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Team D

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Recommendation: **BUY**
 Upside: **24.63%**

Figure 1: Motodynamics' Overview

Key Figures	
Target Price	€3.44
Last Close (28/01/2025)	€2.76
Dividend Yield 2025F	5.96%
Total Upside (%)	30.59%
Market Cap ((€ '000s)	83,360
Shares Outstanding ('000s)	30,150
52-Week High	€3.14
52-Week Low	€2.12
Beta (5Y monthly)	0.89
P/E 2025F	5.03
P/B 2025F	1.56
EV/EBITDA 2025F	5.35
Free Float (%)	52.32%

Source: LSEG Data, Team Analysis

Figure 2: Motodynamics' Relative Share Performance



Source: LSEG Data, Team Analysis

Figure 3: Motodynamics' Corporate Highlights



Source: Team Analysis

Motodynamics S.A. (Hereafter "Motodynamics", the "Company" or the "Firm") is a Greek industrial company, engaged primarily in the exclusive distribution of Yamaha motorcycles, Porsche vehicles, and car rental services with a strong presence on the Greek and broader regional markets.

INVESTMENT SUMMARY

We issue a **BUY** recommendation on Motodynamics with a target price of **€3.44**, representing a total return of **30.59%**, comprising an **24.63% upside potential** from the closing price of **€2.76** on 28/01/2024 (Figure 2), along with a dividend yield of **5.96%** (Figure 1). Our valuation is based on a 60%/40% blend of a Discounted Cash Flow Model and a Comparable Companies Analysis. Our target price implies a 2025F 5.03x P/E, which is below the Company's historical valuations of 9.34x P/E (avg. 2019A-2024E). Our strong recommendation relies on a robust five-year EPS CAGR of 17.83%, (FY24-FY29), driven by the following catalysts: **(1) Dynamic Growth of the Greek Economy powered by the rapid increase in Tourism, (2) Growth in the number of high-net-worth Individuals boosting demand for Luxury Automotive Goods and Services (3) Sound financial position (4) Population Urbanization leading to a surge in Motorcycle Demand (5) Strong brand mix.**

Motodynamics drives fast into new paths

Motodynamics' turnover **reached €170 million in 2023**, reflecting a compound annual growth rate (CAGR) of 23% in revenues from 2018 to 2023. The company set sales records across all divisions, with Yamaha achieving a growth of +25% and Porsche experiencing a substantial increase of 50%. The group has maintained its robust financial performance in every year, with the exception of 2020, when operations were adversely affected by the pandemic. Motodynamics maintains market-leading gross margins, yet there is potential for further EBIT growth as the business expands and capitalizes on scale efficiencies. Leveraging both intrinsic growth and the acquisition of Lion Rental (Figure 3), the SIXT franchisee in Greece, the company has successfully **increased its EBIT from around €4 million in 2019 to a remarkable €18 million in 2023.**

Navigating the Road through Challenges

In an environment of intense uncertainty, Motodynamics has proven its resilience by adapting to challenges such as economic instability during the COVID-19 pandemic and geopolitical influences. This landscape has created difficult conditions, including volatility in the automotive market, with fluctuations in fuel prices, leading to changes in consumer preferences, and supply chain disruptions—such as the global semiconductor shortage—potentially affecting vehicle availability and production. Additionally, the transition to electric vehicles (EVs) presents a significant challenge for the company. However, through strategic investments, a focus on innovation and strong customer relationships, Motodynamics has not only weathered these storms but has also positioned itself for continued success in a dynamic and competitive market.

Embracing a world of sustainable mobility

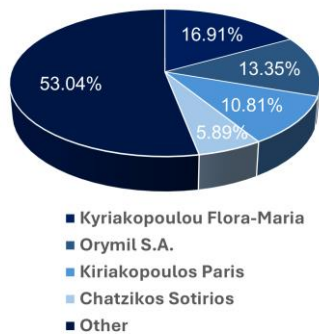
Motodynamics operates in a competitive yet strategically advantageous market, where its strong presence enables it to lead in the shift towards sustainable mobility. The company benefits from significant market share and high entry barriers in the motorcycle distribution and rental sectors. The markets for motorcycles, vehicles, and rental services are similarly concentrated, as indicated by our Herfindahl-Hirschman Index analysis (Figures 12), supported by the major hurdles to entry (Appendix – 4.1 Porter's Five Forces).

Evolving into a shining star in the automotive industry

We maintain a positive outlook on Motodynamics, driven by an **expected improvement in EBITDA margin from 16.94% to 19.06% (2024E–2029F)**, indicating enhanced operational efficiency. Furthermore, ROE is projected to normalize from 33.52% to an appealing 25.52% (2024E–2029F), **reflecting the Company's ability to generate high returns for shareholders.** The anticipated **reduction in the Debt/Equity ratio** from 1.13 to 0.11 (2024E–2029F) underscores strengthened financial flexibility and a solid foundation for sustainable growth. The CFO/CAPEX is forecasted to increase from 0.77 to 1.52 (2024F–2029), which showcases the company's ability to **finance its future CAPEX investments** mainly with its cash flow generation.

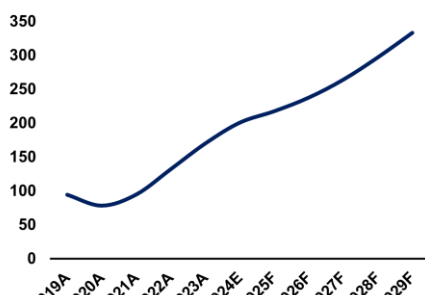
Key Financial Metrics	2022A	2023A	2024E	2025F	2026F	2027F	2028F	2029F
Revenues (€ '000s)	132,045	169,970	200,712	217,605	237,707	264,150	297,047	333,253
EBITDA (€ '000s)	25,214	29,076	34,002	38,789	43,604	49,256	56,064	63,525
EBITDA Margin (%)	19.10%	17.11%	16.94%	17.83%	18.34%	18.65%	18.87%	19.06%
Net Profit (€ '000s)	10,497	11,514	15,005	17,782	21,104	24,721	29,123	34,074
Net Profit Margin (%)	7.95%	6.77%	7.48%	8.17%	8.88%	9.36%	9.80%	10.22%
EPS	0.35	0.38	0.50	0.59	0.70	0.82	0.97	1.13
EPS Growth (%)	108.92%	9.69%	30.31%	18.51%	18.68%	17.14%	17.81%	17.00%
ROE	36.46%	34.53%	33.52%	31.08%	29.32%	27.69%	26.55%	25.52%
ROA	11.21%	11.02%	10.62%	11.60%	12.57%	13.45%	14.29%	15.29%
P/E (x)	6.00	8.61	5.57	5.03	4.47	3.95	3.42	2.91

