

WHAT'S NEW?

PIERER MOBILITY

Analyst:	mark.diethelm@vontobel.com
Bloomberg: PMAG SE	Price: CHF 28.9
Enterprise value (mns)	CHF 1,060
Market cap (mns)	CHF 647
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	10.8	20.9	12.8
P/E (adj.)	25.5	12.6	20.9	12.8
P/B	4.18	1.82	1.83	1.68
EV/EBITDA	6.8	4.3	5.0	3.9
FCF yield %	-6.0	15.7	0.3	9.6
Dividend yield %	0.5	1.1	1.1	1.1
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	1672	1816
EBITDA	235	241	223	270
EBIT	147	132	114	138
Net profit	67	50	36	51
EPS	2.17	2.30	1.42	2.15

Conference call/analyst meeting

No conference call or analyst meeting scheduled

Detailed FY19 results without surprises - Dividend unchanged - Short-time work introduced - 2022 targets confirmed

FACTS & COMMENT:

Detailed FY19 with no surprises: The company's detailed FY19 results correspond to the preliminary results from end of January without any surprises. The strong FCF of EUR 91.6 mn (after M&A) has been confirmed. Pierer proposes an unchanged dividend of EUR 0.3 per share.

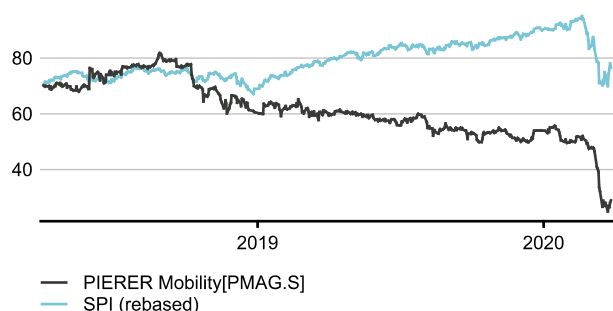
Financial outlook 2020 cancelled: Already mid-March, the company announced measures due to the COVID-19 crisis and abandoned its 2020 guidance. The introduction of short-time work has been implemented for the whole workforce earlier than planned due to the lockdown in Austria.

Pexco and 2020 outlook maintained: The acquired e-bicycle business from Pexco will be bundled into a newly founded company Husqvarna e-bicycles GmbH with sales of more than EUR 100m expected in 2020. The 2022 target of 400'00 motorcycles sales has been reconfirmed with a goal of developing Husqvarna to the 3rd largest manufacturer in Europe (no time-line).

OUR CONCLUSION:

The detailed FY19 results hold no surprises with the strong FCF being confirmed. Maintaining an unchanged dividend and the outlook for Pexco amid the current crisis is a strong positive signal, in our view. However, 2020 will be a difficult year for the group given that the dealer network is under lockdown in major countries in Europe, affecting bike sales. However, we expect Pierer to weather the storm better than its smaller rivals.

Performance



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 VT IB clients in rating category As %
Buy	34	31	29
Hold	69	63	17
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 December 2019.

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
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)
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Buy: When upside to price target falls below: 5% for SMI/SLI stocks for 30 calendar days; 10% for SMIM stocks for 30 calendar days; 15% for all other stocks for 45 calendar days.

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