

Buy CHF 79.00 Price CHF 53.90 Upside 46.6 %	Value Indicators: CHF DCF: 79.37 FCF-Value Potential 21e: 80.23	Share data: Bloomberg: PMAG GR Reuters: PMAG.VI ISIN: AT0000KTMIO2	Description: Europe's largest manufacturer of sports motorcycles.
	Market Snapshot: CHF m Market cap: 1,215 No. of shares (m): 23 EV: 1,892 Freefloat MC: 462 Ø Trad. Vol. (30d): 1.14 m	Shareholders: Freefloat 38.0 % Pierer Industrie AG 62.0 % Remaining management 1.1 %	Risk Profile (WRe): 2020e Beta: 1.4 Price / Book: 3.1 x Equity Ratio: 39 % Net Fin. Debt / EBITDA: 1.9 x Net Debt / EBITDA: 2.0 x

Preliminaries in line with our forecasts

Pierer Mobility yesterday (22.07.2020) published preliminary sales and EBIT figures for H1 2020. With a two-month production interruption, the company generated sales of ca. EUR 600m vs. EUR 754.9m in H1 19, a decline of 20.5% yoy. EBIT reached EUR 1.7m vs. EUR 46.6m in H1 19. In the light of the dramatic operating measures that had to be made, we regard the performance as impressive

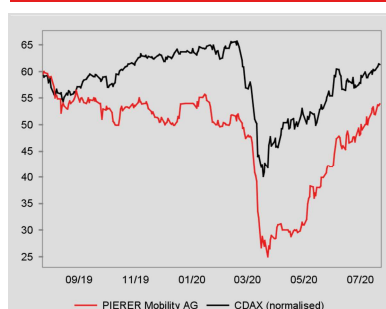
There was surprisingly strong development in the motorcycle customer end-market, particularly in North America (+20%). Globally, motorcycle registrations rose by around 4% in H1 2020 despite COVID-19 lockdowns. According to Pierer Mobility, KTM and Husqvarna achieved wholesale market share gains, especially in the US market.

As we were expecting, the company gave a sales guidance for the full year 2020 of approximately EUR 1,400m (WRe: EUR 1,439.8m). The e-bike segment should contribute around EUR 110m, which is in line with our estimate, and 57.1% growth yoy. In H2 2020, group sales growth of 4.5% yoy is assumed by Pierer Mobility. Against the backdrop of empty dealer warehouses, we regard the H2 sales guidance as cautious. The company is producing at full capacity again and there should be some catch-up effects on wholesale revenues during H2 2020. To this end, 170 new employees were hired for the Austrian production facility after production resumed in early June.

We continue to expect FY EBIT of EUR 69m. We regard the preliminary figures as very robust especially considering that production had to be stopped for two months. The company should give a profitability and FCF guidance with publication of final H1 figures on August 31. In our view, this will be the next trigger event.

While COVID-19 will interrupt the group's growth story in 2020e, it could also offer opportunities in the form of further consolidation within the industry. Latest market data is encouraging that Pierer will be able to partially catch up on lost revenue, as customers are putting greater focus on individual mobility. Furthermore, we expect Pierer to continue to gain market share, as its operational and supply chain performance is strong even in a tough market environment. Pierer can capitalise on a strong balance sheet (equity ratio >38%) and a solid liquidity situation (WRe: ~200m). We think the company could even benefit and steer the consolidation among European motorcycle manufacturers or at least take advantage of its strong B2B dealer network.

Our estimates and PT remain unchanged as the preliminary figures totally confirmed our forecasts. We stick to our recommendation. **Buy.**

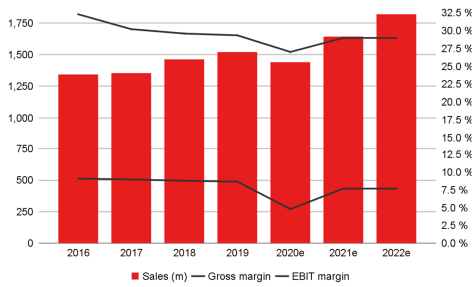


Rel. Performance vs CDAX:	
1 month:	8.8 %
6 months:	11.1 %
Year to date:	3.2 %
Trailing 12 months:	-11.8 %

