Motodynamics | Auto trade

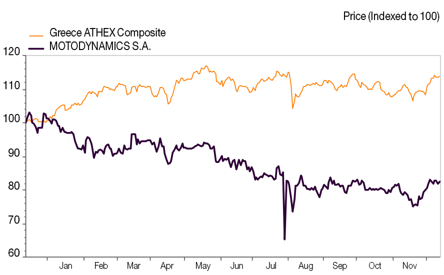
Monday, 16 December 2024

Initiation Report

Recommendation	
Rating	**BUY**
from	-
Target Price	**€ 4.01**
from	-
Share Price	€ 2.70
price date	13/12/2024
Upside/Downside	*48.5%*
Bloomberg ticker	MOTO GA
Reuters ticker	MOTr.AT

Statistics	
Mkt Cap (m)	€ 81.4
Shares out (m)	30.2
Daily avg shares (th) | 3mths	17.7
Price high | 12mths	€ 3.34
Price low | 12mths	€ 2.12
ABS. PERF. | YtD	-17.9%
ABS. PERF. | 12mths	-18.4%
ABS. PERF. | 3mths	1.5%
ABS. PERF. | 1mth	5.5%

Graph | Motodynamics vs ASE | 12mths



Source: FactSet

Research department

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Fueling Up the Ambitions

Motodynamics in a snap view | Started its operations in 1969, Motodynamics operates as the official exclusive distributor of Yamaha products with market presence in three countries (Greece, Romania, Bulgaria) and Porsche in Greece. In December 2018, the company acquired 80.5% of Lion Rental (SIXT) posting the group to benefit from the strong inbound tourism in Greece. The company is also active in the sale of used cars mainly for renewal purposes of its rental fleet. Today, Motodynamics with a diversified portfolio of activities (Sixt rent a car, Yamaha and Porsche Brands) aims to capitalize on Greece's positive macro environment as well as the continuous seasonal strong tourism growth through short term leasing (Sixt).

Investment case | Having left behind the pandemic which hit the tourism industry right after the acquisition of Sixt, Motodynamics has managed to stage a remarkable turnaround in 2021 onwards, with record sales and profitability despite partial lockdowns. From then on, all divisions are recording positive growth, and the group repositioned for its next phase of growth with a diversified portfolio focused on both annual revenue streams (cars and motorcycles sales) and increased exposure to tourism (sales of Yamaha marine products and short-term rent-a-car services). In our view, Motodynamics is well positioned to further grow its operations while at the same time to maintain hefty profitability margins and returns on its investments, taking into account a) the positive domestic macro environment b), the solid tourism trends c), the under penetration of luxury cars in the domestic market compared to the past and also the EU peers, d) demand for luxury cars could be further underpinned by the increased number of high net-worth individuals who are relocating to Greece

Valuation | We value Motodynamics through a two-stage DCF, as we think more suitable valuation model for the stock. Our DCF model (which incorporates an explicit set of forecasts for the period up to 2028e, after which we assign a terminal value growth of 0.5% and an average WACC of 10.3%), returns a fair value of EUR 4.01/share, which implies a total upside potential of 48.5% from current price levels. Hence, we resume coverage on Motodynamics with a Buy recommendation. Additionally, just for illustration purposes, Motodynamics currently trades at a c 21%/32% discount in 2025e EV/EBITDA and P/E terms vs. EU peers and is fairly valued compared to Autohellas.

Upside catalysts | The main upside catalysts for Motodynamics in our view is the potential increasing penetration of Porsche cars (note that it currently lags c.35% vs. its 2007 peak), the renewal of the rather matured Yamaha motorcycles fleet and the strong tourism trends, specially from higher disposable income countries (i.e. USA, where Sixt enjoys higher brand awareness). Supported by the positive domestic macro environment and increased consumer confidence sentiment, vehicle registrations are converging towards the pre-Greek crisis levels, while the increasing tourism flows along with the extension of the tourism season support the Company's operations.

Earnings, FCF & net debt | We project sales and EBITDA CAGR of 10.3% over 2023-2027e and net profit CAGR of 9.8%. We expect Motodynamics' strong operating profitability to offset investing outflows 2025e onwards, with OpCF averaging EUR 25.5m in 2024-27e. Accounting also for average Capex of EUR 23m, we expect that Motodynamics will generate FCF (after leases) of EUR 2.4m on average over 2024-27e. Assuming also a payout ratio of 33%, we expect the Company to declare a FY24e DPS of EUR 0.13 (DY:4.8%). Finally, we project average net debt of EUR 38m in 2024e before easing to EUR 30m by 2027e, to Net Debt/EBITDA <1.0x.

Forecasts	2023	2024f	2025f	2026f	2027f
Revenues	170.0	200.3	218.2	235.7	251.6
Gross Profit	**39.0**	**42.0**	**45.2**	**48.4**	**51.1**
EBITDA	29.1	31.7	35.4	38.8	42.3
EBIT	**17.7**	**18.4**	**21.4**	**23.3**	**24.4**
Net Profit	**11.5**	**11.6**	**14.1**	**15.7**	**16.7**
EPS adj.	0.38	0.38	0.47	0.53	0.56
DPS	**0.12**	**0.13**	**0.14**	**0.16**	**0.17**
Valuation Ratios	2023	2024f	2025f	2026f	2027f
P/E adj.	8.63	6.92	5.60	5.02	4.70
EV/EBITDA adj.	4.54	3.72	3.19	2.89	2.58
FCF yield	-1.8%	-10.9%	6.4%	6.7%	10.0%
Dividend yield	3.6%	4.8%	5.4%	6.0%	6.4%
Net Debt/EBITDA adj.	1.13x	1.20x	0.95x	0.86x	0.72x

Source: the Company, Optima bank research

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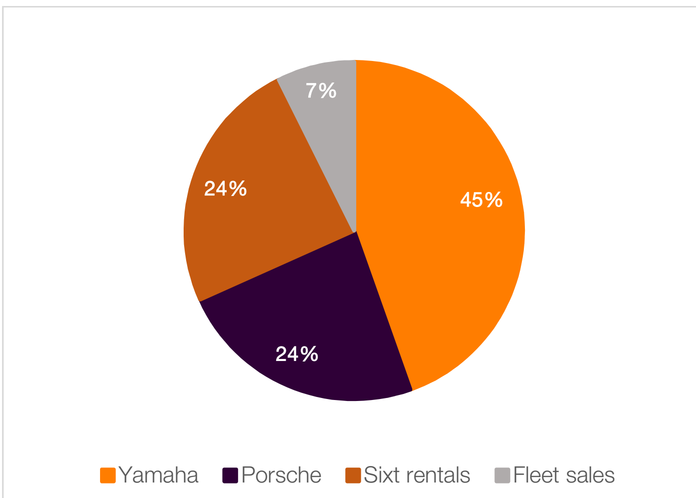
Company Description

Motodynamics was founded in 1969 with the name "Iliopoulos Bros" and started to import Yamaha Motor products in Greece. After twenty-three years of operation, in 1993 the company established its subsidiary Yamaha Motor Hellas S.A. in Greece and founded its first subsidiary in Bulgaria in order to officially represent Yamaha motor products, while in 1994 the company expanded to the Romanian market. In 2001, the group renamed Motodynamics and since 2005 the company is listed in Athens Stock Exchange. During that period the group expanded its portfolio of products through strategic agreements with a variety of commercial brands for the sale of motorcycle equipment, while a new subsidiary created to sale Yamaha products directly to customers with the name Motodiktyo S.A. Since 2011, the group has entered into an exclusive agreement with the iconic Porsche brand for the distribution of Porsche products in Greece. Focusing on continuous growth, the company launched its own online store called MotoDirect in 2015 following the consumer trend of online shopping and further expanding its sales channel. The group repositioned its strategy after the acquisition of 80.5% of the Lion Rental S.A. back in 2018 and entered into the car rental service and the sale of used cars, by owing the exclusive rights for Sixt in Greece. Moving forward, and overcoming the covid-19 crisis, in 2023, the company proceeded with the acquisition of the remaining 19.5% stake of Lion rental. The group has divided its operations in four different revenue channels: a) Yamaha sales (including sales of motorbikes, marine products and Yamaha parts & accessories in the three countries of operation), b) Porche car sales (including sales of Porsche cars, vehicle parts & accessories as well as service maintenance, c) Sixt sales (including rent a car business in Greece) and d) sales of used cars (Sixt fleet sales). In 1H24 Yamaha sales was c. 55% of total revenues, Porsche sales was c. 27%, Sixt (rent a car) was c. 18% and fleet car sales was c. 1% of total revenues.

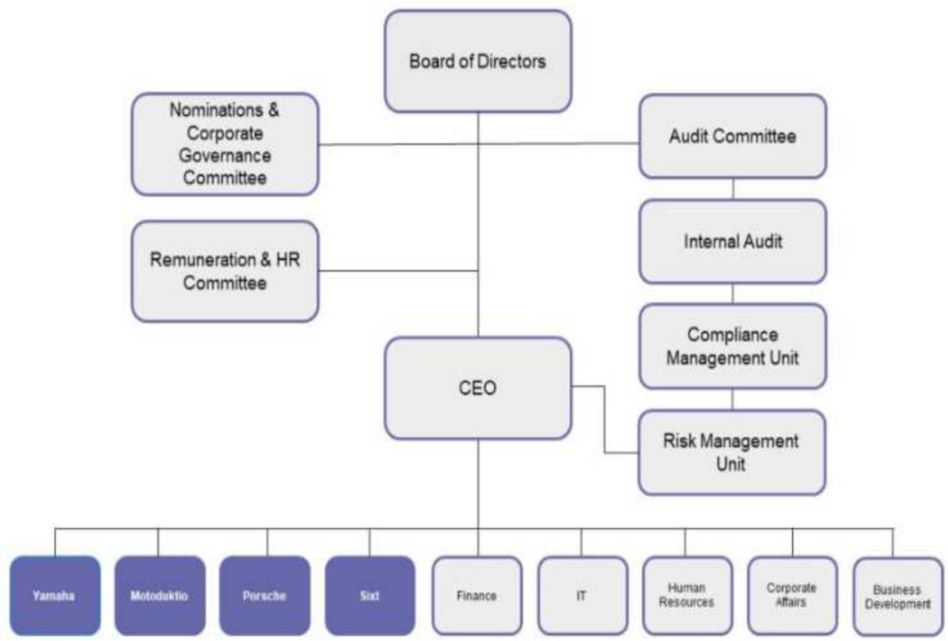
Chart 1: Revenues breakdown FY23



Source: The Company, Optima bank research, Company data

Regarding the group structure, Motodynamics has four subsidiaries that holds 100% participation rights: a) Motodyktyo S.A, the official Yamaha dealer in Greece (import of motorcycles and motorcycle equipment as well as spare parts) with 3 vertical locations in Attica, b) Motodynamics Slr., the official Yamaha dealer in Romania (import of Yamaha products) with one vertical location in Bucharest which includes showroom and service facilities, (c) Motodynamics Ltd., the official Yamaha dealer in Bulgaria (import of Yamaha products) with one vertical location in Sofia which includes showroom and service facilities, (d) Lion Rental SA, the official franchise of Sixt in Greece for short and long term vehicle leasing services.

