

FINANCIAL MODEL UPDATE

PIERER MOBILITY

Analyst:	mark.diethelm@vontobel.com
Bloomberg: PMAG SE	Price: CHF 67.8
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	13.9	12.2
P/E (adj.)	24.2	12.8	13.9	12.2
P/B	3.96	2.54	2.27	2.01
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	2.9	3.0
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	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

Revising estimates following FY22 sales guidance upgrade and dividend hike - Buy

FACTS & COMMENT:

Estimate changes: Following the sales guidance upgrade late last year, we have lifted our FY22 revenues by 5%. Due to higher volumes, we increased our EBITDA-margin by 30bps for FY22 to reflect the scale effects. While PMAG looks positively into FY23 and likely expects top-line growth, we continue to take a conservative view with regard to 2023 motorcycle demand (VTe 8% y/y volume decline excl. India; pricing +3%) while e-bikes should see positive momentum. As a result, our FY23/FY24 estimates are largely unchanged with some margin pressure due to product mix and higher Opex (i.e. energy, salaries) this year. We continue to expect a launch of the electric motorcycle portfolio (i.e. E-Pilen) by late 2023, supporting volume shipments in 2024.

Dividends: PMAG has stated that it will propose a dividend of at least EUR 2 for FY22 (yield ~3%), which is double the prior year level and signals high confidence in the FY23 performance. The dividend increase implies a payout ratio of 35-40% (2021: <30%), which we now also assume for FY23/FY24.

Next event: 31 January 2023: Preliminary FY22 figures

OUR CONCLUSION:

Despite supply difficulties last year, PMAG benefited from strong demand in 2022, especially outside Europe. We expect demand for motorcycles to remain subdued in Europe in FY23 but to be robust overall globally, while demand for e-bikes is expected to remain positive. Product portfolio expansion (e.g. MV Augusta), a plethora of new models this year and the launch of the electric portfolio in late 2023 should support top-line. Buy confirmed with unchanged price target of CHF 95.

Performance



Source: Bloomberg, Vontobel Equity Research

Changes to Vontobel estimates

(EUR m)	FY22 new	FY23 new	FY24 new	FY22 old	FY23 old	FY24 old	FY22 chg	FY23 chg	FY24 chg
Revenues	2420	2389	2626	2304	2388	2608	5.0%	0.0%	0.7%
EBITDA	387	377	410	362	379	411	7.0%	-0.7%	-0.2%
- margin	16.0%	15.8%	15.6%	15.7%	15.9%	15.7%			
EBIT	235	218	248	210	217	245	12.1%	0.5%	1.2%
- margin	9.7%	9.1%	9.4%	9.1%	9.1%	9.4%			
Group profit (incl. Minorities)	178	164	186	159	163	185	12.2%	0.2%	0.6%
Operating FCF	38	126	147	64	128	149	n.m.	-1.4%	-1.5%
FCF/sales	1.6%	5.3%	5.6%	2.8%	5.4%	5.7%			

Source: Vontobel Equity Research

Disclaimer & Disclosures – Equity Research

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Jungfraubahnen[JFN.S] was last changed from Buy to Hold on 27-04-05

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

4. Global rating breakdown

	VT Research universe	VT Research universe	Share of Bank VT clients in rating category
	No.	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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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
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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
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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