Company events:
31.08.20 H1

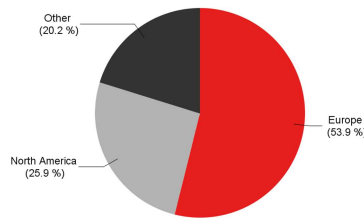
FY End: 31.12. in EUR m	CAGR (19-22e)	2016	2017	2018	2019	2020e	2021e	2022e
Sales	6.2 %	1,343	1,354	1,462	1,520	1,440	1,642	1,819
Change Sales yoy		9.8 %	0.8 %	8.0 %	4.0 %	-5.3 %	14.0 %	10.8 %
Gross profit margin		32.3 %	30.2 %	29.6 %	29.3 %	27.0 %	29.0 %	29.0 %
EBITDA	7.4 %	198	194	211	241	200	270	298
Margin		14.8 %	14.3 %	14.4 %	15.8 %	13.9 %	16.5 %	16.4 %
EBIT	2.0 %	122	122	129	132	69	126	140
Margin		9.1 %	9.0 %	8.8 %	8.7 %	4.8 %	7.7 %	7.7 %
Net income	-1.3 %	52	45	67	54	22	46	52
EPS	-1.3 %	2.30	1.98	2.99	2.42	0.98	2.06	2.33
EPS adj.	-1.3 %	2.30	1.77	1.82	2.42	0.98	2.06	2.33
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.	0.6 %	0.6 %	0.6 %
FCFPS		1.05	-0.77	-4.35	4.10	1.35	2.90	3.13
EV / Sales		1.3 x	1.6 x	1.6 x	1.4 x	1.2 x	1.2 x	1.1 x
EV / EBITDA		9.0 x	11.0 x	11.0 x	9.0 x	8.8 x	7.3 x	6.6 x
EV / EBIT		14.6 x	17.5 x	18.1 x	16.4 x	25.5 x	15.6 x	14.1 x
P / E		15.7 x	26.0 x	20.8 x	21.3 x	51.1 x	24.3 x	21.5 x
P / E adj.		15.7 x	29.1 x	34.1 x	21.3 x	51.1 x	24.3 x	21.5 x
FCF Potential Yield		6.2 %	4.7 %	6.2 %	6.7 %	6.5 %	8.1 %	8.9 %
Net Debt		388	399	348	425	397	349	295
ROE		22.0 %	15.1 %	21.9 %	17.1 %	6.3 %	12.2 %	12.4 %
ROCE (NOPAT)		12.2 %	10.0 %	10.7 %	11.0 %	4.9 %	8.9 %	9.7 %
Guidance:	Guidance withdrawn							

Sales & margin development in EUR m



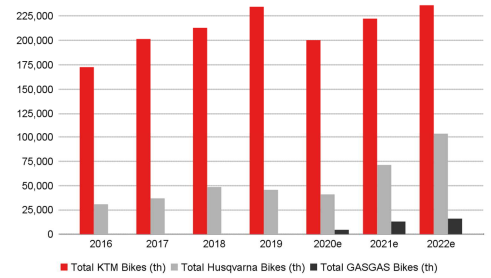
Source: Warburg Research

Sales by regions 2019; in %



Source: Warburg Research

Motorcycles unit sales by brand in units



Source: Warburg Research

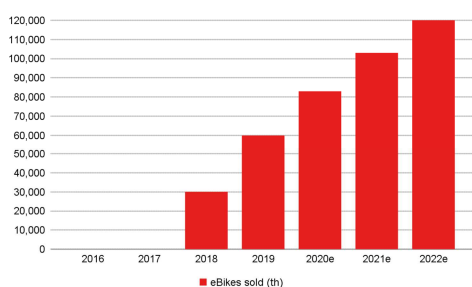
Company Background

- 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 (Husqvarna E-Bikes) of more than 80K units and roughly EUR 110m sales for 2020e already, while only targeting Europe in a first step.