Figure 4: Motodynamics' Shareholders Structure



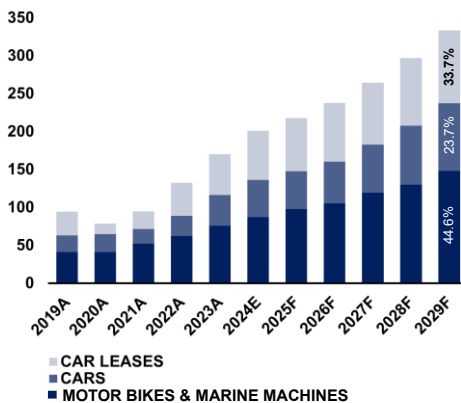
Source: Company Data, Team Analysis

Figure 5: Motodynamics' Revenues 2019A-2029F (in € millions)



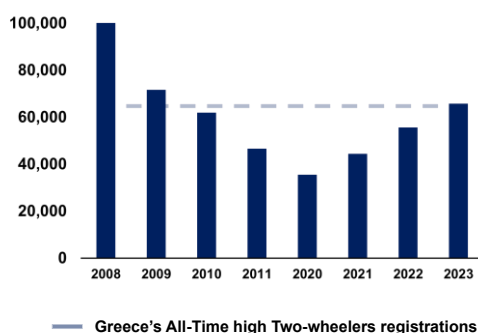
Source: Company Data, Team Analysis

Figure 6: Motodynamics' Revenues Breakdown by Segment (in € millions)



Source: Company Data, Team Analysis

Figure 7: Registrations per Year of Two-Wheelers in Greece



Source: ELSTAT, Team Analysis

BUSINESS DESCRIPTION

Motodynamics is a publicly listed company on the Athens Stock Exchange, specializing in the import, distribution, and retail of premium automotive and mobility products and services. Established in 1969 under the name "Iliopoulos Bros" and going public in 2005, the company initially focused on Yamaha motor products and later expanded its portfolio to include other leading brands. Motodynamics holds exclusive distribution rights for Yamaha in Greece, Bulgaria and Romania and has been the official distributor of Porsche in Greece since 2011. Additionally, the company has strategically diversified its offerings, establishing subsidiaries such as Motodiktyo S.A., Motodynamics SRL, Motodynamics LTD and expanding into the car rental market with the acquisition of Lion Rental S.A. owning in this way the exclusive rights for Sixt in Greece. Finally, the company employs 362 people, has presence in 24 locations and provides the convenience of online shopping combined with quality through the web-platform Motodyrect.

Innovative Mobility Solutions Motodynamics' Portfolio

Motodynamics S.A. is divided into three distinct segments: **Yamaha**, **Sixt**, and **Porsche**. The **Yamaha** segment delivers the majority of the company's revenue stream (around **45%** in 2023A) and is expected to further grow its contribution, due to strong demand, to its diverse portfolio in two main areas: motorcycles and marine products. Their motorcycle division serves both urban and off-road two-wheelers, offering everything from small scooters to high-performance racing bikes, while its marine division provides a range of outboard motors and recreational watercraft. **Sixt** contributes significantly (around **32%** in 2023A) to Motodynamics by delivering mobility solutions, with car rental services. Being a pioneer in the digitalization of the car rental industry, offering customers flexible mobility solutions with a fully integrated digital platform, and also having a fleet that includes a wide range of vehicles, focusing primarily on premium models, helps the company maintain its leadership in the car rental market. In conclusion, **Porsche's** contribution to revenues is vital (around **23%** in 2023A), offering a diverse portfolio of luxury sports cars, EVs, and performance-oriented automotive products with critical applications in personal transport, motorsport, and high-end consumer demand. A key aspect of Porsche's operations is its strong commitment to innovation and sustainable mobility, particularly through its electric vehicle line-up (e.g., the Taycan). Porsche also leads in the high-performance sports car market, maintaining a premium brand image synonymous with luxury, speed, and precision engineering.

INDUSTRY OVERVIEW & COMPETITIVE POSITION

Motodynamics' three core business segments show promising growth trajectories. The two-wheelers global market is expected to experience CAGR of 3.4%, reaching a market value of \$176.3b by 2029, according to Statista. According to Technavio the global car rental industry is set to grow at a robust CAGR of 20.47%, with an anticipated market size of \$313b by 2029. Meanwhile, the global luxury vehicle sector is projected to expand at a CAGR of 6.56%, positioning it for continued growth in the coming years, securing \$706b by 2029, as stated by Technavio.

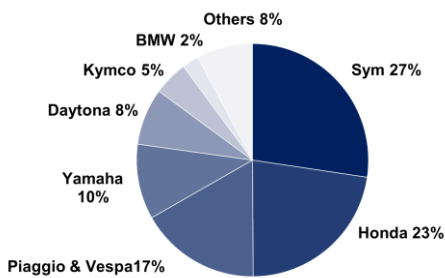
Two-wheelers: Riding towards a new era of mobility