Chart 2: Organization structure



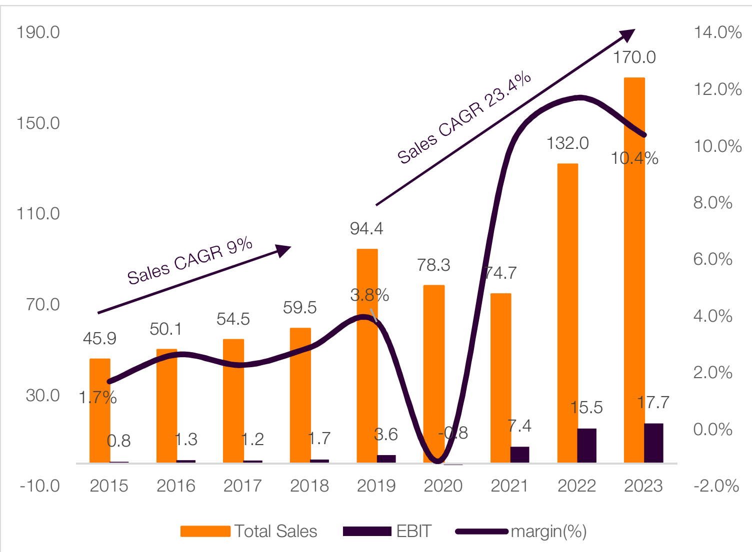
Source: Company data

The company is divided into four divisions based on its activities and products offered: **a) The Yamaha Division** is responsible for the wholesale of Yamaha products (motorcycles and other vehicles, marine products, spare parts and accessories) in Greece, through a network of 56 partners for land products and 87 partners for marine products. The division is also manages and handles the operation and the strategic development of Yamaha Romania and Bulgaria. **b) Motodiktio Division** is responsible for the retail sales, showroom and service activities for Yamaha products. It operates a network of three vertical stores in Attica (Agia Paraskevi, Kalithea and Neos Kosmos) and the online shop Motodirect. The division is also responsible for importing and selling a range of motorcycle accessories and rider equipment through third party product distribution agreements with other partners, **c) The Porsche division** which handles both the wholesales and the retail sales of Porsche products (vehicle sales, spare parts, accessories and service maintenance) through tree different stores in Metamorphosis, Attica, in Thessaloniki and an independent official dealer in Glyfada and **d) The Sixt division,** managing the operations of Lion Rental in Greece as the exclusive franchisee providing short-term and long-term vehicle leasing services with a network of 18 locations throughout the country.

Group Activities

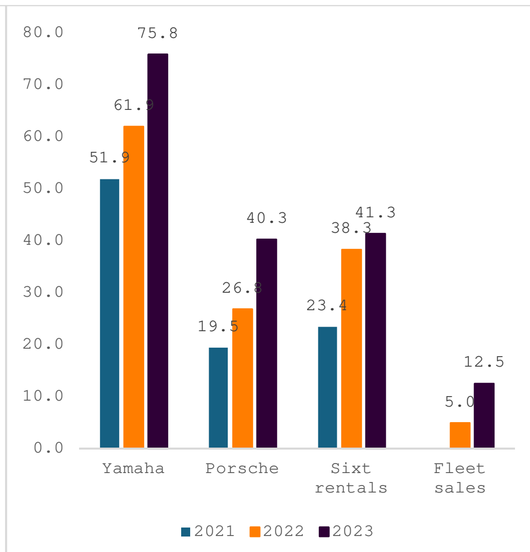
Motodynamics is a leading auto trade company listed on the Athens stock Exchange since 2005. The company is engaged in the import and distribution of motorcycles and marine products (outboard engines, inflatable boats and marine jets), spare parts and lubricants through the official rights for Yamaha brand in Greece, Romania, Bulgaria, Albania and Moldova, as well as products of Yamaha's affiliated companies. It also has the exclusive rights for the distribution of Porsche brand, spare parts and lubricants in Greece. In 2023, Motodynamics proceeded with the acquisition of 100% of Lion Rental (80.5% was acquired in late 2018) and managed to achieve a significant diversification of the group's revenue streams, while also taking advantage of the ever-growing Greek tourism market and seasonality income. Since then, the company has managed to achieve significant growth with c. 23% sales CAGR in 2019-24 period compared to c.9% CAGR in 2015-2018, while the EBIT margin improved significantly to c. 10.5% in 2023 compared to an average of 2.4% in 2015-18 period, before the integration of Sixt. In addition to car rental activities, the company entered into the sale of used cars as the company's fleet has to be renewed every 4 years and the cars can be sold on the second-hand market, improving cash inflows and also offering accounting profits to the company.

Chart 3: Historical Group revenues



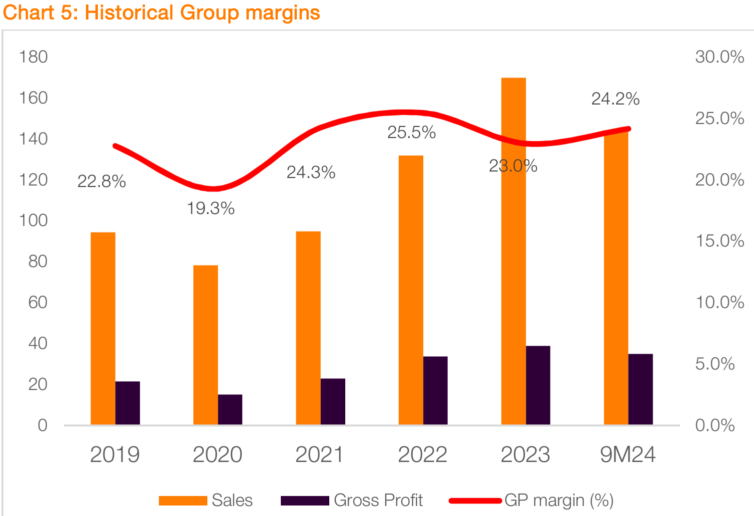
Source: The Company, Optima bank research, Company data

Chart 4: Revenues per segment



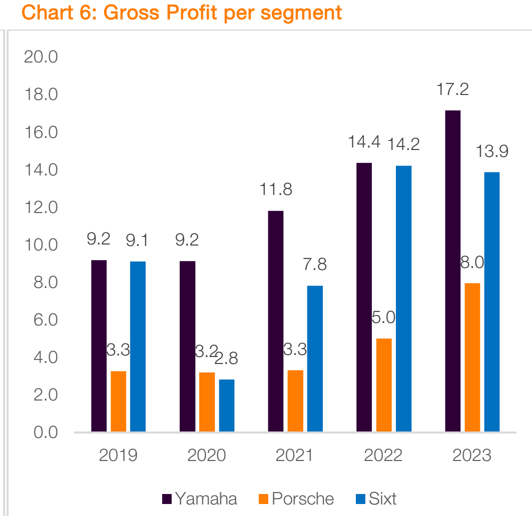
Source: The Company, Optima bank research, Company data

Chart 5: Historical Group margins



Source: The Company, Optima bank research, Company data

Chart 6: Gross Profit per segment

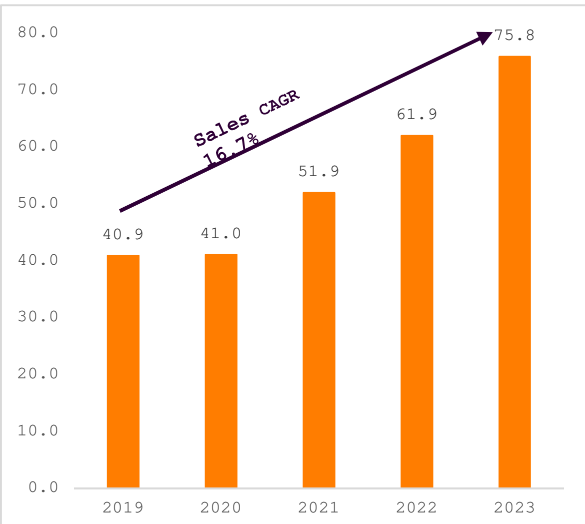


Source: The Company, Optima bank research, Company data

1. Yamaha Sales

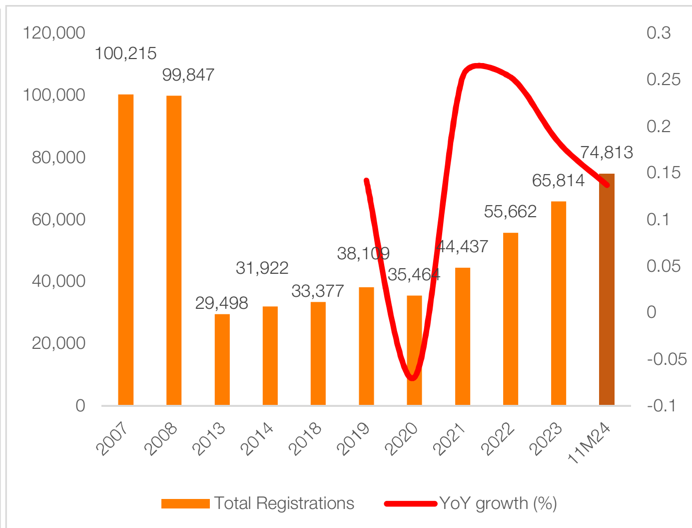
The import, distribution and selling of Yamaha products was the main revenue source of the company since its founding in 1969. Today, this segment accounts for c. 55% of total revenues, while contributes c. 60% of the total gross profit as of 1H24. The Yamaha division includes sales of two-wheeled motor vehicles, stroke outboard motors, wave runners, inflatable tenders, all terrains vehicles (ATVs), snowmobiles, golf cars, power generators, Yamaha genuine accessories & spare parts and motorcycle & marine engine lubricants. The category shows strong sales growth with a double-digit CAGR of c.17% in the last 5-years and despite the pandemic hit. Yamaha is the core sales driver of the group with a strong brand name in the Greek market. Although sales are showing some seasonality, since sales of motorcycles, marine engine, wave runners and inflammable tenders are increased during spring and summer months the category is also sensitive to economic conditions, disposable income, urbanization profile, traffic and transportation cost.

