

WHAT'S NEW?

PIERER MOBILITY

Analyst:	mark.diethelm@vontobel.com
Bloomberg: PMAG SE	Price: CHF 80.0
Enterprise value (mns)	CHF 2,168
Market cap (mns)	CHF 1,787
Reporting Currency	EUR

Buy **PT: CHF 90.0**

Income Stat. (mns)	2019A	2020A	2021E	2022E
Revenues	1520	1530	1871	2042
EBITDA	241	234	297	326
EBIT	132	107	156	180
Net profit	54.5	34.9	60.4	72.2
Growth (%)	2019A	2020A	2021E	2022E
Revenues	-2.5	0.7	22.2	9.1
Net profit	-19.2	-35.9	73.1	19.5
EPS (rep.)	-19.4	-37.7	77.5	19.5
Margin analysis (%)	2019A	2020A	2021E	2022E
Gross margin	29.3	27.9	28.7	29.1
EBITDA margin	15.8	15.3	15.9	16.0
EBIT margin	8.7	7.0	8.3	8.8
Balance sheet (%)	2019A	2020A	2021E	2022E
NWC/Revenues	16.9	14.5	11.2	12.9
Net debt (mns)	396	312	298	239
Equity to tot. assets	38.3	38.8	43.2	46.7
Gearing	64.0	47.8	39.6	27.4
Net debt/EBITDA	1.6	1.3	1.0	0.7
CF statement (mns)	2019A	2020A	2021E	2022E
Capex	-150	-148	-165	-171
Operating FCF	108	165	40.1	84.6
Inc(+)/Dec(-) in cash	71.3	105	-45.6	38.9
CF analysis (%)	2019A	2020A	2021E	2022E
Op. CF margin	16.9	20.4	10.9	12.5
Capex/Revenues	9.9	9.7	8.8	8.4
Capex/Depreciation	137	117	117	117
Per-share data (CHF)	2019A	2020A	2021E	2022E
EPS (rep.)	2.68	1.67	2.97	3.55
EPS (adj.)	2.30	1.67	2.97	3.55
Net cash	-19.5	-15.1	-14.6	-11.8
Dividend	0.00	0.54	0.55	0.55
Payout ratio (%)	0.0	32.0	18.5	15.5
Valuation (X)	2019A	2020A	2021E	2022E
P/E	20.1	42.5	26.9	22.5
P/E (adj.)	23.4	42.5	26.9	22.5
P/B	3.24	4.08	3.98	3.47
EV/EBITDA	6.8	8.3	7.2	6.4
FCF yield %	9.8	11.1	2.5	5.2
Dividend yield %	0.0	0.8	0.7	0.7
Profit. ratios (%)	2019A	2020A	2021E	2022E
ROIC	9.4	7.2	10.2	11.0
ROE	17.1	10.0	15.7	16.5
ROA	6.5	4.2	6.5	7.2
BB Consensus (mns)	2019A	2020A	2021E	2022E
Revenues	1520	1530	1870	2053
EBITDA	241	239	301	329
EBIT	132	107	156	179
Net profit	50	36	58	68
EPS	2.30	1.62	2.61	3.08

Conference call/analyst meeting

No conference call or analyst meeting scheduled

Strong motorcycle sales in 1H21 - Continued solid e-bike development - Buy confirmed

FACTS & COMMENT:

Motorcycle sales almost double in 1H21: Following an already strong 1Q21 development, PMAG reported a continuation of the trends with strong 1H21 unit sales. Motorcycle units were up to 95% y/y to 176'045 units compared to 1H20 - affected by lockdowns - but also up 29% versus the 1st half of 2019. Strong demand drivers were North America with unit sales up 170% y/y but also Europe with unit sales increasing by 76%. Despite still a difficult situation in India, motorcycle sales were up 52% y/y.

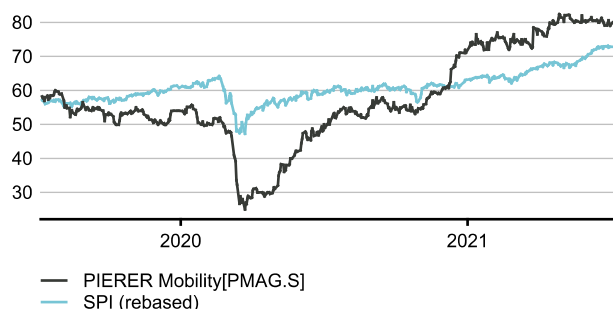
Solid E-Bike business : In 1H21, PMAG sold 53'378 bikes (e-bikes and normal bikes), an increase of 25% y/y.

Next catalyst: 1st half year report on 31 August.

OUR CONCLUSION:

PMAG motorcycle sales growth rates in 1H21 are very strong but also benefit from a low prior year base, which was impacted by lockdowns. In comparison to 1H19, 1H21 unit sales were up 29%, a very solid development. The e-bike business continues to develop a strong 2nd growth pillar and should further benefit from the regional expansion. The recently upgraded FY21 guidance will likely be confirmed amid these strong 1H21 unit sales figures.

Performance



Source: Bloomberg, Vontobel Equity Research

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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	32	31	28
Hold	69	68	13
Reduce	1	1	100

The table above is revised at the beginning of each quarter, i.e. it currently reflects the status as at 31 March 2021 .

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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
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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
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Restricted	Coverage is temporarily restricted (no price target)
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