The global two-wheeler market was valued at **€139.6b in 2023**, with a **3.4% CAGR**, projected to reach **€176.3b by 2029**. This growth is largely driven by the increasing demand for personal transportation, especially in emerging markets where motorcycles and scooters are seen as cost-effective alternatives to cars. Regarding the countries that Motodynamics operates, the two-wheeler market is significant, with Yamaha holding a **10.4% market share in Greece**, **13.9% in Bulgaria**, and **4.3% in Romania**, presenting opportunities for further growth following **Yamaha's European market share at 11.3%**. Greece also saw a **peak of 100k two-wheeler registrations in 2008**, before the financial crisis, highlighting the rising popularity of motorcycles and scooters as affordable modes of transportation, while **in 2023 the market is 34% below with almost 66k registrations**. In terms of traffic congestion according to TomTom traffic index, **Athens and Bucharest are ranked 8th and 4th in Europe** for the most challenging traffic congestion, with residents spending **111 and 150 hours per year in traffic** respectively, increasing the demand for efficient, flexible transportation options. To add another important market driver, the road safety will be enhanced, as the Greek Ministry of Transportation has introduced plans to reduce accidents by 50% over the coming years, backed by €500m in funding from the European Investment Bank to lower fatalities and injuries, making motorcycles more safe mean of transportation. According to ELSTAT, **Motorcycle-related deaths have already decreased from 300 in 2014 to 212 in 2022**, reflecting the impact of these initiatives. Additionally, the introduction of regulations allowing car drivers to operate light motorbikes up to 125cc further expands opportunities for personal mobility, opening the market to further demand. The favorable environmental conditions of recent years ([Figure 9](#)), **urbanization a key global trend**, with the **UN predicting that 68% of the world's population will live in urban areas by 2050**, and projected GDP growth in emerging markets (41% until 2029, Statista), is expected to fuel continued growth in the two-wheeler market in Greece. Other notable players in the Greek market include **SYM, Honda, Piaggio**, and **Daytona**, which are key competitors alongside Yamaha as indicated in the ([Figure 8](#)).

Marine Products: Surfing the waves of progress

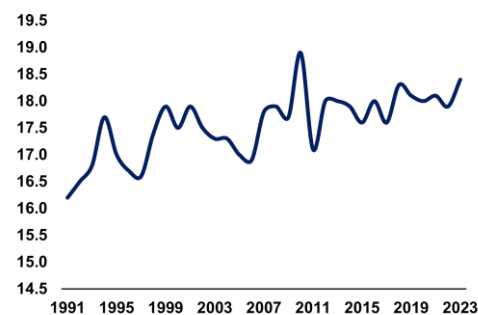
The marine products industry in Greece is experiencing moderate growth, with the **number of users projected to rise from 187k in 2023 to 243k by 2029**, according to Statista. This growth is primarily driven by the increase in tourism, as highlighted in ([Figure 10](#)), and favorable environmental conditions. Greece has seen a **14% rise in average temperature, from 16.2°C in 1991 to 18.4°C in 2023** ([Figure 9](#)), according to ELSTAT, making it an increasingly attractive destination for maritime activities. Additionally, a **24% reduction in precipitation**, as reported by Trading economics, has contributed to a **longer tourism season**, now extended by two months (May and September) due to improved weather.

Figure 8: Two-wheeler brands' market in Greece 2023



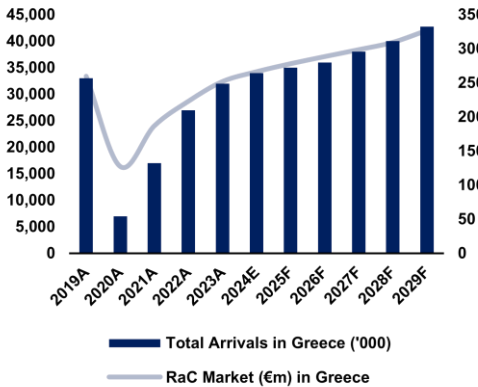
Source: ELSTAT, Team Analysis

Figure 9: Average Annual Temperature in Greece (1991-2023)



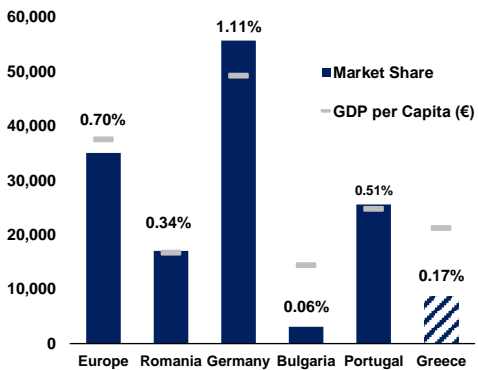
Source: EMI Greece Data, Team Analysis

Figure 10: RaC Market (in € millions) & Total Arrivals (in '000s of people)



Source: Statista Data, Team Analysis

Figure 11: Porsche's Market Share vs GDP per Capita (€)



Source: Team Analysis

Furthermore, the industry recently benefited from extended EU funding aimed at supporting marine products and maritime activities, diminishing temporarily the demand, however a resurgence is anticipated in short term. These factors, combined with the expanding demand for personal and recreational marine products and **Greek GDP growth of 20% by 2029** according to Statista, position the industry for sustained growth in the coming years.

Car Rental: Bridging destinations with convenience

The global car rental market was valued at over **\$102b in 2023** and is projected to reach an impressive **\$313b by 2029**, driven by a robust **CAGR of 20.47%**. This substantial growth is primarily attributed to an increase in **global tourism and global GDP with CAGR 3.5% and 4.1% by 2029** respectively, according to Statista, which are fueling higher demand for rental vehicles, particularly in popular tourist destinations. The Greek RaC market that is closely linked to the country's flourishing tourist industry in 2023, featured a fleet of approximately **96k rental cars** and generated **€252m in revenue, serving 1.12 million users**. These figures are comparable to **2019 pre-COVID levels**, where the market generated **€260m in revenue** with more than **1.08m users**. Additionally, Motodynamics' brand, Sixt, has established a presence at all major Greek airports, which are seeing increasing numbers of **international arrivals**, with **22.1m** reported in 2023 surpassing pre-COVID figures of **19.8m** in 2019, while the future forecast exceeds 40m arrivals by 2029 as shown in (Figure 10). While Motodynamics offer leasing solutions through Sixt Flex, the company focuses on flexible, short-term rental solutions, and on providing the majority of its **3,621 car fleet (2023)** (Figure 14) for tourist and business adaptable transportation. Sixt currently holds a **market share in Greece of over 20%** with opportunity for further expansion, with major competitors, including international franchises such as Hertz (Autohellas) and Avis, along with **more than 2,100 smaller operators** according to INSTETE.