Chart 7: Yamaha sales



Source: The Company, Optima bank research, Company data

Chart 8: Total Motorcycle Registrations

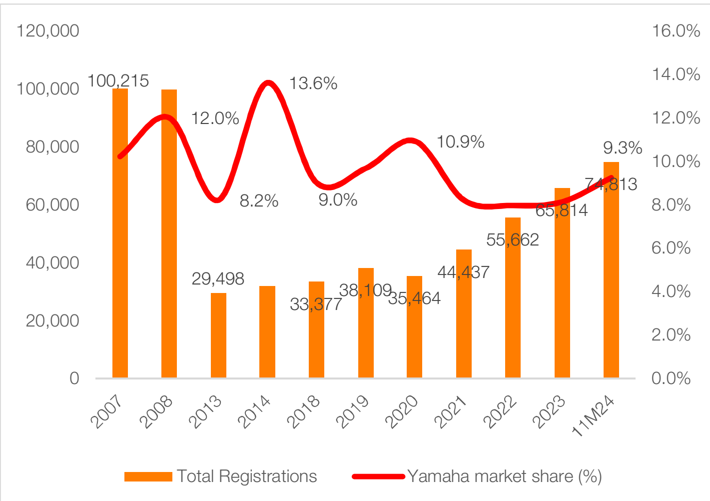


Source: The Company, Optima bank research, Elstat

Motorcycle and scooter market trade

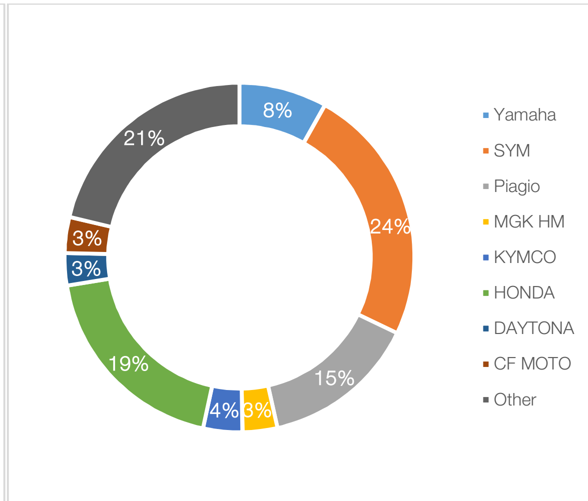
This category was hit hard during the Greek crisis with total registrations falling by almost a third to c. 30k in 2013 compared to 2007-2008 pick that reached c.100k registrations/year. In recent years the motorcycle market has had to overcome many challenges on top of the pandemic outbreak which affected all commercial activities of many production industries. Added to this unfavorable environment, the shortage of chips/microchips observed in 2023 (affecting mainly the automotive sector), the war that broke out (and is still going on) in Ukraine which caused an explosive increase in fuel and electricity, while last year's tension in the Middle East and the supply chain disruptions are all serious issues for the industry. Despite the challenges, since 2020 the market is back on an upward trajectory with 2023 recording a ten-year sales record (recording an annual increase of 18.2% compared to the also strong 2022) not only filling the Covid-19 gap, but also showing signals for a possible return to normality (11M24 sales up by 35.0% y-o-y and sales CAGR 2020-23 at 22.7%). In our view, the strengthening of the market is explained by: a) the demand for scooters and motorcycles strengthened on the back of avoidance of public transportation as well as the need to reduce transportation cost due to oil appreciation. Additionally, the amendment in May 2021 - of the road traffic code - allowing car drivers to ride motorcycles up to 125cc boosted sales of low cubism scouters. On the other hand, b) as long as the economic climate in Greece is strengthening the demand for multipurpose and touring motorcycles has shown an increased demand with Yamaha's Tracer 9 being one of the best sellers in this category. Looking forward the market still has room to cover probably faster than the economic expansion of the country aided by a) the impending balance of the supply chain which was affected the company during 2022-23 period (losing market share because of lower supply), b) the increase of the oil cost, c) the increased urbanization traffic d) the limited parking space and e) the support by the state The profit margins of the Yamaha category are closely linked to the sales mix of the products. As Yamaha increases its sales of motorcycles, it increases its future sales of motorcycle maintenance parts. Although it is a cyclical industry, the increase in new motorcycle sales over the last two years will translate into demand for replacement parts in the near future, leading the company to improve profit margins and sales mix.

Chart 9: Motorcycle registration in Greece (>50cc)



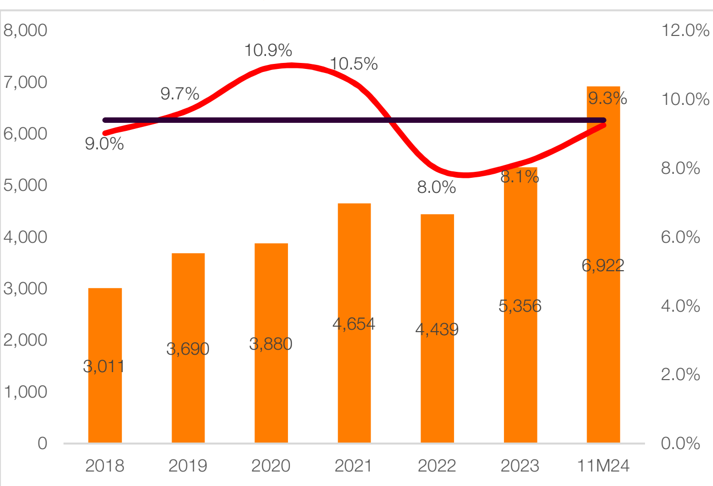
Source: The Company, Optima bank research, Elstat

Chart 10: Two-wheel market share FY23



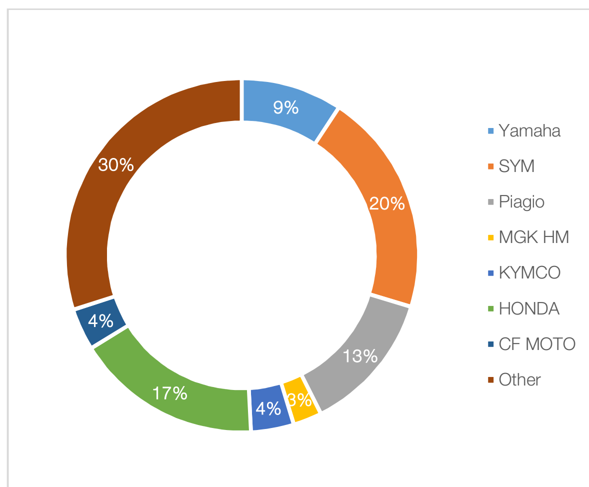
Source: The Company, Optima bank research, Elstat

Chart 11: Yamaha's Motorcycle sales & Market Share



Source: The Company, Optima bank research, Elstat

Chart 12: Two-wheel market share 11M24



Source: Elstat, Optima Bank, Research Department

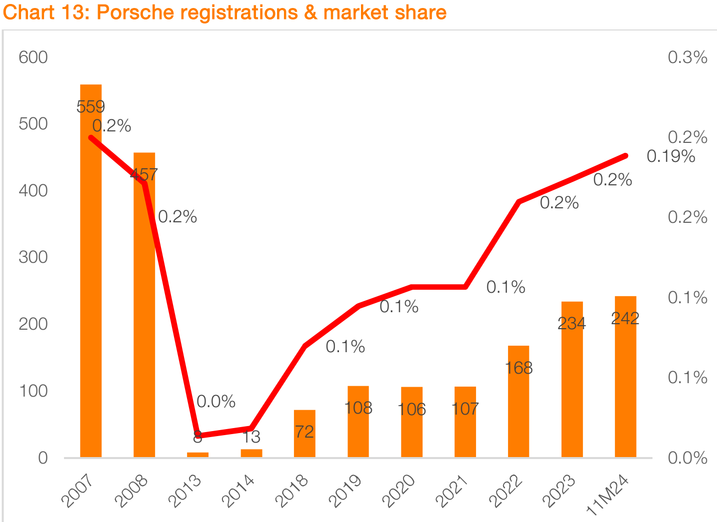
Elstat's motorcycle registrations data show that the Yamaha brand achieved a market share of 8.1% in FY23 and dominated the 4th place (losing market share due to the reduced availability of models). Total sales reached 5,356 motorcycles in FY23 vs. 4,439 in FY22, recording a y-o-y increase of c. 21%. In 11M24, Yamaha managed to increase its market share to c.9.2% vs. c.8.2% in 11M23 and has already sold 6,922 motorcycles, up by 32.7% y-o-y, (while total market grew by c. 17.9% y-o-y vs. the 11M23 corresponding period).

Yamaha's market share fell below the historical average (9.4%) and shrunk to c. 8% between 2022-23 period, due to supply chain disruptions and the lower product supply while the main competitors from China and Japan gained market share. Despite the strong overall market growth (Market CAGR 2020-2023 at 22.9%), competitors like SYM, Honda and Piaggio maintain their dominance, due to higher sales in the scooter market. According to the latest data from Hellenic Statistical Authority, SYM is the leading player in the two-wheel market with market share of 16.6% in 11M24 vs. 24% in FY23, following by Honda with 20.4% in 11M24 vs. 19% in FY23 and Piaggio in the third place with a market share of c. 13.9% in 11M24 vs. 15% in FY23. Part of the loss of the top competitors was gained back during FY24 from Yamaha.

