

## WHAT'S NEW?

## PIERER MOBILITY

Analyst:	mark.diethelm@vontobel.com
Bloomberg: PMAG SE	Price: CHF 61.1
Enterprise value (mns)	CHF 2,215
Market cap (mns)	CHF 2,053
Reporting Currency	EUR

**Buy** **PT: CHF 95.0**

Income Stat. (mns)	2021A	2022E	2023E	2024E
Revenues	2042	2304	2388	2608
EBITDA	333	362	379	411
EBIT	194	210	217	245
Net profit	92.3	162	166	188
Growth (%)	2021A	2022E	2023E	2024E
Revenues	33.5	12.8	3.7	9.2
Net profit	188	75.0	2.8	13.1
EPS (rep.)	151	21.5	2.84	13.1
Margin analysis (%)	2021A	2022E	2023E	2024E
Gross margin	29.1	29.4	29.5	29.6
EBITDA margin	16.3	15.7	15.9	15.7
EBIT margin	9.5	9.1	9.1	9.4
Balance sheet (%)	2021A	2022E	2023E	2024E
NWC/Revenues	7.9	8.3	9.9	9.7
Net debt (mns)	190	161	68.7	-41.0
Equity to tot. assets	37.6	41.2	45.3	48.7
Gearing	24.8	17.9	6.6	-3.4
Net debt/EBITDA	0.6	0.4	0.2	-0.1
CF statement (mns)	2021A	2022E	2023E	2024E
Capex	-181	-193	-196	-194
Operating FCF	186	64.1	128	149
Inc(+)/Dec(-) in cash	155	8.86	42.3	79.7
CF analysis (%)	2021A	2022E	2023E	2024E
Op. CF margin	18.0	11.2	13.6	13.1
Capex/Revenues	8.9	8.4	8.2	7.4
Capex/Depreciation	130	127	121	117
Per-share data (CHF)	2021A	2022E	2023E	2024E
EPS (rep.)	3.85	4.68	4.82	5.44
EPS (adj.)	3.88	4.68	4.82	5.44
Net cash	-5.9	-4.7	-2.0	1.2
Dividend	1.05	1.07	1.17	1.22
Payout ratio (%)	27.2	22.9	24.3	22.4
Valuation (X)	2021A	2022E	2023E	2024E
P/E	24.4	13.0	12.7	11.2
P/E (adj.)	24.2	13.0	12.7	11.2
P/B	3.96	2.36	2.05	1.78
EV/EBITDA	11.0	6.1	5.6	4.9
FCF yield %	6.2	3.0	6.1	7.1
Dividend yield %	1.1	1.8	1.9	2.0
Profit. ratios (%)	2021A	2022E	2023E	2024E
ROIC	13.2	13.4	12.9	14.1
ROE	16.5	19.5	17.3	17.0
ROA	8.2	7.7	7.5	8.0
BB Consensus (mns)	2021A	2022E	2023E	2024E
Revenues	2040	2260	2399	2557
EBITDA	331	362	382	428
EBIT	187	209	221	NA
Net profit	115	148	153	NA
EPS	3.67	4.48	4.69	5.17

## Conference call/analyst meeting

No conference call or analyst meeting scheduled

## Increasing FY22 sales guidance again while confirming margin targets - Proposed dividend to at least double y/y - Buy

## FACTS &amp; COMMENT:

**Another record sales year:** Pierer Mobility yesterday lifted its FY22 sales growth guidance (again) to 15-20% (old: 10-15%). This new guidance compares to the initial guide of 6-10% set earlier this year. The better top-line performance seems to be a result of better component availability for motorcycles & bicycles and robust demand particularly outside Europe as the latter region has seen mixed motorcycle trends throughout 2022. The mid-point of the new sales guide is 7% above market.

**Profitability guide maintained:** The company confirmed its FY22 profitability targets with an EBITDA margin of 15-17% and an EBIT-margin of 8-10%. Given the higher volumes in FY22 and the >20% higher production output in the Mattighofen site, profitability might likely be at the mid/upper end despite no price increases during FY22. At the mid-point of the new guidance, EBITDA is c4% above consensus.

**Doubling of dividend proposed:** PMAG proposes a FY22 dividend of at least EUR 2 (VTe: CHF 1.10), which is at least a doubling over 2021 and offers a yield of >3.2%

**Next event:** Preliminary results on 31 January 2023.

## OUR CONCLUSION:

Improved component supply & robust demand outside Europe have continued to positively contribute and resulted in a very strong 2nd half. We continue to assume profitability will be at the upper half of the guidance range, which is remarkable as PMAG did not raise prices during FY22 to offset higher input costs. The doubling of the dividend is also a +ve surprise and signals a solid FCF generation (lower inventory) as well as confidence in FY23 (launch of electric motorcycle portfolio). Buy.

## Performance



Source: Bloomberg, Vontobel Equity Research

## Disclaimer & Disclosures – 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		Share of Bank VT clients in rating category	
	No.	As %	As %	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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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
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Reduce	Price target (when set) implies 15% downside on a 12-month horizon
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