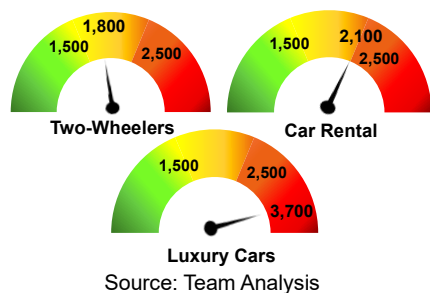
Luxury Vehicles: A market on the Fast Lane

The global luxury car market was worth more than **\$483b in 2023** with the growing demand for luxury cars expected to continue, securing **\$706b in 2029** with a **CAGR 6.56%**. As the global GDP and population of HNWIs continues to grow particularly in emerging markets, the demand for premium and high-end transportation options has surged. This demographic is increasingly seeking luxury vehicles for both personal and business purposes, contributing to the expansion of the luxury car rental market. Regarding the car market in Greece, it had **135k registrations of passenger cars in 2023**, with the **contribution of luxury cars to less than 3%** of it. As for the Porsche's market share in Greece, it is continuing to grow, without having surpassed the peak at **2007 with 559 new registrations**, being in 2023 still, at levels more than **50% below**, with almost **266 new registrations** (ELSTAT) (Figure 13). Additionally, robust Greek **GDP growth**, and especially the growth of High-Net-Worth Individuals in Greece, from **66k in 2021 to 95k in 2026** (according to The Knight Frank Wealth Report 2022), will lead to higher disposable incomes and greater purchasing power, further fueling demand for luxury vehicles. The Greek luxury car market remains undervalued compared to similar economies like Portugal, despite similarities in population, GDP per Capita and geographical characteristics. More specifically, **Luxury Cars as % of total registrations in 2023** was only **2.5% for the Greek market** compared to **Portugal's 6.23%, Bulgaria's 3.05% and Romania's 3.34%**, including brands as Porsche, Maserati, Land Rover, Jaguar, Lexus etc. (according to ELSTAT and Marklines). This undervaluation also follows the Porsche's car registrations, which are significantly lower than those of the above-mentioned countries, despite the higher GDP per Capita of some of them (Romania), as indicated in (Figure 11).

Strategic Advantages: Concerning the two-wheeler market, Motodynamic's Yamaha holds a significant position in the two-wheeler market in **Greece, with a market share of 10.4%** (in units) as indicated in (Figure 8) and has also established a strong presence in neighboring **Bulgaria and Romania, with shares of 13.9% and 4.3%, respectively**. This performance aligns with Yamaha's overall **European market share of 11.3%**, highlighting potential for continued revenue growth. The brand's diversified fleet, which includes scooters, off-road, and on-road two-wheelers, allows Yamaha to cater to a wide range of customer preferences (Appendix 3.1 - SWOT Analysis). Yamaha's competitive edge is further strengthened by strong brand awareness, a good quality-price correlation, and a flexible pricing policy that enhances its appeal in diverse markets. As for **Sixt, it currently holds a market share of over 16% in Greece**, with significant opportunities for further expansion in the competitive landscape, which includes major international franchises such as Hertz (Autohellas) and Avis, as well as more than 2,100 smaller operators, according to INSTETE as shown. The company's strong competitive position is reinforced by its premium fleet, catering to customers seeking high-quality rental vehicles, while strong brand name and presence in 13 key airports across Greece (Figure 10) further enhance its visibility and market reach. Regarding Porsche, it holds a **market share of 0.17% of total car registrations in Greece**, in comparison to **0.51% in Portugal and 0.24% in Romania** as highlighted in (Figure 11). Despite this relatively smaller share, Porsche's strong brand name (Appendix – 4.1 Porter's Five Forces) continues to drive its reputation for luxury and performance. The company is actively expanding its electric vehicle portfolio with models like the Macan and Taycan, positioning itself to meet the growing demand for sustainable mobility solutions.

Competitive Landscape: The Greek two-wheeler market is moderately concentrated, with a **Herfindahl-Hirschman Index (HHI) of 1,800** (Figure 12), indicating a balanced level of competition. According to Porter's Five Forces Analysis (Figure 15), the threat of new entrants is low (2/5) due to significant entry barriers, such as brand loyalty and high capital requirements. The bargaining power of buyers is moderate (2.5/5), as consumers have options but are influenced by Yamaha's strong brand and competitive pricing. **Regarding the Greek car rental market, it exhibits moderate concentration, with a HHI of 2,100** (Figure 12), signifying a balanced level of competition. As per Porter's Five Forces analysis, the threat of new entrants is relatively low (2/5), primarily due to significant capital requirements and the presence of established competitors. The bargaining power of suppliers is also low (1.5/5), owing to SIXT's strong operational scale and supplier relationships. **As for the luxury car market in Greece, it is highly concentrated, with a HHI of 3,700** (Figure 12), reflecting a dominant competitive landscape.

Figure 12: Herfindahl- Hirschman Index



According to Porter's Five Forces Analysis ([Appendix – 4.1 Porter's Five Forces](#)) the threat of new entrants is low (1.5/5), given the high barriers to entry, including significant capital investment and although there is brand concentration and thousands mom & pop's small business, foreign tourists choose 5-6 international companies. The bargaining power of buyers is also low (1.5/5), as consumers are drawn to Porsche's strong brand reputation and luxury appeal. Additionally, the threat of substitute products is minimal (1.5/5), as Porsche's distinctive market position in the luxury car segment faces limited competition from alternatives. Lastly, Motodynamics exhibits strong financial performance, with a solid return on assets (ROA) 11% and return on invested capital (ROIC) 24%, demonstrating efficient resource and capital management, securing 2nd and 1st place among its peers, respectively. The company maintains a balanced debt-to-equity ratio 1.06 (4th) and strong interest coverage 7.6 (2nd) reflect financial stability and the ability to meet obligations effectively, while the weaker Quick Ratio of 0.28 (9th) indicates a higher liquidity risk relative to its peers. These metrics underscore Motodynamics' sound financial position.