2. Porsche Sales

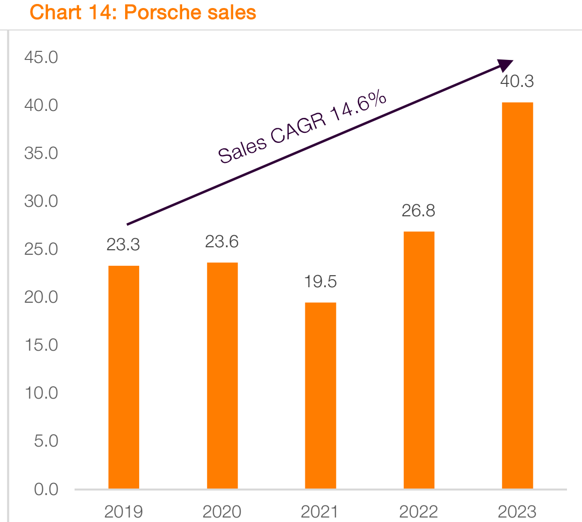
Supercars are considered as the symbol of status and are largely associated with luxury and opulence and thus the market is very sensitive to economic shifts, influenced by consumer confidence, disposable income and financial stability. In case of Greece, Porsche sales reached their peak, back in 2007 with total number of 559 imported cars (0.2% market share), while the lowest point of sales observed in 2013 (at the peak of the Greek crisis) with only 8 cars sold that year. The demand stabilized at c. 110 new cars per year from 2019 and since then, Porsche division has recorded a sales CAGR of c.15% (FY23 sales reached 234 cars vs. 168 in FY22). Despite the remarkable volume and revenue recovery, (the number of imported cars more than doubled during the last 2 years) Porsche registrations are 58% below their peak back in 2007, while the momentum of sales growth seems strong with revenues recording a 50.3% increase vs. FY22 and reached EUR 40.3m in FY23. Motodynamics signed an agreement for the distribution of Porsche cars in Greece, back in 2011 and as of FY23, this segment represents c. 24% of the total turnover while contributes c. 20% of the total gross profit.

Chart 13: Porsche registrations & market share



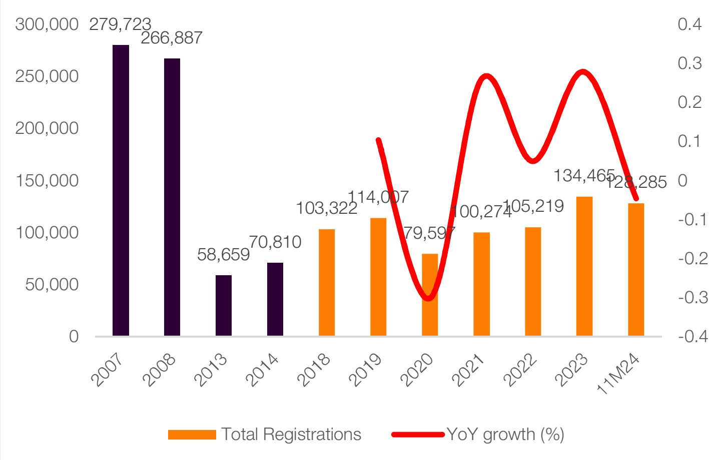
Source: The Company, Optima bank research, Elstat

Chart 14: Porsche sales



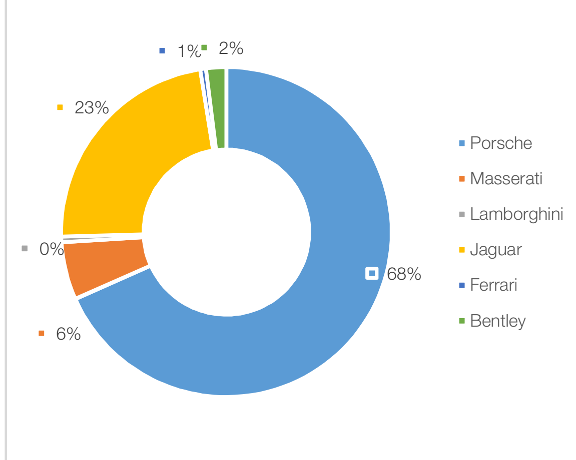
Source: The Company, Optima bank research, Company data

Chart 15: Total Car registrations



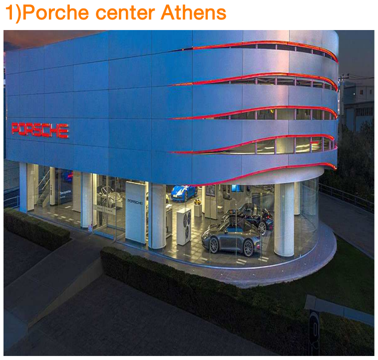
Source: The Company, Optima bank research, Elstat

Chart 16: Luxury Car market share 11M24



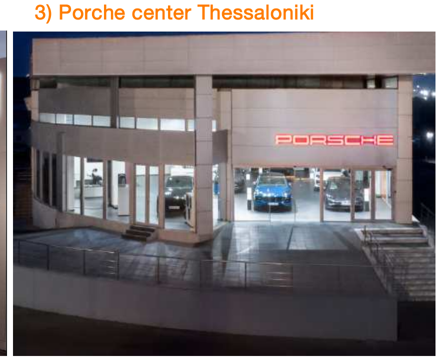
Source: The Company, Optima bank research, Elstat

1)Porche center Athens



2) Porche center Glyfada

3) Porche center Thessaloniki

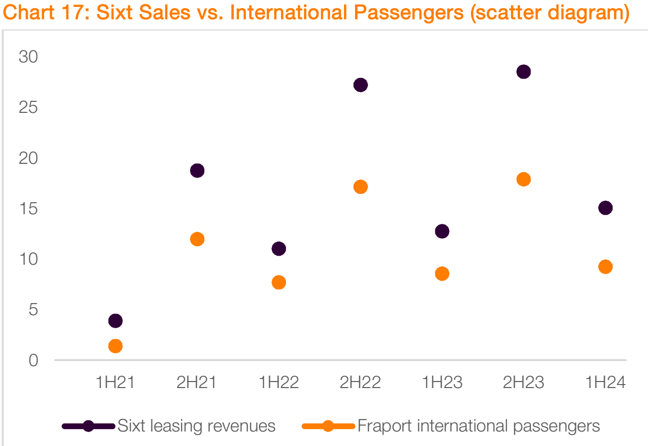


Porsche operated through a network of three store in Greece, two in Athens and one in Thessaloniki. The company recently renovated its Porsche center in Athens, while successfully integrating the Porsche Glyfada division. Porsche is now able to offer better after-sales service and a new type of services, (online car configurator & Porsche warranty) that further improved profitability margins (gross margin reached 19.8% in FY23 vs. 18.7% in FY22). Regarding future growth, we foresee that Porsche will benefit from the recovery of the Greek automotive market, as economic expansion is achieved, and consumer confidence increases. Luxury car market share in Greece is remaining at low levels vs. European average. Porsche's historic market share in periods of economic expansion is c. 0.2% of the total car registered and we believe that Porsche market share has room for growth based on: a) according to ACEA, Greece has one of the oldest vehicle fleets in Europe b) the upwards market trend (Porsche sales +50% y-o-y in FY23 while in 11M24 Porsche has sold 242 new cars vs. 220 in 11M23, up by 10% y-o-y) with room for further growth while, luxury cars industry will benefit from the GDP growth c) the lower penetration of luxury cars compare to other EU countries (luxury cars in Greece is c. 2% while in Europe luxury cars occupy 12% of the market share, d) interest rates cuts d) the struggling of the luxury car manufacturers to switch to electric powertrains, while Porsche already offers EVs, Hybrids and petrol models and e) the expanded model range with new smaller Macan SUV driving further volume growth. The company expects the new Macan to drive sales growth as the electric version is now cheaper than the internal combustion engines, combined with the fact that electric model sales in premium cars are more frequent. Another upside catalyst is the intention of the management to include Porsche in the leasing options of companies aiming to cover senior executive's car leasing needs.

3. Sixt leasing & Fleet sales

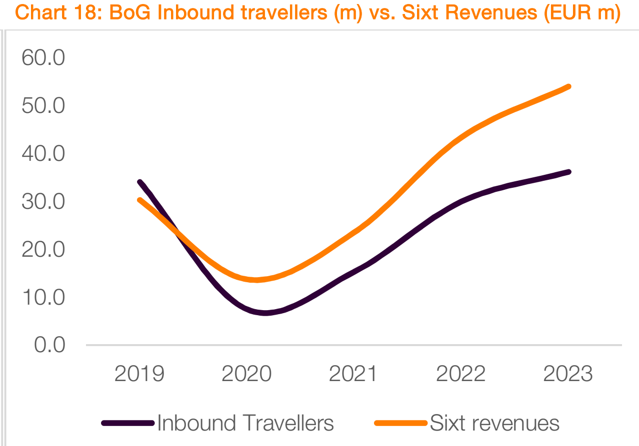
Motodynamics acquired 80.5% of lion rental in November 2018 and expanded its activities for the first time in the car rental sector, completely changing the dynamics of the company and turning to a strategic decision to capitalize on the expansion of the Greek tourism market. The acquisition was completed on 25 May 2023, when Motodynamics acquired the remaining 19.5% of Lion Rental's share capital from the minority shareholder. As of FY23, Sixt accounted for approximately 24.3% of total sales, without taking into account used cars sales (including car sales total revenues was c. 31.7% of total), and represents the most profitable sector for the company with gross profit margin, steadily above 30%. The car rental market in Europe is on robust growth trajectory and has seen a significant increase in demand, especially post pandemic. Car rental services are becoming increasingly popular among tourists as they seek their convenience in personal mobility. The increased tourist flows, the strategic vehicle pickup locations and the integration of online rental platforms (that enhanced the ease of vehicle hire) are the major market drivers. According to Mordor Intelligence, the European rental market is estimated at USD 14.34bn in FY24 and is expected to grow to USD 22.02bn by 2029, representing a CAGR of c 9.0% during that period. The European car rental market is highly competitive, and the market share is divided between key market players like Avis Budget Group, Europcar Mobility Group, Hertz Global Holdings, Auto Europe and Sixt SE. The market is subdivided by booking type, rental duration, vehicle type and application type. By booking type the market is divided into offline and online with Sixt placing particular emphasis on online bookings, especially by travelers from foreign countries where the brand holds a dominant position. By rental duration, the market is divided into short term leasing and long term, where Motodynamics group has shifted its focus on short-term leasing as it offers a better ROIC margin. While it operates with a small fleet of vehicles in long-term leasing, there is no further intention for expansion in this sub segment, as it needs heavy fleet investment and the sector has high competition, offering low ROIC returns. By application type, the market is divided into leisure/tourism and business, while by vehicle type, the market is divided into economy cars and premium cars with Sixt addressed to premium customers with better and more expensive cars. In case of Greece, the main competitor is Autohellas Group, which represents the Hertz brand in the Greek Market, while other worldwide dominant players like AVIS are enjoying significant market shares. The main driver of short-term rental car business is the number of inbound travelers and thus the Greek leasing market has to face the seasonality with the demand picking in the summer months, although it must be highlighted that seasonality in Greece is expanding, starting from April and lasts until October.