Competitive Quality

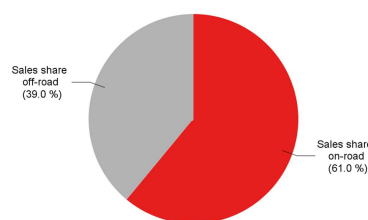
- PMAG is the market leader in Europe and has a strong footprint in USA (market share 12% and 9% respectively). Despite that, off-road is PMAG's legacy business where it benefits from a 70% market share in Europe.
- Customers look for quality and brands, which PMAG can offer as its products offer technically 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



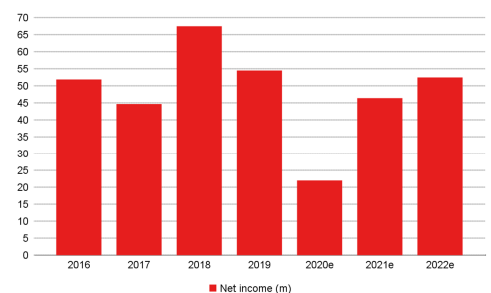
Source: Warburg Research

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	1,440	1,642	1,819	2,001	2,171	2,328	2,472	2,602	2,718	2,822	2,913	2,993	3,064	
Sales change	-5.3 %	14.0 %	10.8 %	10.0 %	8.5 %	7.2 %	6.2 %	5.3 %	4.5 %	3.8 %	3.2 %	2.8 %	2.3 %	2.0 %
EBIT	69	125	138	170	183	196	206	216	224	231	237	242	247	
EBIT-margin	4.8 %	7.6 %	7.6 %	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	51	94	104	128	137	145	152	158	163	167	170	172	174	
Depreciation	131	145	160	130	137	144	149	152	155	157	158	158	157	
in % of Sales	9.1 %	8.9 %	8.8 %	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	3	3	3	2	2	2	2	1	1	1	
Change in Liquidity from														
- Working Capital	-9	4	22	8	24	22	19	17	15	13	11	9	8	
- Capex	145	155	155	160	166	171	174	175	175	174	172	170	166	
Capex in % of Sales	10.1 %	9.4 %	8.5 %	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)	44	82	87	92	87	98	110	120	129	138	146	152	158	163
PV of FCF	42	73	73	72	63	67	70	72	72	72	71	69	67	1,403
share of PVs	8.20 %			30.45 %										61.35 %

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	884		
Terminal Value	1,403		
Financial liabilities	609		
Pension liabilities	27		
Hybrid capital	0		
Minority interest	232		
Market val. of investments	14		
Liquidity	239	No. of shares (m)	22.5
Equity Value	1,672	Value per share (EUR)	74.17

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 %	50.44	52.02	53.73	55.58	57.60	59.80	62.21	1.66	8.0 %	37.46	43.50	49.54	55.58	61.63	67.67	73.71
1.53	7.5 %	57.58	59.54	61.68	64.01	66.57	69.38	72.49	1.53	7.5 %	44.16	50.78	57.39	64.01	70.63	77.25	83.86
1.46	7.2 %	61.61	63.81	66.21	68.84	71.74	74.94	78.51	1.46	7.2 %	48.00	54.95	61.90	68.84	75.79	82.74	89.68
1.40	7.0 %	66.01	68.48	71.19	74.17	77.47	81.14	85.25	1.40	7.0 %	52.25	59.55	66.86	74.17	81.48	88.79	96.10
1.34	6.7 %	70.81	73.61	76.68	80.08	83.86	88.09	92.85	1.34	6.7 %	56.95	64.66	72.37	80.08	87.79	95.50	103.21
1.27	6.5 %	76.10	79.26	82.76	86.66	91.01	95.92	101.48	1.27	6.5 %	62.19	70.34	78.50	86.66	94.81	102.97	111.13
1.14	6.0 %	88.38	92.51	97.14	102.34	108.25	115.01	122.82	1.14	6.0 %	74.69	83.91	93.12	102.34	111.56	120.78	130.00

