

FINANCIAL MODEL UPDATE

PIERER MOBILITY

Analyst:	mark.diethelm@vontobel.com
Bloomberg: PMAG SE	Price: CHF 72.7
Enterprise value (mns)	CHF 1,945
Market cap (mns)	CHF 1,588
Reporting Currency	EUR

Buy **PT: CHF 88.0 (NEW)**

Income Stat. (mns)	2019A	2020E	2021E	2022E
Revenues	1520	1530	1817	2002
EBITDA	241	239	289	321
EBIT	132	107	148	175
Net profit	54.5	34.9	57.1	70.1
Growth (%)	2019A	2020E	2021E	2022E
Revenues	-2.5	0.7	18.7	10.2
Net profit	-19.2	-35.9	63.6	22.7
EPS (rep.)	-19.4	-37.3	65.5	22.7
Margin analysis (%)	2019A	2020E	2021E	2022E
Gross margin	29.3	27.8	28.7	29.1
EBITDA margin	15.8	15.6	15.9	16.0
EBIT margin	8.7	7.0	8.2	8.7
Balance sheet (%)	2019A	2020E	2021E	2022E
NWC/Revenues	16.9	14.9	12.0	13.6
Net debt (mns)	396	309	287	222
Equity to tot. assets	38.3	40.4	43.5	46.4
Gearing	64.0	44.9	36.7	24.8
Net debt/EBITDA	1.6	1.3	1.0	0.7
CF statement (mns)	2019A	2020E	2021E	2022E
Capex	-150	-157	-165	-171
Operating FCF	108	157	38.9	82.6
Inc(+)/Dec(-) in cash	71.3	96.7	-38.1	45.2
CF analysis (%)	2019A	2020E	2021E	2022E
Op. CF margin	16.9	20.5	11.2	12.6
Capex/Revenues	9.9	10.2	9.1	8.5
Capex/Depreciation	137	119	117	117
Per-share data (CHF)	2019A	2020E	2021E	2022E
EPS (rep.)	2.68	1.68	2.79	3.42
EPS (adj.)	2.30	1.68	2.79	3.42
Net cash	-19.5	-14.9	-14.0	-10.8
Dividend	0.00	0.33	0.34	0.34
Payout ratio (%)	0.0	19.6	12.1	9.9
Valuation (X)	2019A	2020E	2021E	2022E
P/E	20.1	42.2	26.1	21.3
P/E (adj.)	23.4	42.2	26.1	21.3
P/B	3.24	3.95	3.56	3.13
EV/EBITDA	6.8	8.0	6.6	5.8
FCF yield %	9.8	10.6	2.7	5.7
Dividend yield %	0.0	0.5	0.5	0.5
Profit. ratios (%)	2019A	2020E	2021E	2022E
ROIC	9.4	7.2	9.8	10.8
ROE	17.1	9.8	14.4	15.7
ROA	6.5	4.2	6.0	6.8
BB Consensus (mns)	2019A	2020E	2021E	2022E
Revenues	1520	1530	1785	1986
EBITDA	241	239	290	327
EBIT	132	107	146	173
Net profit	50	36	55	66
EPS	2.30	1.59	2.42	2.98

Conference call/analyst meeting

No conference call or analyst meeting scheduled

Model update after FY21 guidance issuance - KTM AG ownership simplification to unlock further value - Buy with new PT CHF 88 (85)

FACTS & COMMENT:

FY21 guidance above expectations: Ahead of tomorrow's EGM, PMAG issued a FY21 guidance and expects sales between EUR 1.8 to 1.9bn and an EBIT-Margin of 8-9% (EBITDA >15%). The mid-point of the sales guidance is c3.5% ahead of consensus/VT with the mid-point of the EBIT c8% higher than market estimates.

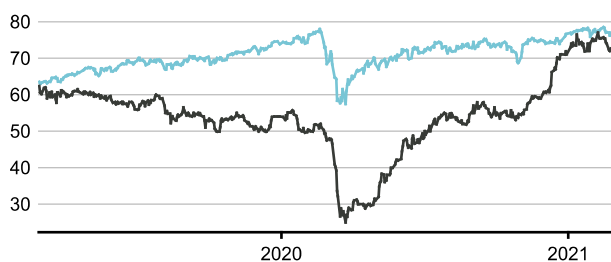
Model updates: As PMAG expects both segments to see robust demand with the e-bicycle segment also benefitting from a regional expansion, we increased unit assumptions in both segments and slightly our ASP assumptions.. Overall, we lifted our sales estimates by 2% and 1% for FY21E/FY22E. With scale benefits in e-mobility and traditional motorcycles (incl. likely better pricing due to Euro 5), our EBIT estimates were up by 6% and 5% for FY21 and FY22.

EGM on 26 February: At tomorrow's EGM, minority shareholders will decide whether an opting-out clause will be added to the Articles of Association. A vote in favor would pave the way for a potential quick ownership simplification of KTM AG. This would further unlock economic value (i.e. no more dividend cash-outs to KTM AG shareholders).

OUR CONCLUSION:

Ahead of the EGM tomorrow, PMAG provided a FY21 guidance which is above expectations. We adjusted our estimates to reflect the better than expected FY21 development with both segments enjoying robust demand (VTe: motorcycle unit growth ex-Bajaj >10% y/y; e-bicycle 39% y/y). Moreover, margins in motorcycles are recovering faster than expected back to pre-crisis levels. The potential KTM AG ownership simplification would unlock further economic value. Buy reiterated with new PT of CHF 88 (85).

Performance



— PIERER Mobility[PMAG.S]
— SPI (rebased)

Source: Bloomberg, Vontobel Equity Research

Changes to Vontobel estimates	FY20 new	FY21 new	FY22 new	FY20 old	FY21 old	FY21 old	FY20 chg	FY21 chg	FY22 chg
Revenues	1530	1817	2002	1530	1784	1974	0%	2%	1%
EBITDA	239.0	289.0	320.8	239.0	280.8	313.1	0%	3%	2%
- margin	15.6%	15.9%	16.0%	15.6%	15.7%	15.9%	0%	3%	2%
EBIT	107.2	148.3	174.8	107.2	140.0	167.1	0%	6%	5%
- margin	7.0%	8.2%	8.7%	7.0%	7.8%	8.5%	0%	8%	5%
Net profit	34.9	57.1	70.1	34.9	54.1	67.4	0%	5%	4%
Operating FCF	156.9	38.9	82.6	156.9	38.0	79.9	0%	3%	3%
FCF/sales	10.3%	2.1%	4.1%	10.3%	2.1%	4.0%	0%	3%	3%

Source: Vontobel Equity Research

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PIERER Mobility[PMAG.S] was last changed from Hold to Buy on 04-10-17

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	VT Research universe No.	VT Research universe As %	Share of Bank VT clients in rating category As %
Buy	32	31	28
Hold	68	66	15
Reduce	3	3	33

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

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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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