Chart 17: Sixt Sales vs. International Passengers (scatter diagram)



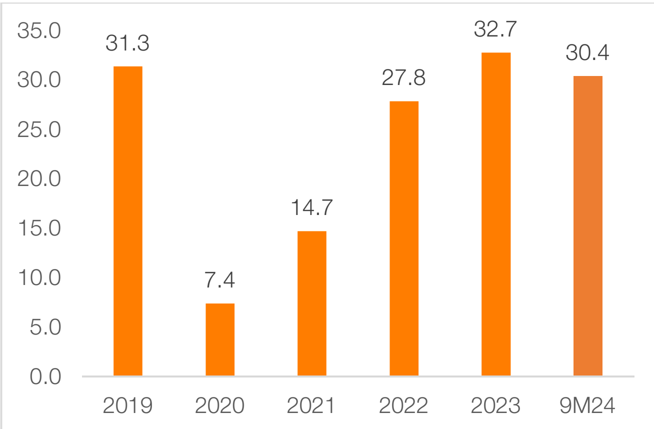
Source: The Company, Optima bank research, Freport

Chart 18: BoG Inbound travellers (m) vs. Sixt Revenues (EUR m)



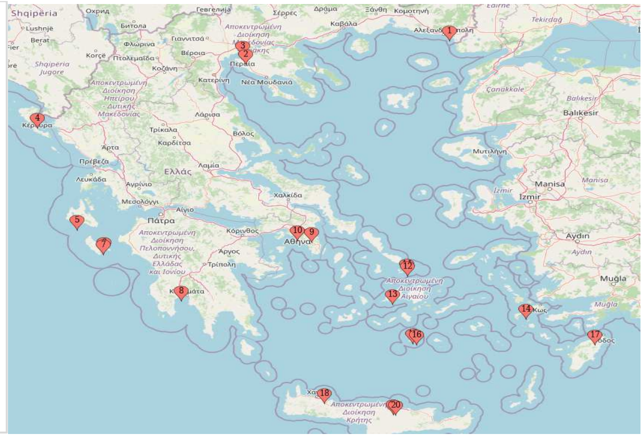
Source: The Company, Optima bank research, BoG

Chart 19: Inbound travellers



Source: The Company, Optima bank research, BoG

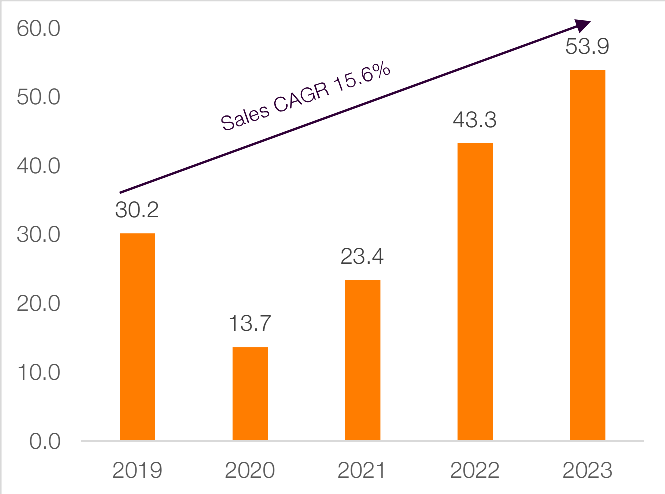
Chart 20: Sixt Branch Network



Source: Map customizer, Company data

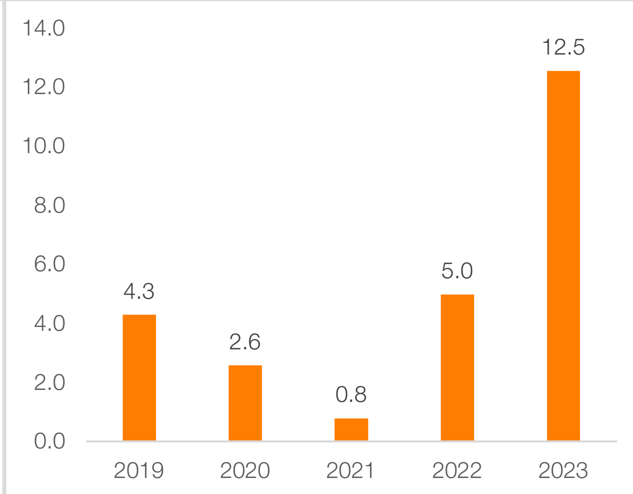
Sixt, operates through 22 points of service in strategic tourist locations that attract a high percentage of foreign passengers. Management has shifted its focus in all major Greek airports and certain ports on islands with high tourist traffic like Corfu, Kefalonia, Zakynthos, Crete, Santorini, Rhodes, Kos and Paros. The main focus of the company is short-term leasing due to its well-known brand with presence in more than 100 countries and 2,200 stations worldwide. Sixt targets foreign travelers mainly from Europe and America who know the brand and book directly through Sixt's international app. The company records revenues from both car rental and used vehicles sales. Car rental revenue performance is affected by customers demand, the number of the fleet and the utilization rate while the strong competition is pushing prices down. According to INSETE by 2030 Greece will welcome up to 50m passengers (compared to 32.7m in FY23) with main focus on mature Western and Eastern European markets as well as Northa America and Canada. Tourists from these markets are more suited to Sixt's premium model with its fleet focused on larger and more expensive cars and management expects to increase its market share in the future based on high income travelers. The company is investing in better and faster service as well as in AI tools to manage in a more efficient way the pricing of its vehicles as well as the issues with extra charges in case of accidents by the renters in ways that are clear and efficient. In terms of pricing, prices skyrocketed right after the covid crisis due to the unexpectedly high tourism demand and low vehicle supply. The rental business pricing is under pressure then on, as the supply chain disruption normalized, and a sizable number of vehicles entered into the RAC market impacting and lowering pricing. Despite market pressures, Motodynamic's revenues from Sixt, continued to grow with a sales CAGR of c. 16% as the fleet expanded and the utilization rate further improved. As tourist arrivals from America are increasing management expects Sixt to gain market share as the company's premium leasing is more attractive for higher income tourists.

Chart 21: Sixt Sales



Source: The Company, Optima bank research, Company data

Chart 22: Used cars sales



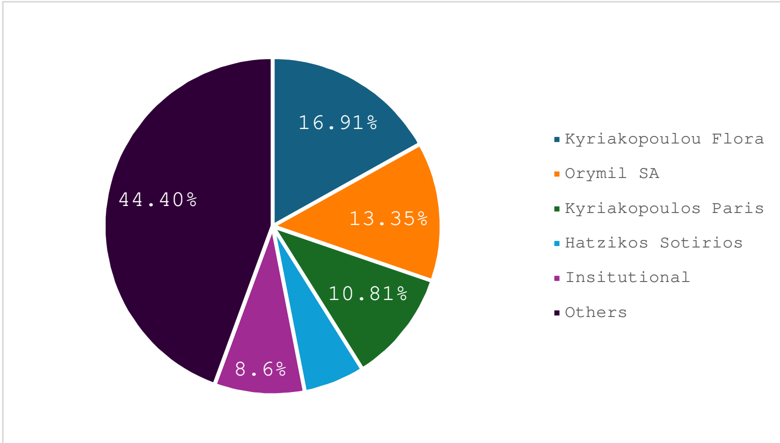
Source: The Company, Optima bank research, Company data

As far as secondhand car sales are concerned, this segment generates revenues from the sale of used cars by Sixt. The typical holding period of ownership for a car by a leasing company is 4 years, after which the cars are sold on the secondhand car market. Rental companies must gradually renew their fleet on an annual basis in order to maintain a low average age fleet and low maintenance costs. The revenue generated by the sale of used cars is intended to reduce the substantial CapEx needed for the fleet renewal. The secondhand car market is highly correlated with i) supply and demand, ii) the residual value, iii) the supply chain disruptions, iv) the disposable income and v) the overall economic sentiment. Historically this segment represents c.4% of the company's total revenue, but over 2023-2024 period Motodynamics exploit the notable rise in used car prices derived from the limited new car supply and the increased liquidity deteriorated by the pandemic period. Total revenues of the segment reached EUR c. 12.5m in FY23 recording a y-o-y increase of 152.7%. In FY24, the subsegment will also record a high performance with a contribution of c. 6% of total revenues and the fleet car sales are expected to reach close to FY23 levels. The main difference with the previous years is that the duration of the season in Greece has increased and the company needs its cars for a longer period of time, according to management statements. So, the sales of used cars take place in the last 2 months of the year while the purchases of the new fleet take place in the first quarter of the year in order for the company to have the new fleet for the upcoming season and thus, the debt of Motodynamics follows the same distribution.