- 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	39	81	92	
+ Depreciation + Amortisation	76	72	82	109	131	144	159	
- Net Interest Income	-13	-13	-16	-14	-18	-17	-17	
- Maintenance Capex	67	68	73	76	72	82	91	
+ Other	0	0	4	1	0	-1	-1	
= Free Cash Flow Potential	111	101	144	144	114	160	176	
FCF Potential Yield (on market EV)	6.2 %	4.7 %	6.2 %	6.7 %	6.5 %	8.1 %	8.9 %	
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	1,757	1,967	1,977	
= Fair Enterprise Value	1,591	1,448	2,061	2,066	1,641	2,298	2,522	
- Net Debt (Cash)	396	396	396	396	370	320	266	
- 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	232	490	554	
+ Market value of investments	14	14	14	14	14	16	17	
= Fair Market Capitalisation	603	459	1,072	1,077	1,027	1,474	1,690	
Number of shares, average	23	23	23	23	23	23	23	
= Fair value per share (EUR)	26.74	20.37	47.58	47.78	45.55	65.41	74.98	
premium (-) / discount (+) in %					-9.0 %	30.7 %	49.8 %	
Sensitivity Fair value per Share (EUR)								
	9.97 %	5.49	1.04	20.05	20.19	23.62	34.72	41.30
	8.97 %	10.99	6.04	27.18	27.34	29.30	42.67	50.02
	7.97 %	17.88	12.31	36.10	36.28	36.40	52.61	60.93
WACC	6.97 %	26.74	20.37	47.58	47.78	45.55	65.41	74.98
	5.97 %	38.58	31.14	62.91	63.15	57.75	82.51	93.74
	4.97 %	55.18	46.25	84.41	84.70	74.88	106.48	120.05
	3.97 %	80.16	68.97	116.76	117.12	100.64	142.55	159.63

- 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	3.1 x	2.8 x	2.5 x
Book value per share ex intangibles	-3.89	-3.49	-5.56	-8.16	-8.27	-7.19	-5.42
EV / Sales	1.3 x	1.6 x	1.6 x	1.4 x	1.2 x	1.2 x	1.1 x
EV / EBITDA	9.0 x	11.0 x	11.0 x	9.0 x	8.8 x	7.3 x	6.6 x
EV / EBIT	14.6 x	17.5 x	18.1 x	16.4 x	25.5 x	15.6 x	14.1 x
EV / EBIT adj.*	14.6 x	17.5 x	17.4 x	16.2 x	25.6 x	15.8 x	14.3 x
P / FCF	34.5 x	n.a.	n.a.	12.5 x	36.9 x	17.2 x	16.0 x
P / E	15.7 x	26.0 x	20.8 x	21.3 x	51.1 x	24.3 x	21.5 x
P / E adj.*	15.7 x	29.1 x	34.1 x	21.3 x	51.1 x	24.3 x	21.5 x
Dividend Yield	0.1 %	0.6 %	0.5 %	n.a.	0.6 %	0.6 %	0.6 %
FCF Potential Yield (on market EV)	6.2 %	4.7 %	6.2 %	6.7 %	6.5 %	8.1 %	8.9 %

*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	200,252	222,317	236,046
Total Husqvarna Bikes	30,787	36,883	48,554	45,650	41,002	71,283	103,400
Total GASGAS Bikes	0	0	0	0	4,500	13,000	16,000
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	83,000	103,000	120,000

Consolidated profit and loss

In EUR m	2016	2017	2018	2019	2020e	2021e	2022e
Sales	1,343	1,354	1,462	1,520	1,440	1,642	1,819
Change Sales yoy	9.8 %	0.8 %	8.0 %	4.0 %	-5.3 %	14.0 %	10.8 %
COGS	909	945	1,029	1,074	1,051	1,166	1,291
Gross profit	434	409	433	446	389	476	527
Gross margin	32.3 %	30.2 %	29.6 %	29.3 %	27.0 %	29.0 %	29.0 %
Research and development	40	34	27	24	29	41	45
Sales and marketing	170	165	172	215	194	230	255
Administration expenses	80	60	71	84	85	90	100
Other operating expenses	28	32	30	1	19	2	2
Other operating income	5	4	0	11	7	11	13
Unfrequent items	0	0	0	0	0	0	0
EBITDA	198	194	211	241	200	270	298
Margin	14.8 %	14.3 %	14.4 %	15.8 %	13.9 %	16.5 %	16.4 %
Depreciation of fixed assets	43	38	43	53	60	64	70
EBITA	156	156	168	188	139	206	229
Amortisation of intangible assets	33	34	39	56	70	80	89
Goodwill amortisation	0	0	0	0	0	0	0
EBIT	122	122	129	132	69	126	140
Margin	9.1 %	9.0 %	8.8 %	8.7 %	4.8 %	7.7 %	7.7 %
EBIT adj.	122	122	134	133	69	125	138
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	51	109	123
Margin	8.1 %	8.1 %	7.7 %	7.8 %	3.6 %	6.6 %	6.7 %
Total taxes	20	30	27	22	13	27	31
Net income from continuing operations	89	79	85	96	39	81	92
Income from discontinued operations (net of tax)	0	5	5	0	0	0	0
Net income before minorities	89	84	114	96	39	81	92
Minority interest	37	39	47	41	17	35	40
Net income	52	45	67	54	22	46	52
Margin	3.9 %	3.3 %	4.6 %	3.6 %	1.5 %	2.8 %	2.9 %
Number of shares, average	23	23	23	23	23	23	23
EPS	2.30	1.98	2.99	2.42	0.98	2.06	2.33
EPS adj.	2.30	1.77	1.82	2.42	0.98	2.06	2.33

