



Company : Motodynamiki SA Reason: Initiation

Investment Thesis

We have included Motodynamiki SA as a top pick in our [December's report](#). We continue rating the firm as undervalued with a minimum intrinsic value of 3.00€.

Motodynamiki (€94M sales in 2019, €78M in '20, €94M in '21, €58M in 1H22) is the exclusive Hellenic dealer of Yamaha motorcycles (~35% of revenues) and Porsche cars (~20%). Additionally the firm sells Marine Motors (~10%) and Spare Parts (~20%). The above lines of businesses are mature, with steady growth and well anchored expenses. 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.

On top of the matured lines of business, Motodynamiki is additionally offering a growth story, directly correlated to the Hellenic Tourism Industry. Since 2018, it operates the car rental company Sixt in Greece.

Sixt contributed €26.98M sales in 2019 (the first full year of consolidated results, coincided with the 2019 record year for tourist arrivals), dropped to €11.12M in the 2020 pandemic year, returned to €22.72M in 2021 and now it is on track to pass the €30M annual sales threshold. In the first semester, that does not include the decisive months of July & August, Sixt has already recorded €11M sales.

In our baseline scenario that results in the €3.00 valuation, we assume a repetition of the 2019 results in 2022 and the doubling of sales within the next five years. The doubling of sales (ie. 14.8% annual growth rate) is a reasonable estimation, given that Hertz in Greece managed to go from €151M to €555M in 6 years, ie. 24.22% CAGR.

Valuation

Motodynamiki is valued at €3.00 per share through a FCF exercise with a WACC of 10.73% and Risk free rate $R_f=3,5\%$. We are confident with that level of risk as it incorporates on the one hand the low beta that the company enjoys but on the other hand a significant 5% liquidity penalty for the low daily volumes of Motodynamiki's shares.

Date	10/08/2022
Fair Estimated Price (€)	3,00 €
Investment Thesis	UV
Bloomberg Ticker	MOTO:GA
Reuters Ticker	MOTO.AT
Closing Price (09/08/22)	2,2
Low/High price 52w	1.28/2.43
Market Cap (€mn)	64
EPS (2022E)	0,044
DPS (2023 E)	0,019



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

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



Summary Financials				
(€mn)	2021	2022F	2023F	2024F
Profit & Loss Items				
Total Net Revenues	94,7	110,3	118,7	127,7
EBITDA	14,2	8,7	9,0	9,3
EBIT	7,4	3,2	3,5	3,8
Net Income	4,9	1,3	1,5	1,8
Balance Sheet Items				
Cash at Hand	7,1	9,4		
Total Debt	23,5	32,5		
Total Equity	23,8	25,0		
Debt/Equity	98,5%	130,2%		
Cash Flow Items				
Operating Cash Flow	6,1	3,0	3,2	3,4
Free Cash Flow (FCFF)	21,1	8,7	9,0	9,3
CAPEX	2,0	1,7	1,6	1,5
Key Financial Ratios				
Revenue Growth	20,9%	15,1%	7,6%	7,6%
EBITDA Margin	15,0%	7,9%	7,6%	7,3%
EPS	0,166	0,044	0,052	0,061
DPS	0,019	0,038	0,019	0,019
Total Debt / EBITDA (x)	1,7	3,7		

Πήτρα Περιορισμού Ευθύνης:

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