FINANCIAL ANALYSIS

Profitability | Motodynamics accelerates

Motodynamics experienced a severe financial downturn during the COVID-19 pandemic, primarily due to a significant decline in car rental demand but also because of low gross disposable income in Greece (€37.3K in Q2 2020) leading to stagnant sales in the Yamaha segment. Subsequently, the company witnessed a rapid rebound and a period of financial growth fueled by a surge in pent-up tourism demand which boosted sales across segments. According to our analysis we expect the after covid **exceptional performance of a 34% CAGR (FY21-FY23)** to be maintained but also normalize to a **CAGR of 14% (FY24-FY29)** due to higher base effect. Support from the other segments assisted in the overall gross profit margins ([Figure 16](#)) being only slightly impacted by the fall of the **car leasing gross profit margin from 33% pre-COVID to 17% during COVID**. Moving forward we project rising gross profit margins in car leasing and in motor bikes & others segments due to the **economies of scale** which enable the company to lower costs in fleet management, to benefit from centralized operations and to have volume discounts. However, in order to maintain its market share in the blooming luxury cars industry the gross profit margins remain stable at 19.8%.

Operational Expenses

Motodynamics' OPEX is composed of administrative and distribution expenses. The negative **-1% operating margin in FY20** is clearly an outlier caused by the declined sales in combination with the increased **administrative expenses of 18% (change Y-o-Y)** required to overcome the challenges the company was presented with. In normal conditions, the operational efficiency of the company is evident since the margin not only returned to previous levels of 3.8% but improved even more to **10.4% (FY19-FY23)**. This is a result of the management's deep market knowledge, expertise in the industry and satisfied productive staff along with the strategic brand partnerships which allow the company to constantly improve. We anticipate that this attribute will be preserved and the administrative and distribution expenses will be relatively stable between **3.45%-2.90%** and **9.23%- 8.34%** respectively (**FY24-FY29**). **EBITDA margins for Motodynamics follow a similar upward trajectory to operating margins**. However, it should be noted that **EBITDA** is not fully indicative of the company's success due to the high depreciation costs associated with its fleet vehicles, which significantly impacts overall profitability. Other income and other expenses were not forecasted due to the limited information disclosed about their sub-accounts combined with the insignificant impact on the overall performance. Cost of goods sold is primarily cost of merchandise (77% of COGS in FY23) and depreciation (7% of COGS in FY23).

Taking into consideration the operational concerns just mentioned, we conducted a DuPont analysis to showcase the company's capital efficiency ([Appendix 5.5 – Dupont Analysis](#)). Motodynamics' witnessed a considerable erosion of shareholder value with ROE equal to -15.7% during the COVID-19 crisis as it remained leveraged during the period and it faced operational issues. Despite that, this value was recovered in the following years due to the company obtaining 71% of its revenue from distribution activities, and benefiting from asset turnover improvement from 1.25x to 1.63x (FY20-FY23) as the sales scaled, reflecting a more efficient asset base utilization. We support that this advantage will be sustained, but due to the disadvantageous debt conditions against them the shareholders will see their returns normalize from 33.52% to 25.52% (FY23-FY29).

Capital management

The significant leverage in FY19 and FY20 proved to be detrimental and exposed the company to risks, which is why it is now moving more towards equity to finance its projects and operations with debt to equity ratio moving from 1.73 to 1.13 (FY19-FY23). The discretionary nature and focused differentiation strategy of the company accompanied by high interest rates push it to refrain from borrowing to avoid unexpected issues relating to debt serviceability and financing terms, thus leading it to a falling debt to equity ratio from 0.83 to 0.12 (FY24-FY29). In doing so, it also provides itself with the advantage of borrowing in case of an attractive opportunity. Using a synthetic rating we derived the indicative spread over the risk-free rate of the past, compared it to the actual spread that Motodynamics was offered, and concluded that after the pandemic the company was overcharged by an average 1.91% over the last 3 years (FY21-FY23). This led to the average cost of debt rising from 3.50% to 6.40% (FY21-FY23) reasonably justified by the volatility of the revenue streams it has. The debt is secured by collateral on the ownership of Lyon Rentals S.A. and an undertaking to maintain satisfactory capital adequacy, profitability and liquidity by maintaining the ratio of Total Net Debt at less than or equal to 3.00, the ratio of EBIT to Net Interest at greater than or equal to 3.00 and the ratio of Debt to EBITDA at less than or equal to 4.00. Superior shareholder compensation is apparent since the company provides a dividend for its investors even in the moments of catastrophe. It provided a €585K dividend during COVID-19 which quadrupled last year to €2.93M indicating a 25% dividend payout ratio. We assume that a dividend payout ratio of 30% is appropriate and satisfies investors who are compensated for their equity with a dividend yield increasing from 6% to 10.3% and a forecasted yearly price appreciation of 7.14% to -0.32%(FY25-FY29) ([Figure 25](#)).

Figure 13: Registrations per Year of Porsche Cars in Greece

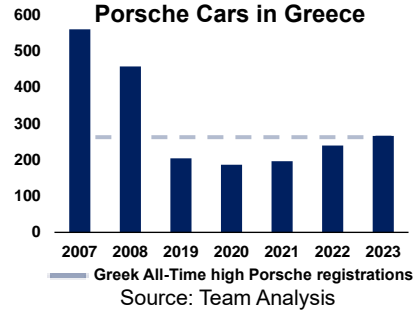


Figure 14: Sixt Fleet Size Forecast

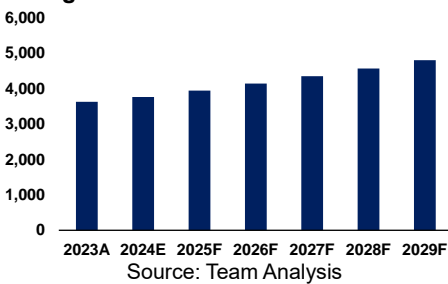


Figure 15: Porter's Five Forces



Figure 16: Gross Profit Margin per Segment

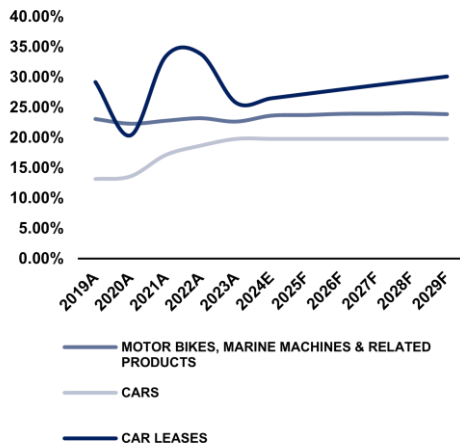
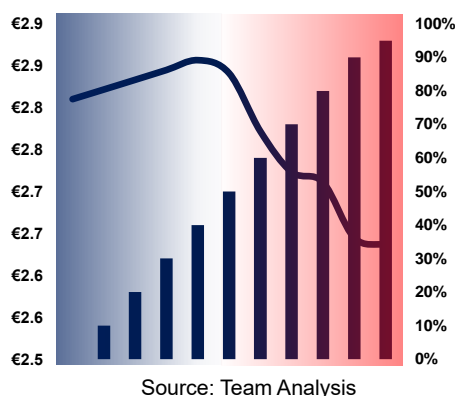


