



Company : Motodynamiki SA Reason: Upgrade

Investment Thesis

Motodynamiki's performance has been consistently beating our expectations and deserves a significant (+60%) target price upgrade, from the €3.00 that we presented last August to €4.80 that we are currently estimating.

The top line growth is robust, with the latest published results (4Q22) continuing the exceptional pace set on 3Q22. The decisive driver of the upgrade is the cost (COGS and OPEX) that has been receding as a percentage of revenues. Understandably, the 2023 prices are no longer pumped by the insufficient size or the rent-a-car fleets, but in 2023 Motodynamiki could start enjoying the benefit of economies of scale as the firm is changing yet another gear.

Worth reminding are the five revenue streams of the business: (a) 26% of revenue derives from the exclusive dealership of Yamaha motorcycles, (b) 22% comes from the exclusive dealership of Porsche cars, (c) 7% stems from Marine Motors, (d) 15% from Spare Parts, (e) and the remaining 30% comes from the rent-a-car business under the brand of SIXT, that is spread in all Greek airports and is offering exposure to the rising Greek Tourism.

The group enjoys its highest growth potential from the rent-a-car business that has been added in 2018, with the remaining 19.5% stake fully acquired by April 2023.

Coupled with the strong reputation and wealth of its majority equity holders, Motodynamiki enjoys more favourable bank terms than its size would suggest, providing little room for upside or downside surprises.

Valuation

Motodynamiki is valued at €4.8 per share through a FCF exercise with a WACC of 12.41%. That is a +168bps increase of the discount rate we are using, compared to the discount rate of last August, to account for the increased yields that are set to stay for longer.

| Date | 31/05/2023 |
|--------------------------|------------|
| Fair Estimated Price (€) | 4,80 € |
| Investment Thesis | UV |
| Bloomberg Ticker | MOTO:GA |
| Reuters Ticker | MOTO.AT |
| Closing Price (09/08/22) | 3,5 |
| Low/High price 52w | 1.79/3.42 |
| Market Cap (€mn) | 102 |
| EPS (2023E) | 0,249 |
| DPS (2023 E) | 0,019 |

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For important disclosure information, please refer to the disclaimer page of this report.

All N. Chryssochoidis Stock Brokerage I.S.S.A. research is available on the company website and FactSet.



| Summary Financials | | | | | |
|--------------------------------|-------|-------|-------|-------|-------|
| (€mn) | 2021 | 2022 | 2023F | 2024F | 2025F |
| Profit & Loss Items | | | | | |
| Total Net Revenues | 94,7 | 132,0 | 139,4 | 147,9 | 157,1 |
| EBITDA | 14,2 | 25,2 | 17,8 | 18,5 | 19,2 |
| EBIT | 7,4 | 15,7 | 10,7 | 11,4 | 12,1 |
| Net Income | 4,9 | 9,3 | 7,5 | 8,0 | 8,6 |
| Balance Sheet Items | | | | | |
| Cash at Hand | 7,1 | 6,4 | | | |
| Total Debt | 23,5 | 33,0 | | | |
| Total Equity | 23,8 | 32,9 | | | |
| Debt/(Debt+Equity) | 49,6% | 50,1% | | | |
| Cash Flow Items | | | | | |
| Operating Cash Flow | 6,1 | 3,0 | 9,1 | 9,7 | 10,3 |
| Free Cash Flow (FCFF) | 20,9 | 8,7 | 16,5 | 17,1 | 17,8 |
| CAPEX | 2,0 | 1,0 | 1,6 | 1,5 | 1,4 |
| Key Financial Ratios | | | | | |
| Revenue Growth | 20,9% | 39,4% | 5,6% | 6,1% | 6,2% |
| EBITDA Margin | 15,0% | 19,1% | 12,7% | 12,5% | 12,2% |
| EPS | 0,166 | 0,310 | 0,249 | 0,268 | 0,289 |
| DPS | 0,019 | 0,090 | 0,000 | 0,019 | 0,019 |
| Total Debt / EBITDA (x) | 1,7 | 1,3 | | | |

Ρήτρα Περιορισμού Ευθύνης:

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Σημειώσεις/Notes

P: Τρέχουσα Τιμή
MCAP: Κεφαλαιοποίηση
EPS: Καθαρά Κέρδη Ανά Μετοχή

Market Price
Capitalization
Earnings per Share

Οδηγός Συστάσεων/Ratings

UV Χαμηλή Αποτίμηση/ Χαμηλός Κίνδυνος Underpriced/ Small Risk
Stock Price < 20% of Fair
UV1 Χαμηλή Αποτίμηση/ Κίνδυνος Underpriced/ Risk
Stock Price < 10% of Fair
FV Σωστή Αποτίμηση/ Χαμηλός Κίνδυνος Fairly Priced/ Small Risk
10% < Stock Price < 10%
OV1 Σωστή Αποτίμηση/ Κίνδυνος Fairly Priced/ Risk
Stock Price > 10% of Fair
OV Υπερτιμημένη Μετοχή Overvalued
Stock Price > 20% of Fair
N/R Μη Αποτιμημένη Μετοχή Not Rated

P/E: Λόγος Τιμής προς Κέρδη Price/Earnings Ratio
P/S: Λόγος Τιμής προς Πωλήσεις Price/Sales Ratio
D/A: Συνολικός Δανεισμός προς Πληθυσμό Total Debt/ Assets Ratio
DY: Απόδοση Μερίσματος Dividend Yield
ROE: Απόδοση Ιδίων Κεφαλαίων Return on Equity
FV: Τιμή Σωστής Αποτίμησης Fair Value Price