

WHAT'S NEW?

PIERER MOBILITY

Analyst:	mark.diethelm@vontobel.com
Bloomberg: PMAG SE	Price: CHF 72.1
Enterprise value (mns)	CHF 2,384
Market cap (mns)	CHF 2,254
Reporting Currency	EUR

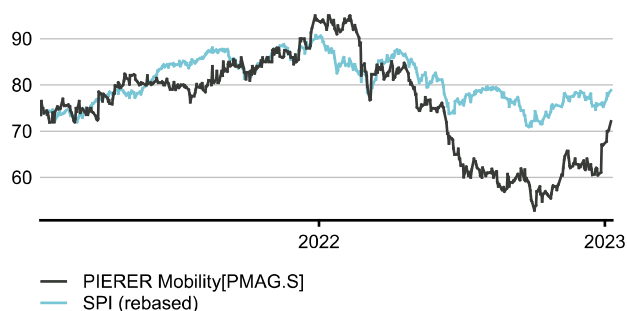
Buy **PT: CHF 95.0**

Income Stat. (mns)	2021A	2022E	2023E	2024E
Revenues	2042	2420	2389	2626
EBITDA	333	387	377	410
EBIT	194	235	218	248
Net profit	92.3	181	167	189
Growth (%)	2021A	2022E	2023E	2024E
Revenues	33.5	18.5	-1.3	9.9
Net profit	188	95.8	-7.9	13.5
EPS (rep.)	151	35.9	-6.89	13.5
Margin analysis (%)	2021A	2022E	2023E	2024E
Gross margin	29.1	29.4	29.5	29.6
EBITDA margin	16.3	16.0	15.8	15.6
EBIT margin	9.5	9.7	9.1	9.4
Balance sheet (%)	2021A	2022E	2023E	2024E
NWC/Revenues	7.9	8.8	11.8	11.3
Net debt (mns)	190	187	126	45.6
Equity to tot. assets	37.6	41.3	45.5	48.4
Gearing	24.8	20.4	12.3	3.9
Net debt/EBITDA	0.6	0.5	0.3	0.1
CF statement (mns)	2021A	2022E	2023E	2024E
Capex	-181	-193	-196	-194
Operating FCF	186	37.8	126	147
Inc(+)/Dec(-) in cash	155	-17.5	11.0	50.7
CF analysis (%)	2021A	2022E	2023E	2024E
Op. CF margin	18.0	9.5	13.5	13.0
Capex/Revenues	8.9	8.0	8.2	7.4
Capex/Depreciation	130	127	124	119
Per-share data (CHF)	2021A	2022E	2023E	2024E
EPS (rep.)	3.85	5.24	4.88	5.54
EPS (adj.)	3.88	5.24	4.88	5.54
Net cash	-5.9	-5.4	-3.7	-1.3
Dividend	1.05	1.95	1.97	2.02
Payout ratio (%)	27.2	37.2	40.4	36.4
Valuation (X)	2021A	2022E	2023E	2024E
P/E	24.4	12.8	14.8	13.0
P/E (adj.)	24.2	12.8	14.8	13.0
P/B	3.96	2.54	2.41	2.14
EV/EBITDA	11.0	6.3	6.3	5.6
FCF yield %	6.2	1.6	5.5	6.4
Dividend yield %	1.1	2.9	2.7	2.8
Profit. ratios (%)	2021A	2022E	2023E	2024E
ROIC	13.2	14.7	12.5	13.7
ROE	16.5	21.6	17.2	17.4
ROA	8.2	8.6	7.5	8.2
BB Consensus (mns)	2021A	2022E	2023E	2024E
Revenues	2040	2362	2397	2557
EBITDA	331	370	378	428
EBIT	187	219	220	NA
Net profit	115	148	153	NA
EPS	3.67	4.69	4.73	5.17

Conference call/analyst meeting

No conference call or analyst meeting scheduled

Performance



Source: Bloomberg, Vontobel Equity Research

Another record year with strong volume and sales development and profitability in FY22 - Positive FY23 outlook well above expectations - Buy

FACTS & COMMENT:

Unit sales ahead: PMAG reports FY22 motorcycle unit sales of 376k, an increase of 13% y/y (2% ahead of VT) and bicycles units (incl. e-bicycles) of 118k, up 15% y/y (4% above VT). Motorcycle unit sales in Europe was solid (+8% y/y) but more buoyant outside Europe with (16% y/y). Bicycles unit sales, particularly e-bicycles, was rather muted amid electronic component shortages

Narrowed FY22 guide: FY22 revenues are expected between EUR 2.42 to 2.44bn (VTe: EUR 2.42), implying a growth of 19% y/y, at the upper end of the recently increased sales guidance. The EBIT-margin is expected to be between 9-10% (previously 8-10%; VTe: 9.7%).

Positive 2023 outlook: For FY23, PMAG forecasts sales growth of 6-10% driven by both bicycles and motorcycles segments versus our assumption of a volume decline in motorcycles given soft European consumer sentiment. EBIT margin is expected to be between 8-10%. At the mid-point, the implied sales level would be circa EUR 2.62bn, close to 10% above consensus with an EBIT (at 9% margin) circa 8% above market.

Next event: Preliminary FY22 key figures on 31 January.

OUR CONCLUSION:

Despite supply challenges, FY22 was another record year with robust growth and profitability. For FY23, the company surprises positively with an upbeat outlook in a challenging macroeconomic environment with the provided guidance potentially triggering consensus upgrades in the high single digits. Given the robust growth outlook and the launch of the electric motorcycle portfolio by year-end, providing sound growth drivers also for FY24, the investment case remains attractive. Buy confirmed.

1. Analyst declaration

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The document was not submitted to the analyzed companies before publication or distribution

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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 Bank VT clients in rating category As %
Buy	37	37	43
Hold	63	63	27
Reduce	0	0	0

The table above is revised at the beginning of each quarter, i.e. it currently reflects the status as of 30 September 2022 .

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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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Buy	Price target (when set) implies 10% or more upside on a 12-month horizon
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)
Suspended Coverage	Coverage is temporarily suspended (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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