Shareholders Structure

Kyriakopoylos Family is the main shareholder of the company owing 27.72% of Motodynamics' share capital. Orymil SA is the second largest shareholder, owning 13.35% and Hatzikos Sotirios CFO of the group holds another 5.89% of the share capital. The remaining 53% is free float with 8.6% held by foreign and domestic institutional investors.

Chart 23: Shareholders structure



Source: The Company, Optima bank research, Bloomberg data

Risks & SWOT Analysis

In our view, Motodynamics managed to overcome the Greek crisis which greatly reduced the sales of Yamaha and Porche in the country, as well as the pandemic crisis which reduced tourist flows and consumption overall, while also affected both RaC business and the other revenue channels. While we understand that Motodynamics is well positioned, with a healthy balance sheet, to face the challenging industry conditions ahead, therefore we see that there are certain investment risks across its business sector.

I. Interest rate risk

Motodynamics as a rental car company and a distributor has increased working capital needs and its annual investments in tangible and intangible assets are financed through bank borrowings. As a result, the company is exposed to interest rate fluctuations and high interest rates can adversely affect group results. To address this problem the company enters into interest rate swap contracts to change its rates from floating to fixed.

II. Exchange rate risks

Although the company operates in other European countries, (Bulgaria and Romania) there is a small exposure to exchange rates as the parent company and the domestic subsidiaries are not affected by exchange rates, while the majority of liabilities in the foreign countries are denominated in EUR and in some cases at locked rates.

III. Geopolitical instability and tourism demand risk

Domestic, political and international macroeconomic uncertainty may reduce tourist inflows to the country and reduce demand for leasing, while environmental conditions may reduce tourist traffic in a particular region where the Sixt subsidiary has a sales base

IV. Highly competitive sector

The car leasing industry is a quite complex sector that involves leverage with the need for high bank borrowing and is directly affected by interest rates and used car prices to achieve de-leveraging. Moreover, the industry is highly competitive both because of the large number of companies operating and because of the consumer demand for both lower prices and better service. In addition, the sector is characterized by high seasonality and thus pricing power is limited as utilization rate of the fleet is the most important objective.

Table 1 | SWOT ANALYSIS

Strengths	Weaknesses
• Strong balance sheet • Highly recognized brand names • Yamaha is a leader in motorcycle industry • Solid partnerships • Quality products • Premium rental services	• Seasonality in borrowing needs • Dependence on second hand car market

Opportunities	Threats
• Sixt's network expansion • Growing markers for all divisions • Porsche's competitive model mix • Increase of market share • Growing tourist industry • Greek Luxury car market Underpenetrated	• Macroeconomic and Geopolitical instability • High competition in all sectors • High pressure in rental prices • Higher operating costs • Increased borrowing costs

Financials

9M24 results review

Motodynamics recently released a strong set of results for 9M24. In a snap view, revenues reached EUR 144.5m vs. EUR 126.5m in 9M23 (+14% y-o-y), with all divisions posting strong momentum (Yamaha sales up by 17.9% y-o-y, Porsche sales up by 29.6% y-o-y, Sixt sales up by 14.0% y-o-y) except fleet sales that posted a 87.6% y-o-y decrease, as the company needs its fleet to cover the needs of the extended tourist season and fleet sales will take place in 4Q24. On the profitability front, EBITDA of the group reached EUR 26.2m up by 4.3% vs. EUR 25.1m in 9M23, while net profit marginally increased by 1.1% y-o-y to EUR 10.67m. Net debt of the group jumped to EUR 61.1m vs. EUR 26.3m in FY23 following the seasonality trends and the increased capital needs of the company during summer period.

Table 2: 9M24 results review

(EUR m)	9M23	9M24	y-o-y
Revenues	**126.5**	**144.5**	**14.2%**
Yamaha	59.5	70.2	17.9%
Porsche	26.0	33.8	29.6%
Sixt	34.9	39.8	14.0%
Fleet Sales	6.0	0.7	-87.6%
EBITDA	**25.1**	**26.2**	**4.3%**
margin (%)	*19.8%*	*18.1%*	-170
Net Profit	**10.6**	**10.7**	**1.1%**
margin (%)	*8.3%*	*7.4%*	-90

Source: The Company, Optima bank research

Positive outlook for the remainder of 2024e

For the remainder of the year, we expect the positive momentum in Porsche and Yamaha sales to continue, while fleet sales are expected to accelerate, as the company targets to sell the mature Sixt fleet, i.e. with >4 years in operation (c. ¼ of total). That said, we see Group revenues in FY24e terms at EUR 200.3m, up by 17.8%, with Yamaha contributing EUR 87.8m (43.8% of total), Porsche EUR 50.8m (implying a 25.4% of group sales), Sixt Rental EUR 47.7m (23.8% of total) and finally, Sixt fleet sales at EUR 14.6m. Turning to profitability, we see Gross profit margin to further normalize to 21% in 2024e, after the 2021-23 post covid period with extraordinary high margins. That said, we see Group gross profit at EUR 42m, up by 7.7% at an EUR 18.4/9/14.6m Yamaha/Porsche/Sixt rental & sales split. Further down the P&L, accounting for EUR 13.3m Depreciation, EUR 3.2m net financials and 24% effective tax rate, we end up with Net Profits up by 0.8% y-o-y to EUR 11.6m.

Table 3: 4Q/FY24e Results Preview

(EUR m)	FY23	FY24e	y-o-y	4Q23	4Q24e	y-o-y
Revenues	170.0	200.3	17.8%	43.5	55.8	28.3%
Yamaha	75.8	87.8	15.8%	16.3	17.6	7.9%
Porsche	40.3	50.8	26.2%	14.3	17.0	19.3%
Sixt	41.3	47.7	15.3%	6.4	7.9	22.1%
Fleet Sales	12.5	14.0	11.6%	6.5	13.3	103.2%
EBITDA	29.1	31.7	9.2%	4.0	5.5	39.3%
margin (%)	17.1%	15.8%	-126	9%	10%	79
Net Profit	11.5	11.6	0.8%	0.87	0.87	-0.4%
margin (%)	6.8%	5.8%	-97	8.3%	7.4%	-90

Source: The Company, Optima bank research

2023-27e Earning Forecasts: Growth to continue in the medium term driven by all divisions

Segmental Overview

Starting with the Motorcycles market, we have factored a 2023-27e CAGR for the total market at 15%, driven by a strong growth in 2024 (y-t-d total market is up by >30%), which we expect to normalize to a low double digit growth rate from 2025 onwards. Additionally, after a strong 2024e for Yamaha with market shares (Yamaha market share at ~9% in 11M24), we expect some mild market share erosion going forward on increasing competition from lower cost brands, albeit we see Yamaha retaining >8% market share. In our numbers, total Yamaha sales (Motorcycles and Marines) are set to grow by 9.2% in the 2023-27e period, accounting for 42.9% of total by 2027e (from 44.6% in 2023).

Turning to the car market, after a bottom in 2013, and despite the strong recovery over the last decade, total registrations still lag ~50% all time high of 2007. That said, we expect the domestic market to continue recovering over the foreseeable future, with new car registrations exhibiting a 6% CAGR over 2023-27e. With respect to Porsche, a brand severely hit during the Greek crisis, we see stronger momentum over the same period, driven by the superior macro-outlook (GDP growth according to European Commission is set to continue outperforming EU average in 2024-26e), increasing appetite for luxury cars and relocation of high net-worth individuals to the country. In our numbers, Porsche registrations are set to grow by 13.6% on average over 2023-27e, above our 6% CAGR estimate for the total market. In our numbers, total Porsche Sales (vehicles and aftermarket service) are set to grow by 14.3% in the 2023-27e period with 390 items sold by 2027e (from 234 in 2023) and accounting for 27.3% of total by 2027e (from 23.7% in 2023).

Following an extraordinary post-covid period for the car rental market in 2021-22 with historically high Gross profit margins, supply finally catch up with demand and increasing competition took their toll on margins, restoring them to more normal levels in 2023-24. Looking ahead, we assume that Sixt Greece has completed the major part of its fleet expansion and also the store rollout to key points (proximity to Port and Airport terminals, with the most recent additions in Aktio and Rhodes), hence we have factored in a 3% average growth of its existing fleet in 2023-27e. Turning to sales, driven by the optimization of its existing fleet to strategic points, the increasing tourism flows and also the growing inbound travellers from higher spending countries (i.e. USA, where the SIXT brand enjoys higher awareness), we expect revenues to grow by a faster 9.3%. Finally, combined with the expected contribution from the sale of the mature fleet (i.e. with life in operation of >4years), we see total Sixt sales expanding by 8.7% in 2023-27e, accounting for 30% of total by 2027e (from 33.6% in 2023)

Table 4: 9M24 results review

Key Operational figures	2022	2023	2024e	2025e	2026e	2027e
Yamaha Motor registrations	4,439	5,356	7,300	8,030	8,672	9,366
Total Motorcycles registrations	55,662	65,814	81,614	91,408	100,549	110,604
Yamaha market share (%)	8.0%	8.1%	8.9%	8.8%	8.6%	8.5%
Yamaha sales (EUR m)	61.9	75.8	87.8	94.8	102.0	107.8
Porsche registrations	168	234	291	320	355	390
New car registrations	105,219	134,465	146,611	153,942	161,639	169,721
Porsche sales (EUR m)	26.8	40.3	50.8	56.1	62.3	68.7
Sixt rental fleet (assumption)	4,200	4,500	4,635	4,774	4,917	5,065
Revenue per vehicle (assumption)	9,122	9,189	10,286	10,985	11,374	11,672
Sixt Rental sales (EUR m)	38.3	41.3	47.7	52.4	55.9	59.1
Sixt fleet sales (EUR m)	5.0	12.5	14.0	14.8	15.4	16.0
Total Sixt Sales (EUR m)	43.3	53.9	61.7	67.3	71.3	75.1