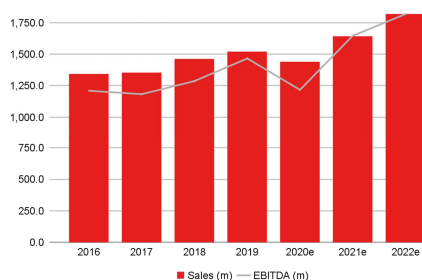
*Adjustments made for: One-offs and Pankl deconsolidation effect

Guidance: Guidance withdrawn

Financial Ratios

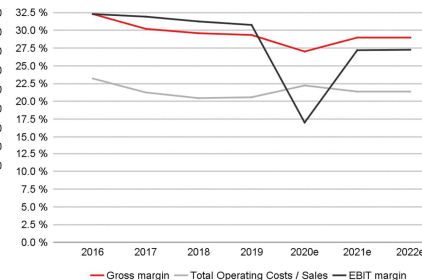
	2016	2017	2018	2019	2020e	2021e	2022e
Total Operating Costs / Sales	23.2 %	21.2 %	20.5 %	20.6 %	22.2 %	21.4 %	21.4 %
Operating Leverage	0.9 x	-0.4 x	0.7 x	0.6 x	9.0 x	5.9 x	1.0 x
EBITDA / Interest expenses	10.2 x	15.3 x	11.4 x	14.2 x	10.8 x	14.7 x	16.5 x
Tax rate (EBT)	18.5 %	27.6 %	24.2 %	18.8 %	25.0 %	25.0 %	25.0 %
Dividend Payout Ratio	0.8 %	8.6 %	7.9 %	0.0 %	17.5 %	8.3 %	7.3 %
Sales per Employee	264,936	322,856	339,817	348,016	348,016	348,016	348,016