Figure 17: Impact of Leverage on Price



Optimal Capital Structure

Focusing on balancing debt and equity to minimize WACC while maximizing firm value, considering tax shields, and agency costs the optimal leverage level for the company is at around 67% debt-to-equity. Given the volatility of EBIT for the sector, a safer debt-to-equity ratio is advisable to reduce financial risk and ensure stability in interest coverage. A more conservative capital structure would help the company withstand earnings fluctuations, avoid financial distress, and maintain flexibility during economic downturns (Figure 17).

VALUATION

We issue a **BUY** recommendation on Motodynamics with a target price of €3.44 representing a 24.63% upside from the closing price of €2.76 per share on January 28th. Our target price is based on a combination of a **Discounted Cash Flow (DCF) model** and a **Company Comparable Analysis (CCA)**. We believe that these methodologies are the most appropriate as they effectively integrate both the growth features and the valuation profiles of similar companies. We applied **60% weight to the DCF model and 40% to the CCA model**. The choice of attributing lower importance to the latter is driven by the inadequacy of comparable companies that are identical to Motodynamics, owing to its unique business model. At the same time, the weight of the DCF methodology depicts the strong growth we anticipate for the upcoming years (2024E-2029F revenue CAGR of 14%). However, to further enrich our analysis we assessed **variable weight scenarios on the valuation methods** with a 20%-80% range on both methods and arrived at a target price range of €4.00-€3.17 (Figure 19).

Discounted Cash Flows (DCF)

We used a **two-stage DCF model (Decelerating Growth - Stable)** for Motodynamics. Generally, we assert that a two-stage model is more appropriate for the Company because Motodynamics is **experiencing a high growth phase**, and we expect a transition to a mature growth phase. **Forecast horizon:** In full accordance with **IAS 36**, we use a 5-year forecast horizon for the DCF valuation of Motodynamics, given the company's lack of steady-state growth and the increasing uncertainty of long-term projections. Extending the horizon further would reduce reliability, as distant forecasts are more susceptible to errors and speculative assumptions. **This approach balances capturing medium-term growth potential with a robust terminal value calculation, ensuring a credible and actionable valuation.** The forecasts are the outcome of a thorough bottom-up analysis, drawing upon the Company's past performance, guidance from management, and our evaluation. After subtracting Net Debt from Enterprise Value, the **implied price from DCF is €2.89, a value higher than the current one**, indicating that the Company is currently undervalued. Below, we analyze the most critical factors influencing our model (Appendix 6.2 – Discounted Cash Flow Model).

Revenues

Car Rentals [28% of terminal mix]: Revenue from car rentals is driven by the **expanding fleet, from 3,759 to 4,795 (FY24-FY2029)**, and its increasing utilization rates along with an increase in the average daily price of a car equal to the ECB's projected inflation for Greece. We estimate the **FY23 fleet size by scaling Sixt International Fleet Vehicles NBV to Motodynamics' one** and the **daily price of a car rental** by averaging the prices of each vehicle the company provides for leasing over the next 12 months leading us to a **price of €79.54**. The fleet sales part of the segment is derived by adding a **mark-up of 24.63% (decreasing to normal levels of 14.54% in FY29)** to the NBV of 3-year depreciated fleet. The industry boom, combined with the positioning through a strategy of focused differentiation accompanied by premium pricing, but also with highly perceived customer value, is reflected in our revenue growth forecast of **10.51% CAGR**.

Luxury Vehicles [23% of terminal mix]: Luxury cars' revenue is a function of future Porsche purchases and the price of the units. Based on the promising industry and macroeconomic conditions **we forecast an increase in luxury car sales from €49.3M to €89.2M exhibiting a 15.99% CAGR (FY24-FY2029)**. This is a result of the assumption that Motodynamics' share in the industry's unit sales is maintained, something which is achieved by lowering the prices fluctuating between **€184K-€192K** to compete with the rest of the industry participants. Proportionate to the industry growth, the units sold by the company in the forecasted period amounts from 257 to 478.

Motor bikes, Marine machines & related products [49% of terminal mix]

Motor bikes: The motor bikes' revenues are to **rise from €45.9M to €79.4M (FY24-FY2029) representing a 14.72% CAGR** stemming from both units and price increases of 6,320 to 9,463 and €7,257 to €8,394 respectively. The units trace the industry demand meaning a constant market share of Motodynamics' in the sector and the price traces the projected inflation plus a 5-year price CAGR of 0.9%, which we support can be achieved in the following competitive environment.

Spare parts - Accessories - Lubricants – Services: The revenues from the related products directly linked to the company's motorbike sales as a fixed 60.47%, as higher motorbike registrations drive demand for after-sales support, maintenance products, and related services to ensure optimal vehicle performance and customer satisfaction.

Marine machines: Representing 6% of the terminal mix marines are set to grow at a 11% CAGR based on the favourable industry environment, the 3-year historical average of sales, the projected tourism arrivals for the forecasted horizon and the historical 3-year average of the number of marine users.

Operational Expenses

OPEX is comprised of administrative expenses and distribution expenses. Considering that the company's business mix has changed during the examined historical period and has been heavily impacted by COVID-19 we avoid encompassing averages into the calculation of these line items.

