin. Debt / EBITDA	183.7 %	193.3 %	153.2 %	164.4 %	205.0 %	131.4 %	107.5 %
Book Value / Share	12.2	14.1	13.2	15.0	16.0	17.6	19.7
Book value per share ex intangibles	-3.9	-3.5	-5.6	-8.2	-8.6	-8.3	-7.3

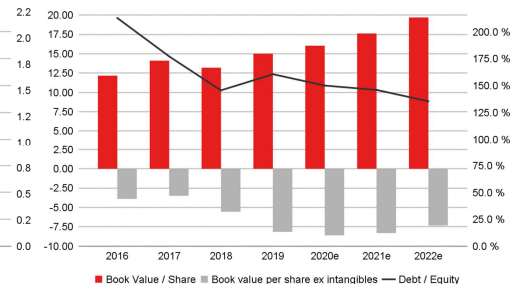
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

Consolidated cash flow statement

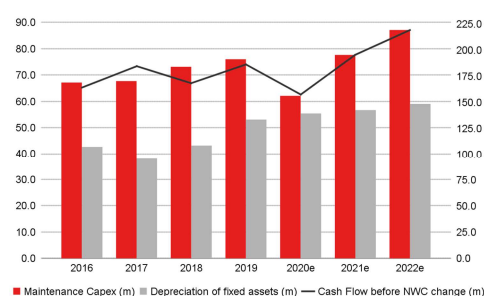
In EUR m	2016	2017	2018	2019	2020e	2021e	2022e
Net income	89	84	114	96	41	75	93
Depreciation of fixed assets	43	38	43	53	55	57	59
Amortisation of goodwill	0	0	0	0	0	0	0
Amortisation of intangible assets	33	34	39	56	62	66	70
Increase/decrease in long-term provisions	3	0	1	4	-2	2	0
Other non-cash income and expenses	-4	28	-29	-23	2	-4	-3
Cash Flow before NWC change	164	185	168	186	157	195	219
Increase / decrease in inventory	13	-36	-58	58	11	18	-30
Increase / decrease in accounts receivable	-25	-44	-26	13	15	-19	-22
Increase / decrease in accounts payable	16	56	1	0	-46	49	28
Increase / decrease in other working capital positions	0	0	0	0	0	0	0
Increase / decrease in working capital (total)	4	-23	-83	71	-19	47	-24
Net cash provided by operating activities [1]	168	161	85	257	138	242	195
Investments in intangible assets	-69	-74	-93	-110	-95	-95	-95
Investments in property, plant and equipment	-75	-105	-90	-55	-30	-60	-60
Payments for acquisitions	0	0	0	0	0	0	0
Financial investments	0	9	16	-1	0	0	0
Income from asset disposals	7	27	70	0	0	0	0
Net cash provided by investing activities [2]	-159	-154	-102	-166	-125	-155	-155
Change in financial liabilities	206	-97	-39	5	52	-8	-8
Dividends paid	-18	-20	-19	-20	0	-7	-7
Purchase of own shares	0	0	0	-5	0	0	0
Capital measures	0	0	0	0	0	0	0
Other	-49	0	-6	0	-4	-8	-10
Net cash provided by financing activities [3]	139	-118	-63	-21	48	-23	-25
Change in liquid funds [1]+[2]+[3]	148	-111	-80	71	61	64	15
Effects of exchange-rate changes on cash	0	-4	0	0	0	0	0
Cash and cash equivalent at end of period	283	169	89	161	222	286	302

