

GOOD TO KNOW

PIERER MOBILITY

Analyst:	mark.diethelm@vontobel.com
Bloomberg: PMAG SE	Price: CHF 32.0
Enterprise value (mns)	CHF 1,048
Market cap (mns)	CHF 634
Reporting Currency	EUR

Buy **PT: CHF 60.0**

Income Stat. (mns)	2018A	2019E	2020E	2021E
Revenues	1560	1520	1511	1743
EBITDA	252	241	208	257
EBIT	161	132	88.3	132
Net profit	67.5	54.5	29.3	47.9
Growth (%)	2018A	2019E	2020E	2021E
Revenues	1.7	-2.5	-0.6	15.3
Net profit	46.1	-19.2	-46.3	63.3
EPS (rep.)	40.7	-19.4	-48.5	63.3
Margin analysis (%)	2018A	2019E	2020E	2021E
Gross margin	29.8	29.4	28.3	28.8
EBITDA margin	16.2	15.8	13.8	14.7
EBIT margin	10.3	8.7	5.8	7.5
Balance sheet (%)	2018A	2019E	2020E	2021E
NWC/Revenues	15.0	16.2	17.4	15.8
Net debt (mns)	323	395	410	368
Equity to tot. assets	40.7	38.7	41.6	44.8
Gearing	58.7	63.9	62.4	50.4
Net debt/EBITDA	1.3	1.6	2.0	1.4
CF statement (mns)	2018A	2019E	2020E	2021E
Capex	-158	-165	-160	-159
Operating FCF	-72.8	92.1	1.99	59.2
Inc(+)/Dec(-) in cash	-79.7	73.3	-95.1	-17.8
CF analysis (%)	2018A	2019E	2020E	2021E
Op. CF margin	5.5	16.9	10.7	12.5
Capex/Revenues	10.1	10.8	10.6	9.1
Capex/Depreciation	173	151	134	127
Per-share data (CHF)	2018A	2019E	2020E	2021E
EPS (rep.)	3.33	2.68	1.38	2.26
EPS (adj.)	2.39	2.31	1.38	2.26
Net cash	-15.8	-19.4	-19.3	-17.4
Dividend	0.33	0.33	0.33	0.33
Payout ratio (%)	9.9	12.3	23.9	14.5
Valuation (X)	2018A	2019E	2020E	2021E
P/E	18.3	10.6	23.1	14.2
P/E (adj.)	25.5	12.3	23.1	14.2
P/B	4.18	1.78	2.02	1.85
EV/EBITDA	6.8	4.3	4.9	3.9
FCF yield %	-6.0	16.0	0.3	9.8
Dividend yield %	0.5	1.2	1.0	1.0
Profit. ratios (%)	2018A	2019E	2020E	2021E
ROIC	12.2	9.6	5.9	8.4
ROE	21.9	17.6	8.9	13.6
ROA	8.1	6.5	3.5	5.6
BB Consensus (mns)	2018A	2019E	2020E	2021E
Revenues	1511	1520	1461	1676
EBITDA	235	241	208	260
EBIT	147	132	91	128
Net profit	67	50	31	48
EPS	2.17	2.30	1.20	2.04

Conference call/analyst meeting

No conference call or analyst meeting scheduled

Production to return to full operation by mid-May - short-time work terminated end of this month - BUY

FACTS & COMMENT:

Short-time work ending: The company announced today that the short-time work implemented in March will be terminated by end of May for all its 3'800 employees. Production was also stopped due to interruption of parts from Italian suppliers. Due to the resumption of production of Italian suppliers, Pierer's motorcycle production will re-start by 11 May and step by step return to full operation by 18 May.

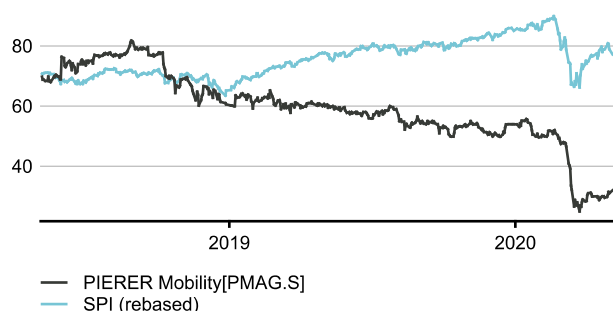
Indian production: In India, the lockdown was recently extended from 4 May to 18 May. We expect production and dealership network to re-open by around the same time Pierer's Austrian manufacturing returns to normal.

Encouraging sales signs: PMAG reports, without giving quantitative details, that sales figures in countries where dealers have already opened are encouraging. This applies to Scandinavia, Austria and Germany as well as China.

OUR CONCLUSION:

The resumption of production and the opening of the dealer networks are first steps towards normality. We have already anticipated the lockdown in our estimates changes mid-March but uncertainty about consumer behaviour in the months ahead remains high. However, seasonality is geared towards the 2nd half and thus the positive signs from re-opened markets are encouraging. We believe (electric) two-wheelers will become even more important in private transport following the virus crisis. BUY.

Performance



Source: Bloomberg, Vontobel Equity Research

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3. Research rating history

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 VT IB clients in rating category As %
Buy	34	31	29
Hold	68	63	18
Reduce	6	6	0

The table above is revised at the beginning of each quarter, i.e. it currently reflects the status as at 31 March 2020 .

5. Rating plotter charts

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
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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)
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