Sales, EBITDA in EUR m



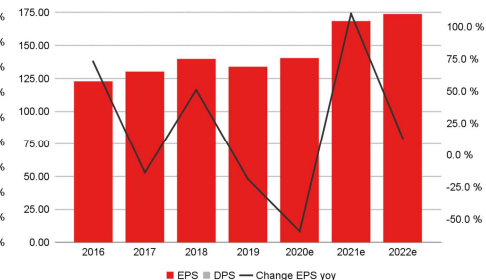
Source: Warburg Research

Operating Performance in %



Source: Warburg Research

Performance per Share



Source: Warburg Research

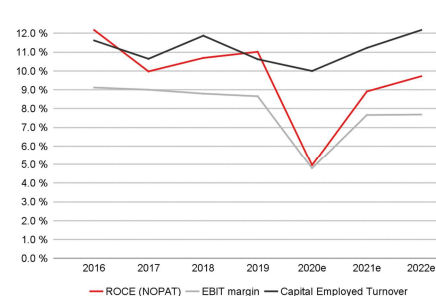
Consolidated balance sheet

In EUR m	2016	2017	2018	2019	2020e	2021e	2022e
Assets							
Goodwill and other intangible assets	362	397	423	522	547	562	568
thereof other intangible assets	244	280	327	392	416	432	438
thereof Goodwill	118	117	96	130	130	130	130
Property, plant and equipment	303	357	283	326	316	312	302
Financial assets	6	15	26	14	14	16	17
Other long-term assets	11	6	9	15	15	17	19
Fixed assets	682	775	742	878	892	906	906
Inventories	252	297	287	322	313	328	357
Accounts receivable	122	120	149	175	174	184	204
Liquid assets	284	169	89	161	239	281	327
Other short-term assets	84	104	87	78	74	85	94
Current assets	741	691	612	736	800	878	981
Total Assets	1,424	1,465	1,354	1,614	1,692	1,785	1,888
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	328	367	413
Shareholders' equity	274	318	297	338	360	400	446
Minority interest	181	211	253	280	293	319	349
Total equity	455	529	551	619	653	719	795
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	221	243	269
Other liabilities	149	164	157	167	163	173	182
Liabilities	969	937	803	995	1,039	1,066	1,093
Total liabilities and shareholders' equity	1,424	1,465	1,354	1,614	1,692	1,785	1,888

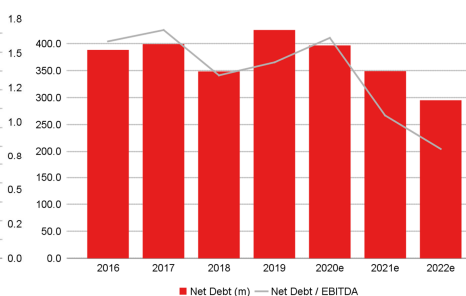
Financial Ratios

	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	2.5 x	2.8 x	3.1 x
Capital Employed Turnover	1.6 x	1.5 x	1.6 x	1.5 x	1.4 x	1.5 x	1.7 x
ROA	7.6 %	5.8 %	9.1 %	6.2 %	2.5 %	5.1 %	5.8 %
Return on Capital							
ROCE (NOPAT)	12.2 %	10.0 %	10.7 %	11.0 %	4.9 %	8.9 %	9.7 %
ROE	22.0 %	15.1 %	21.9 %	17.1 %	6.3 %	12.2 %	12.4 %
Adj. ROE	22.0 %	13.5 %	13.4 %	17.1 %	6.3 %	12.2 %	12.4 %
Balance sheet quality							
Net Debt	388	399	348	425	397	349	295
Net Financial Debt	365	375	323	396	370	320	266
Net Gearing	85.3 %	75.5 %	63.2 %	68.7 %	60.7 %	48.5 %	37.1 %
Net Fin. Debt / EBITDA	183.7 %	193.3 %	153.2 %	164.4 %	185.2 %	118.4 %	89.1 %
Book Value / Share	12.2	14.1	13.2	15.0	16.0	17.7	19.8
Book value per share ex intangibles	-3.9	-3.5	-5.6	-8.2	-8.3	-7.2	-5.4

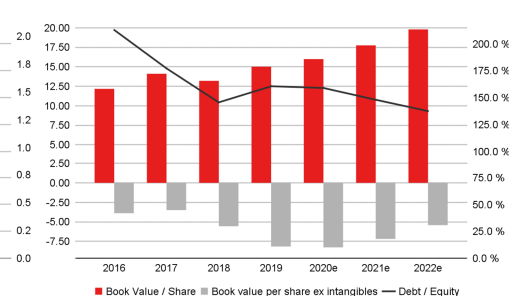
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