Source: The Company, ELSTAT, Optima bank research

Group Financials

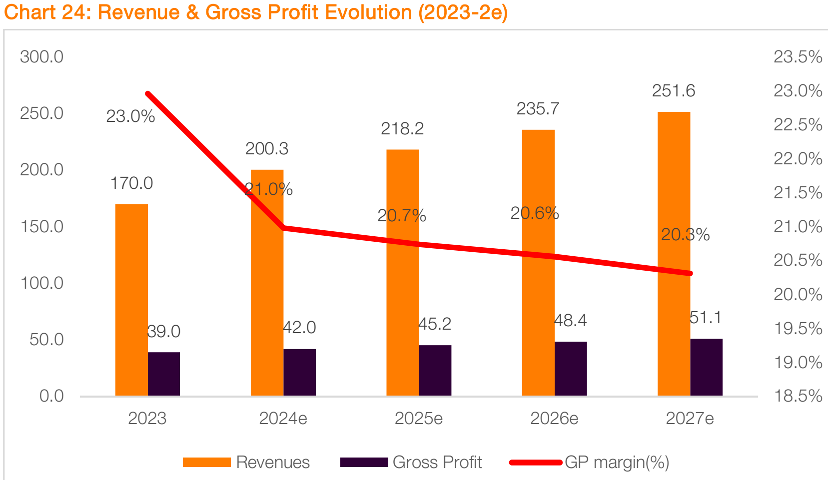
Looking into 2025e, we see further growth upside driven by a) increased Yamaha sales, both marines and motorcycles, b) increased Porsche sales, with 320 vehicles, vs 291 items for 2024e and c) optimization of its existing Sixt fleet, with market share gains. All in, we see Group sales at EUR 218m, up by 8.9% vs. 2024e. Turning to Profitability, we expect some further, yet minor margin contraction, with Gross profit reaching EUR 45.2m, up by 7.7% y-o-y, with the respective margin down by 30bps. Further down the P&L, accounting for increased SG&As by 10.9%, Depreciation charges of EUR 14m, lower by 6.8% net financials and 23.5% effective tax rate, we see EBITDA/EBIT/Net Profits to shape at EUR 35.5m/21.4m/14.1m respectively, up by c.9-10% y-o-y. Further ahead, we have factored in further low double digit sales growth for the Porsche brand, expecting vehicles sold to reach 390 items by 2027e, still lagging by c30% its 2007 peak and by >50% compared to the sales recorded in Portugal (a country with similar demographics and slightly superior disposable income), and high single digit for both Sixt Sales (driven by solid tourism trends and pricing) and Yamaha sales (Greek Motorcycles fleet is rather mature). To sum up, we expect Group turnover and EBITDA to exhibit a 4-year CAGR over 2023-27e of 10.3%, reaching EUR 251.6m and EUR 43m respectively, and Net profit to climb to EUR 16.7m by 2027e, growing by 9.8% on average over the same period.

Table 5: 2023-27e Key P&L items

EUR m	2023	2024e	*y-o-y*	2025e	*y-o-y*	2026e	*y-o-y*	2027e	*y-o-y*	2023-27e CAGR
Sales	**170.0**	**200.3**	***17.8%***	**218.2**	***8.9%***	**235.7**	***8.0%***	**251.6**	***6.8%***	**10.3%**
-Yamaha	75.8	87.8	*15.8%*	94.8	*8.0%*	102.0	*7.6%*	107.8	*5.7%*	9.2%
-Porsche	40.3	50.8	*26.2%*	56.1	*10.3%*	62.3	*11.1%*	68.7	*10.2%*	14.3%
-Sixt Rental & Sales	53.9	61.7	*14.4%*	67.3	*9.1%*	71.3	*6.0%*	75.1	*5.3%*	8.7%
Gross Profit	**39.0**	**42.0**	***7.7%***	**45.2**	***7.7%***	**48.4**	***7.1%***	**51.1**	***5.5%***	**7.0%**
-Yamaha	17.2	18.4	*7.4%*	19.8	*7.5%*	21.2	*7.1%*	22.3	*5.2%*	6.8%
-Porsche	8.0	9.0	*13.0%*	9.3	*3.1%*	9.9	*6.7%*	10.4	*4.6%*	6.8%
-Sixt Rental & Sales	13.9	14.6	*5.0%*	16.1	*10.7%*	17.3	*7.3%*	18.4	*6.4%*	7.3%
EBITDA	**29.1**	**31.7**	***9.2%***	**35.5**	***11.7%***	**39.5**	***11.4%***	**43.0**	***9.0%***	**10.3%**
Depreciation	11.41	13.30	*16.6%*	14.00	*5.3%*	16.20	*15.7%*	18.60	*14.8%*	13.0%
EBIT	**17.7**	**18.4**	***4.4%***	**21.4**	***16.3%***	**23.3**	***8.6%***	**24.4**	***4.9%***	**8.5%**
Net Financials	-2.3	-3.2	*38.7%*	-3.0	*-6.8%*	-2.9	*-3.1%*	-2.8	*-4.1%*	4.7%
Net Income	**11.5**	**11.6**	***0.8%***	**14.1**	***22.0%***	**15.7**	***11.2%***	**16.7**	***6.2%***	**9.8%**

Source: The Company, Optima bank research

Chart 24: Revenue & Gross Profit Evolution (2023-2e)



Source: The Company, Optima bank research

Balance sheet to remain healthy, strong FCF generation from 2025e onwards

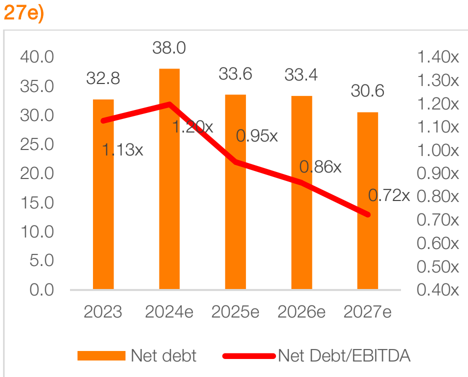
After a temporary negative FCF of EUR 8.7m in 2024e, mainly due to increased WC needs (the company is optimistic to record a significant WC release during the 4Q24e from car fleet sales), and also increased capex needs mainly driven by Sixt fleet renewal, we expect positive free cash flow generation of EUR 6.1m on average for 2025e-27e (FCF yield at 7.6%), driven by increased operating profitability and disciplined Working Capital. With respect to dividends, we assume a payout ratio of 1/3 on reported net profits or EUR 0.13/share for FY24e (payable in 2025), implying a 4.8% yield. Looking ahead, we see DPS higher to EUR 0.14/0.16/0.17 in 2025-27e, with the relevant yield exceeding 6%. Turning to leverage, we see Net Debt peaking at EUR 38m this year (Net Debt/EBITDA at 1.2x) from EUR 32.8m last year, owing to the negative free cash flow, and to gradually drop close to EUR 30.6m by 2027e, below the 1.0x Net Debt/EBITDA mark.

Table 6: Key Cash Flow & Balance Sheet Items

EUR m	2023	2024e	2025e	2026e	2027e
EBIT	17.7	18.4	21.4	23.3	24.4
Plus: Depreciation	11.4	13.3	13.9	15.5	17.9
Minus: Taxes	3.8	3.7	4.3	4.7	5.0
Gross Cash Flow	25.2	28.1	31.0	34.1	37.3
Plus/Minus Working Capital	-17.2	-8.6	-0.9	-3.4	-3.6
Minus Interests paid	-2.0	-3.2	-3.0	-2.9	-2.8
Operating Cash Flow	8.6	16.3	27.0	27.8	30.9
Capex and other investments	-10.3	-25.0	-22.0	-22.5	-23.0
Free cash Flow	-1.7	-8.7	5.0	5.3	7.9
Dividends	-2.9	-3.5	-4.2	-4.7	-5.0
DPS	0.12	0.13	0.14	0.16	0.17
Net Debt	32.8	38.0	33.6	33.4	30.6
Net Debt/EBITDA	1.1x	1.2x	0.9x	0.9x	0.7x

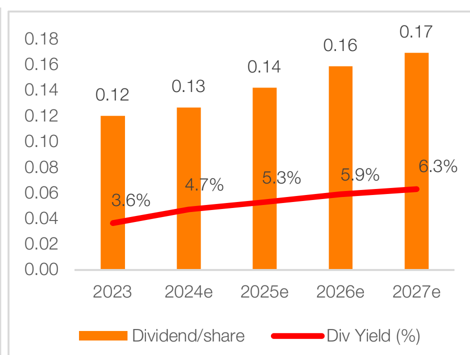
Source: The Company, Optima bank research

Chart 25: Net Debt, Net Debt/EBITDA evolution



Source: The Company, Optima bank research

Chart 26: DPS and Dividend Yield Evolution (2023-27e)



Source: The Company, Optima bank research

VALUATION

DCF TP set at EUR 4.01/share, implies 48.5% Upside; "Buy" recommendation

We value Motodynamics with a two-stage DCF model. In our 2-stage DCF model, we form an explicit set of forecasts for the period up to 2028e, after which we assign a terminal value growth of 0.5%. Our average WACC has been set at 10.3%, which we believe captures well domestic political/macro risks, the group's size (we apply an extra 2% premium on low liquidity/marketability of the stock), its capital structure as well as its regional exposure. Our WACC assumption is based on sector beta of 1.1, a risk-free rate of 3.1% (Greek 10-year Bond yield), an equity risk premium of 8.5% that in our view reflects country-specific risks adequately, a 2% low liquidity premium and company after tax cost of debt of 4.1%. That said, we initiate coverage on Motodynamics, with a Target Price for the Stock at EUR 4.01/share (48.5% upside on Friday's close), with a "Buy" recommendation.

Table 7 | DCF model

EUR m	2023	2024	2025	2026	2027	2028	Terminal Value
EBIT	17.7	18.4	21.4	23.3	24.4	25.4	25.5
NOPLAT	13.8	14.8	17.1	18.6	19.5	20.1	20.4
Depreciation & others	11.4	13.3	13.9	15.5	17.9	20.0	20.0
WC delta	-17.2	-8.6	-0.9	-3.4	-3.6	-4.1	-0.4
Capex	-10.4	-25.0	-22.0	-22.5	-23.0	-23.6	-21.1
Free Cash Flows	52.8	-5.5	8.1	8.2	10.7	12.5	19.0
Discounted FCFs	0.0	-5.5	7.4	6.8	8.0	8.5	
Terminal Value (discounted)	30.8						
Enterprise Value	**159**						
Net debt (2024e)	38						
Equity value	**121**						
Target Price/share	**4.01**						

Source: Optima bank research

DCF sensitivities to WACC and terminal growth rate

Finally, our sensitivity analysis to the DCF valuation, based on WACC and long-term growth, shows that for every 50bps delta in our 10.3% WACC assumption there is a 7.6% sensitivity in our DCF-based appraised value (EUR 0.30/share), and for every 50bps delta in our 0.5% long-term growth assumption the sensitivity stands at c. 5.8%, or c. EUR 0.24/share.