Figure 18: EBITDA Margin- Operating Margin

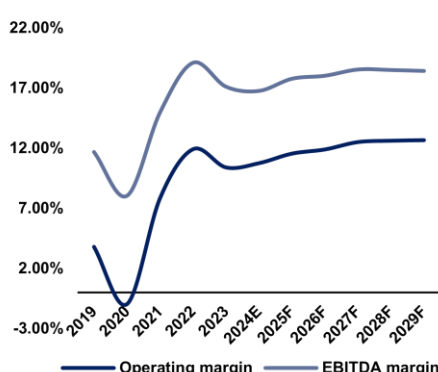


Figure 19: Football Field

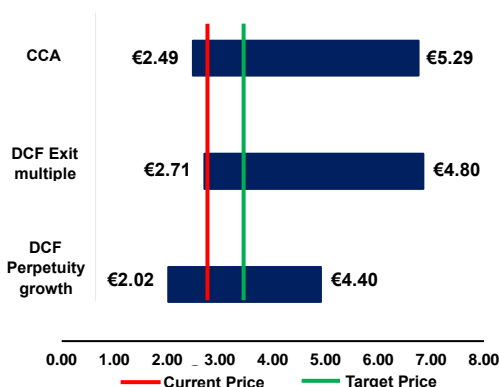


Figure 20: WACC Components

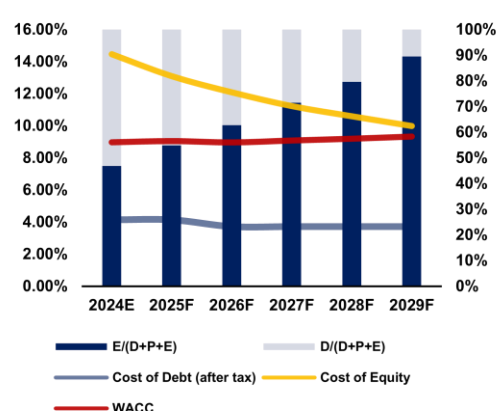


Figure 21: ROE-ROCE

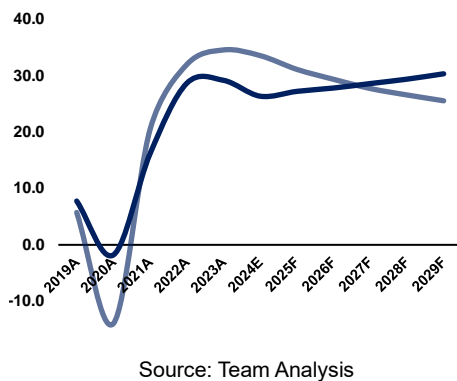


Figure 22: Capex (in € millions)

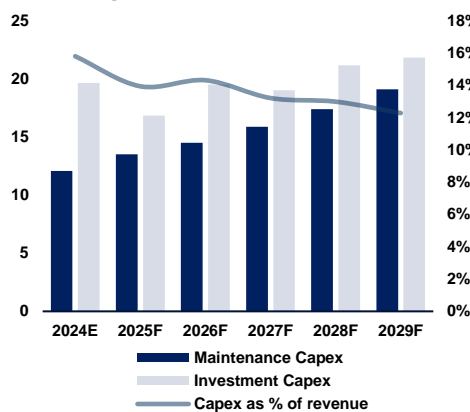


Figure 23: Scenario Analysis

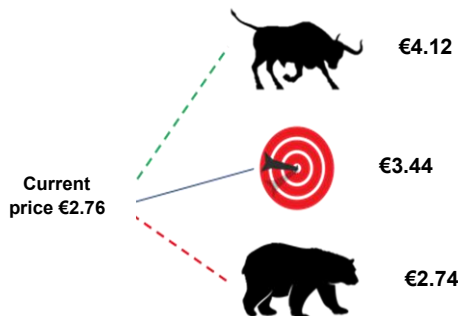
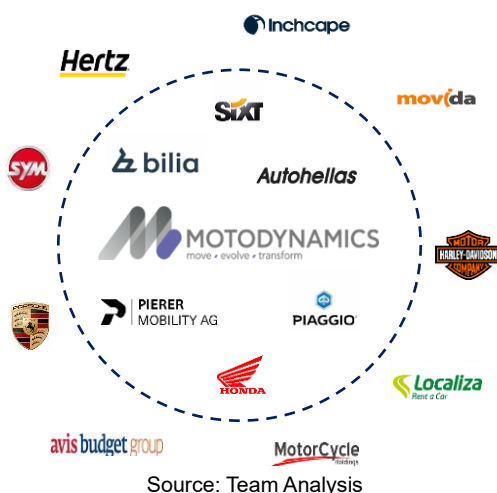


Figure 24: K-Nearest Neighbors



We forecast administrative and distribution expenses relative to total revenue by using **last year's ratios of 3.14% and 9.42% respectively and adjusting them to 2.90% and 8.34% in FY29** showcasing the economies of scale of the company and the optimization of the distribution network.

CAPEX

Significant capital investments amounting from **€30.30M to €40.89M (FY24-FY29)** (Figure 22) are required for Motodynamics due to the capital-intensive nature of the car leasing segment which necessitates the renewal of sold depreciated fleet, the maintenance of existing fleet and the purchase of vehicles in order to scale the fleet. The fleet expansion is based on the required units multiplied by the average price of €14.49K to €16.04K (FY23-FY29) which traces the expected inflation. The cost for sold fleet is its NBV, which is derived by subtracting from the 3-year-old additions the depreciation which corresponds to them. The company does not disclose the age of its fleet, although a revamped fleet up to 3 years old is needed to support the high-quality service it offers. Propitiously, the other segments' capital intensity is low since the distribution points can increase the forecasted volume with minor investments. For the total of the remaining tangible and intangible assets the growth, investment amounts to a fixed ratio of revenues of 1.51%.

Bottom-Up Beta

We opted to calculate the Bottom-Up Beta, following the approach defined by Professor Aswath Damodaran, to derive a more business-specific beta and utilize more reliable assumptions. This decision was made due to the fact that regression betas are often heavily impacted by the selected time series. The sample size of businesses we used is 15, 6 of which operate in the motorcycle sector, in the car rental sector and 3 in the premium car sector. In order to identify the peer group of comparable companies we applied a data processing model, the K-Nearest Neighbor (Appendix 6.4- K-Nearest Neighbors). Subsequently, the unlevered beta for each peer was calculated using the effective tax rate and not the domestic corporate tax rate of each company due to the customized and multinational nature of their business models and in order to ensure greater accuracy. The median unlevered beta for the car rental sector was 0.53, 0.75 for the two-wheelers sector and 0.77 for the premium car sector. Afterward, we weighted the median betas of each sector with the revenues that Motodynamics generates from each sector. Finally, we aggregated the weighted unlevered betas and levered up the outcome in order to determine **Motodynamics' bottom-up beta of 0.68**.

