

PIERER Mobility

On the road out of lockdown

PIERER Mobility has announced that it is seeing encouraging strength in several major markets as it emerges from the constrained environment of lockdowns. It is seeing share gains in the US motorcycle market, as well as strong demand for e-bike demand across its main European market. It has returned to full production following the production halt in Austria and is increasing staff numbers to meet the stronger demand. We maintain our forecast for now given continuing uncertainty, but the news of improving demand seems encouraging for the path to financial recovery.

Year end	Revenue (€m)	EBIT* (€m)	EPS* (€)	DPS (€)	P/E (x)	Yield (%)
12/18	1,462	128.7	1.82	0.30	22.0	0.8
12/19	1,520	131.7	2.42	0.30	16.5	0.8
12/20e	1,431	72.8	1.01	0.30	39.6	0.8
12/21e	1,698	132.3	2.07	0.30	19.3	0.8

Note: *PBT and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments.

PIERER Mobility has today announced that in the first five months of the year, and despite the COVID-19 lockdowns and its own mitigation measures, it is seeing encouraging developments. It says that after the end of the shutdown in various regions it is seeing 'surprisingly' strong development of motorcycle demand, especially in the US where KTM and HUSQVARNA are experiencing strong share gains. In addition, the e-bikes division with its HUSQVARNA and R RAYMON brands has benefited from the boom in demand for all things pedal powered in Europe during lockdown. It has experienced double-digit sales growth for the first five months of the year.

Having resumed output at its main facility in Mattighofen in Austria earlier this month, it has now returned to full production. With short-time working arrangements now ended, PIERER is increasing staffing levels to meet the stronger demand and is hiring 70 new employees and recruiting 45 new apprentices. The full-time headcount will increase to over 4,000 globally, higher than before the production halt that started in March 2020. We suspect that the renewed public interest in personal transport and cycling generally should sustain the positive momentum if the pandemic remains under control.

Post lockdown update

Automobiles & parts

29 May 2020

Price **€40**

Market cap **€900m**

CHF1.07/€1

Net debt (€m) at 31 December 2019 396

Shares in issue 22.5m

Free float 39%

Code PMAG

Primary exchange SIX Swiss Exchange

Secondary exchange Frankfurt Stock Exchange

Share price performance



Business description

PIERER Mobility (previously KTM Industries) is a leading manufacturer of powered two wheelers, focusing on premium motorcycles and two-wheeled electric vehicles. With its well-known brands – KTM, HUSQVARNA and GASGAS – it is the largest sports motorcycle manufacturer in Europe.

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