Table 8: NAV sensitivity analysis on WACC and Terminal growth rate

WACC

Terminal G

3.79	9.3%	9.8%	10.3%	10.8%	11.3%
-0.50%	4.15	3.86	3.59	3.35	3.13
0.00%	4.40	4.08	3.79	3.53	3.29
0.50%	4.68	4.33	4.01	3.73	3.47
1.00%	4.99	4.60	4.26	3.95	3.67
1.50%	5.33	4.91	4.53	4.19	3.88

Source: Optima bank research

Peer Group Analysis

Finally, and only for illustration purposes, we present a selected peer group of International Automobile and Motorcycles manufacturers and car rental companies. It is worth noting that despite the heavy losses the peer companies have suffered y-t-d, Motodynamics still trades at a material discount, which is by and large reasonable, considering their size, stock liquidity and vertical integration; Finally, Motodynamics is fairly valued in P/E terms compared to its domestic peer, Autohellas.

Table 9: Selected Peer Group valuation

	Market Cap. (EUR m)	% Ch. YTD	P/E 2024e	P/E 2025e	EV/EBITDA 2024e	EV/EBITDA 2025e	Div Yield 2024e	Div Yield 2025e
Autohellas	512	-18.62	6.75	6.49	3.84	3.73	6.54%	6.83%
Hertz Global HLD	1,349	-52.96				21.14	0.00%	0.00%
SIXT SE	3,134	-27.57	14.62	10.91	5.16	4.89	4.16%	5.46%
AVIS BUDGET GROUP	3,324	-40.70	24.71	9.04	10.74	8.21	0.00%	0.00%
Yamaha	8,524	4.90	8.07	7.19	6.03	5.52	3.69%	4.02%
Porsche Autom. Holding	27,831	-23.40	14.09	12.30	6.03	5.52	3.18%	3.78%
Piaggio & C. S.p.a.	774	-27.47	11.20	9.44	4.19	3.93	8.33%	9.26%
Honda Motor	42,909	-12.54	5.92	5.62	6.26	6.14	5.17%	5.63%
Peer Group Median			11.20	9.04	6.03	5.52	3.9%	4.4%
Motodynamics	81.1	-17.93	6.75	6.14	4.68	4.37	4.44%	4.81%
Premium (+) discount (-) vs. Autohellas			0.0	-5.4%	21.9%	17.2%		
Premium (+) discount (-) vs. Intl peers			-39.7%	-32.1%	-22.4%	-20.8%		

Source: Optima bank research

SUMMARY TABLES

Motodynamics Profit & Loss	2023	2024f	2025f	2026f	2027f
Sales	**170.0**	**200.3**	**218.2**	**235.7**	**251.6**
% change	28.7%	17.8%	8.9%	8.0%	6.8%
COGS	(130.9)	(158.3)	(172.9)	(187.2)	(200.5)
Gross Profit	**39.0**	**42.0**	**45.2**	**48.4**	**51.1**
EBITDA	29.1	31.7	35.4	38.8	42.3
Depreciation	11.4	13.3	13.9	15.5	17.9
EBIT	**17.7**	**18.4**	**21.4**	**23.3**	**24.4**
% change	14.3%	4.4%	16.3%	8.6%	4.9%
EBIT Margin (%)	*10.4%*	*9.2%*	*9.8%*	*9.9%*	*9.7%*
Net Financial Expenses	(2.3)	(3.2)	(3.0)	(2.9)	(2.8)
EBT	**15.3**	**15.2**	**18.4**	**20.4**	**21.7**
Tax	(3.8)	(3.7)	(4.3)	(4.7)	(5.0)
Effective tax rate (%)	25.0%	24.0%	23.5%	23.0%	23.0%
Net Profit	**11.5**	**11.6**	**14.1**	**15.7**	**16.7**

Per Share Data	2023	2024f	2025f	2026	2027f
Avg. diluted number of shares	30.2	30.2	29.8	29.7	29.6
EPS adj.	0.38	0.38	0.47	0.53	0.56
YoY	6.2%	0.6%	23.4%	11.7%	6.7%
DPS	0.12	0.13	0.14	0.16	0.17
BVPS	1.10	1.31	1.64	1.99	2.40

Valuation	2023	2024f	2025f	2026	2027f
Total Market Cap	99.4	80.5	79.1	78.7	78.4
EV	132.1	118.5	112.6	112.1	109.0
Net Debt/EBITDA	32.8	38.0	33.6	33.4	30.6
P / E (x)	8.6	7.0	5.6	5.0	4.7
P / BV (x)	2.98	2.04	1.62	1.33	1.11
EV / EBITDA adj. (x)	4.54	3.73	3.19	2.89	2.58
Net Debt/EBITDA	1.13	1.20	0.95	0.86	0.72
FCF yield (FCFF/mkt cap)	-1.8%	-10.8%	6.4%	6.7%	10.0%
Payout ratio	31%	33%	30%	30%	30%
Div. Yield (%) (gross)	3.6%	4.7%	5.4%	6.0%	6.4%

Balance Sheet	2023	2024f	2025f	2026f	2027f
Intangible Assets	0.8	0.8	0.8	0.8	0.8
Tangible fixed Assets	57.8	69.5	77.6	89.3	100.1
Other non-current Assets	10.1	9.5	14.5	15.3	16.0
Total non-current Assets	**68.7**	**79.8**	**92.9**	**105.3**	**116.9**
Trade Receivables	8.7	13.0	11.8	12.8	13.7
Inventrories	22.6	27.3	30.3	33.3	36.3
Cash & Cash equivalents	2.5	3.4	11.9	8.1	7.0
Other current Assets	1.9	2.9	2.9	3.0	3.0
Total current Assets	**35.8**	**46.6**	**57.0**	**57.3**	**60.0**
Total Assets	**104.5**	**126.3**	**149.9**	**162.6**	**176.9**
Trade Payables	24.8	25.1	26.1	26.7	26.9
Short term debt	7.4	7.4	7.4	7.4	7.4
Other current liabilities	11.7	20.9	30.3	36.0	42.3
Total Current Liabilities	**43.8**	**53.5**	**63.7**	**70.1**	**76.6**
Long term Debt	21.4	27.4	31.4	27.4	23.4
Other long term liabilities	5.8	5.9	5.9	6.0	6.0
Total Long Term Liabilites	**27.3**	**33.3**	**37.4**	**33.4**	**29.5**
Total Liabilities	**71.1**	**86.8**	**101.1**	**103.5**	**106.1**
Share Holders Equity	**33.4**	**39.5**	**48.8**	**59.2**	**70.8**
Total Liabilities + Equity	**104.5**	**126.3**	**149.9**	**162.6**	**176.9**

Cash Flow Statement (€ m)	2023	2024f	2025f	2026f	2027f
EBITDA	29.08	31.74	35.35	38.81	42.30
Taxes + Other	(3.29)	(6.91)	(7.38)	(7.64)	(7.81)
WC Changes	(17.20)	(8.55)	(0.93)	(3.38)	(3.58)
Cash Flow from Operations	**8.59**	**16.27**	**27.04**	**27.79**	**30.91**
Capex, net	(10.36)	(18.00)	(17.00)	(17.51)	(18.04)
Other Investing Activities	0.03	-7.00	-5.00	-5.00	-5.00
Cash Flow from Investments	**(10.33)**	**(25.00)**	**(22.00)**	**(22.51)**	**(23.04)**
Free Cash Flow to Firm	(1.75)	(8.73)	5.04	5.28	7.87
Dividends Paid & Buyback Programme	(3.71)	(4.44)	(4.53)	(5.01)	(5.00)
Change in Debt	1.57	14.00	8.00	(4.00)	(4.00)
Cash Flow from Financing	**(2.15)**	**9.56**	**3.47**	**(9.01)**	**(9.00)**

Source: the Company, Optima bank research

Company Description: Started its operations in 1969, Motodynamics operates as the official exclusive distributor of Yamaha products with market presence in three countries (Greece, Romania, Bulgaria) and Porsche in Greece. In December 2018, the company acquired 80.5% of Lion Rental (SIXT) posting the group to benefit from the strong inbound tourism in Greece. The company is also active in the sale of used cars mainly for renewal purposes of its rental fleet.

DISCLOSURE APPENDIX

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Optima bank Research Department Rating Distribution | Data current as of 16/12/2024

Recommendation System is **Absolute**: Each stock is rated on the basis of a total return, measured by the upside over a **12 month time horizon**

	Buy > 10%	Neutral -5% to +10%	Sell < -5%	Under Review Suspended	Restricted
Total Coverage	80%	5%	0%	15%	0%
% of companies that are IB clients	0%	0%	0%	0%	0%
Auto Trade	100%	0%	0%	0%	0%
% of companies that are IB clients	0%	0%	0%	0%	0%

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9. Following the sale and transferring of shares from IREON INVESTMENTS LTD to numerous third parties in multiple dates since the initial acquisition, and Optima bank's subsequent EUR 80m share capital increase, in which IREON INVESTMENTS did not participate, the participation of IREON INVESTMENTS LTD in OPTIMA BANK S.A. as of January 19, 2021 was reduced to a percentage lower than 15%.

Recommendation History | MOTODYNAMICS

Date	Recommendation	TP	CP (at report date)
16-Dec-24	Buy	EUR 4.01	EUR 2.68

Risks to our forecasts and valuation

Deteriorations of the domestic Macro environment

Slower than expected recovery of the car sales market

Slower than expected recovery of the Motor cycles market

Slower than expected growth of inbound travellers

Increased competition from low cost Motorcycle brands

Higher than expected capex in the future due to environmental regulations.

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