Financial Ratios

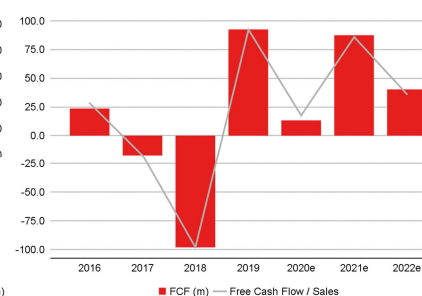
	2016	2017	2018	2019	2020e	2021e	2022e
Cash Flow							
FCF	24	-17	-98	92	13	87	40
Free Cash Flow / Sales	1.8 %	-1.3 %	-6.7 %	6.1 %	1.1 %	5.6 %	2.3 %
Free Cash Flow Potential	111	101	144	144	113	136	151
Free Cash Flow / Sales	1.8 %	-1.3 %	-6.7 %	6.1 %	1.1 %	5.6 %	2.3 %
Free Cash Flow / Net Profit	45.6 %	-38.7 %	-145.4 %	169.7 %	57.2 %	205.8 %	75.8 %
Interest Received / Avg. Cash	1.3 %	1.0 %	2.7 %	2.4 %	1.6 %	1.2 %	1.0 %
Interest Paid / Avg. Debt	3.3 %	2.1 %	3.9 %	3.5 %	3.2 %	3.0 %	3.0 %
Management of Funds							
Investment ratio	10.7 %	13.2 %	12.6 %	10.8 %	10.1 %	10.0 %	8.9 %
Maint. Capex / Sales	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %	5.0 %
Capex / Dep	189.4 %	248.0 %	223.0 %	151.2 %	106.9 %	126.3 %	119.9 %
Avg. Working Capital / Sales	18.1 %	17.8 %	16.6 %	17.1 %	22.9 %	17.4 %	14.8 %
Trade Debtors / Trade Creditors	93.1 %	67.4 %	78.4 %	78.7 %	90.4 %	79.3 %	79.2 %
Inventory Turnover	3.6 x	3.2 x	3.6 x	3.3 x	2.9 x	3.7 x	3.8 x
Receivables collection period (days)	33	32	37	42	47	42	42
Payables payment period (days)	53	69	68	76	72	76	76
Cash conversion cycle (Days)	82	78	71	76	102	65	63

CAPEX and Cash Flow

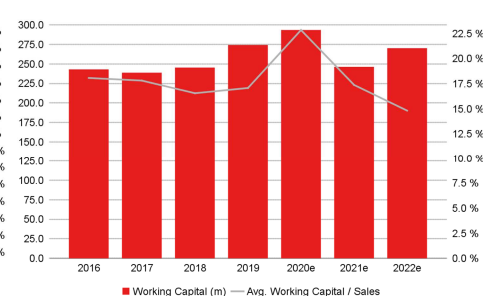
in EUR m



Free Cash Flow Generation



Working Capital



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

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Investment recommendation: expected direction of the share price development of the financial instrument up to the given price target in the opinion of the analyst who covers this financial instrument.

-B-	Buy:	The price of the analysed financial instrument is expected to rise over the next 12 months.
-H-	Hold:	The price of the analysed financial instrument is expected to remain mostly flat over the next 12 months.
-S-	Sell:	The price of the analysed financial instrument is expected to fall over the next 12 months.
“-“	Rating suspended:	The available information currently does not permit an evaluation of the company.

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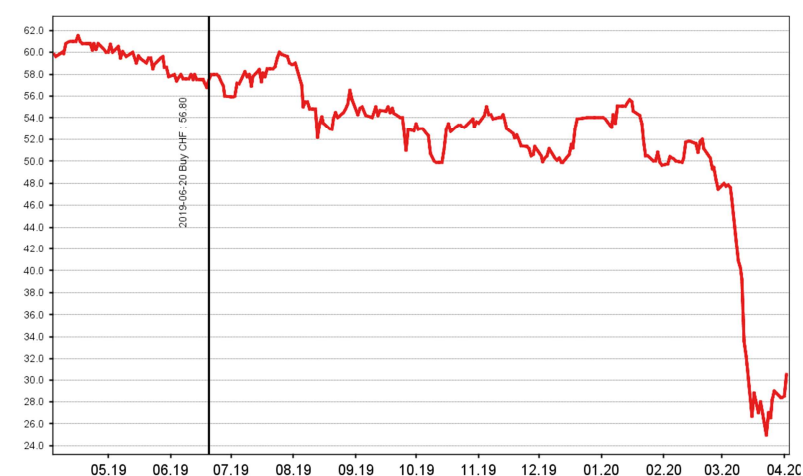
Rating	Number of stocks	% of Universe
Buy	126	62
Hold	62	30
Sell	10	5
Rating suspended	6	3
Total	204	100

WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING ...

... taking into account only those companies which were provided with major investment services in the last twelve months.

Rating	Number of stocks	% of Universe
Buy	34	81
Hold	5	12
Sell	0	0
Rating suspended	3	7
Total	42	100

PRICE AND RATING HISTORY PIERER MOBILITY AG AS OF 03.04.2020



Markings in the chart show rating changes by Warburg Research GmbH in the last 12 months. Every marking details the date and closing price on the day of the rating change.

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