Consolidated cash flow statement

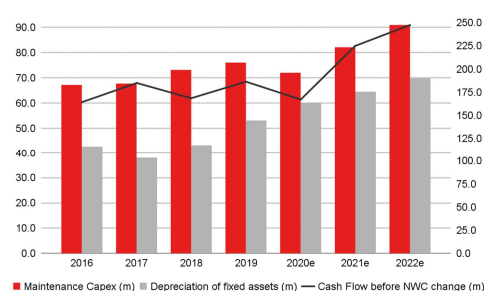
In EUR m	2016	2017	2018	2019	2020e	2021e	2022e
Net income	89	84	114	96	39	81	92
Depreciation of fixed assets	43	38	43	53	60	64	70
Amortisation of goodwill	0	0	0	0	0	0	0
Amortisation of intangible assets	33	34	39	56	70	80	89
Increase/decrease in long-term provisions	3	0	1	4	-2	2	0
Other non-cash income and expenses	-4	28	-29	-23	0	-3	-3
Cash Flow before NWC change	164	185	168	186	167	225	247
Increase / decrease in inventory	13	-36	-58	58	9	-15	-28
Increase / decrease in accounts receivable	-25	-44	-26	13	2	-11	-20
Increase / decrease in accounts payable	16	56	1	0	-2	22	26
Increase / decrease in other working capital positions	0	0	0	0	0	0	0
Increase / decrease in working capital (total)	4	-23	-83	71	9	-4	-22
Net cash provided by operating activities [1]	168	161	85	257	176	220	226
Investments in intangible assets	-69	-74	-93	-110	-95	-95	-95
Investments in property, plant and equipment	-75	-105	-90	-55	-50	-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	-145	-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	-9	-10
Net cash provided by financing activities [3]	139	-118	-63	-21	48	-24	-25
Change in liquid funds [1]+[2]+[3]	148	-111	-80	71	78	42	46
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	239	281	327

Financial Ratios

	2016	2017	2018	2019	2020e	2021e	2022e
Cash Flow							
FCF	24	-17	-98	92	31	65	71
Free Cash Flow / Sales	1.8 %	-1.3 %	-6.7 %	6.1 %	2.1 %	4.0 %	3.9 %
Free Cash Flow Potential	111	101	144	144	114	160	176
Free Cash Flow / Sales	1.8 %	-1.3 %	-6.7 %	6.1 %	2.1 %	4.0 %	3.9 %
Free Cash Flow / Net Profit	45.6 %	-38.7 %	-145.4 %	169.7 %	138.8 %	141.0 %	134.4 %
Interest Received / Avg. Cash	1.3 %	1.0 %	2.7 %	2.4 %	1.5 %	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 %	9.4 %	8.5 %
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 %	111.1 %	107.5 %	97.7 %
Avg. Working Capital / Sales	18.1 %	17.8 %	16.6 %	17.1 %	18.7 %	16.3 %	15.4 %
Trade Debtors / Trade Creditors	93.1 %	67.4 %	78.4 %	78.7 %	78.6 %	75.9 %	75.9 %
Inventory Turnover	3.6 x	3.2 x	3.6 x	3.3 x	3.4 x	3.5 x	3.6 x
Receivables collection period (days)	33	32	37	42	44	41	41
Payables payment period (days)	53	69	68	76	77	76	76
Cash conversion cycle (Days)	82	78	71	76	76	68	66

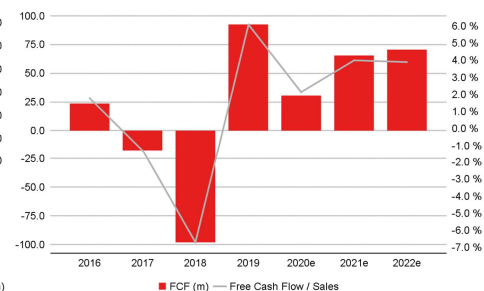
CAPEX and Cash Flow

in EUR m



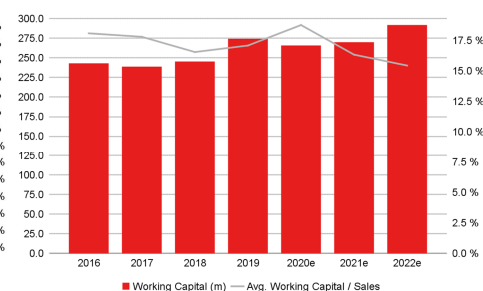
Source: Warburg Research

Free Cash Flow Generation



Source: Warburg Research

Working Capital



Source: Warburg Research

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Company	Disclosure	Link to the historical price targets and rating changes (last 12 months)
PIERER Mobility AG	5	http://www.mmwarburg.com/disclaimer/disclaimer_en/AT0000KTMI02.htm

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-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	127	62
Hold	59	29
Sell	12	6
Rating suspended	7	3
Total	205	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	32	80
Hold	6	15
Sell	0	0
Rating suspended	2	5
Total	40	100

PRICE AND RATING HISTORY PIERER MOBILITY AG AS OF 23.07.2020



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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