Weighted Average Cost of Capital (WACC)

For **Cost of Debt**, we used a credit spread methodology by creating a synthetic rating from the ICR of the company according to professor Aswath Damodaran. For the risk-free rate we chose the 1-year daily average of the German bond of 10 years of maturity at 2.4%, since it balances a long maturity and is not as illiquid as the 30-year bond. The total (after-tax) cost of debt ranges from 3.72% to 4.14% and is obtained by adding the credit spread and an irregular overcharge to the risk-free rate. The credit spread is based on a synthetic rating which depends on the ICR of the company. The overcharge is set to the average overcharge of the past 2 years' historical data and is possibly justified by the nature of the business mix and the conditions of Greek banking financing. We arrived at a **Cost of Equity** of 14.47% to 9.99%. We calculate our CAPM by using the **Levered Bottom-Up Beta** and multiplying it by Damodaran's **Equity risk premium** for Greece, which reflects a mature market ERP plus a country risk spread, and finally adding the risk-free rate. To better adjust the investors' return requirements to the specific company we also took into consideration the distribution and governance risks. Taking into account the company's leverage ratio in the forecasted years the **WACC** fluctuates between 8.97% and 9% (Figure 19).

Sensitivity analysis & Monte Carlo Simulation

Valuation assumptions were flexed in sensitivity and Monte Carlo analyses to test our recommendation's robustness. Momentarily, considering only past performance (daily returns since 2014), we use Brownian motion to simulate one million 252-trading day price paths starting at Motodynamics' year-end closing price. The expected price is 3.44 representing a return of 23% (from 2.81 in 20/1) and its suggested with a 67% probability that our suggested price is reached. We performed an initial Monte Carlo simulation for Motodynamics' valuation by probabilistically varying Yamaha and Porsche market shares, marine segment growth, inflation, and terminal growth rates (Figure 27). A subsequent simulation applied beta distributions to each variable, adjusting alpha, beta, and domain bounds to better capture asymmetric risks and improve the precision of the valuation's probability-weighted outcomes. (Appendix 6.5 – Sensitivity Analysis & Monte Carlo Simulation).

Scenario analysis

Aside from our base analysis, we performed comprehensive analyses for both Bull and Bear scenarios (Figure 22), taking into account our three investment theses. In our Bull scenario analysis, we identified a potential target price of €4.12. On the contrary, the Bear scenario pointed to a potential target price of €2.74.

Comparable Companies Analysis (CCA)

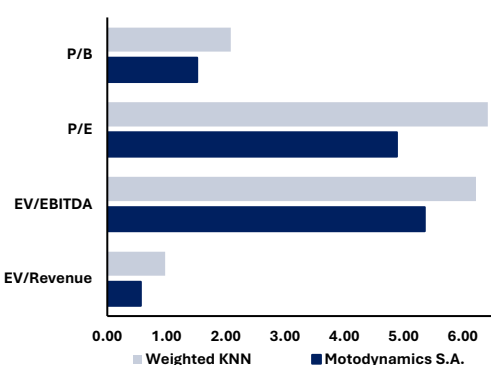
Motodynamics operates a diverse business model across three key segments: the distribution of products in the two-wheeler sector, luxury cars and car rental services. Although there is a multitude of companies operating in these three sectors separately, a combination of those creates a very rare portfolio. Given the unique nature of its operations, our analysis identified a group of not identical but comparable companies based on specific criteria. **1) The business model**, emphasizing its distinct structure, **2) financial health**, ensuring alignment with robust peers, **3) size**, measured by market capitalization, and **4) geographical correlation**, focusing on revenue generation within Europe. Regarding the peer group, we applied multiples using a **weighted average approach** based on a machine learning algorithm, **K-Nearest Neighbors** (Figure 24). The multiple analysis resulted in an **implied share price of 4.2 per share** derived from a one-year forward (FY25F) multiples of 0.97x EV/Revenues, 6.22x EV/EBITDA, 6.42x P/E AND 2.08x P/B using **25% weights** on each (Appendix 6.3 - Comparable Companies Analysis).

Figure 25: Dividend Yield & Total Return



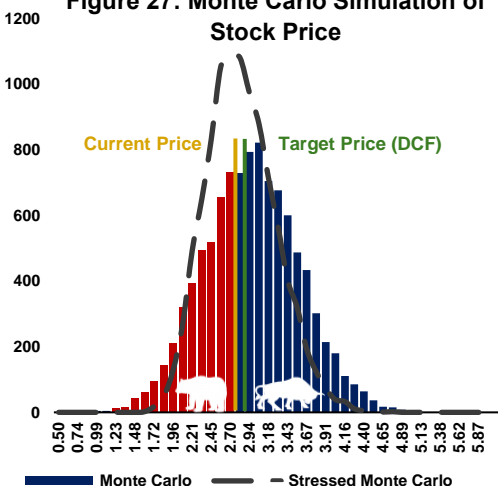
Source: Team Analysis

Figure 26: 12 Months Forward



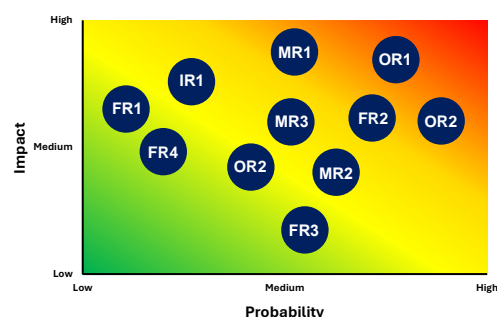
Source: Team Analysis

Figure 27: Monte Carlo Simulation of Stock Price



Source: Team Analysis

Figure 28: Risk Impact Probability



Source: Team Analysis

INVESTMENT RISKS

Market Risks

Competitors Risk (MR1)

The automotive sector has high growth prospects for the next years, as it has not fully recovered after Covid-19, indicating an attractive target for existing key players to expand and newcomers to emerge. Motodynamics operates in the European Market and faces significant challenges from competitors, particularly from Asian companies expanding their presence in the EU. **Valuation impact:** increased competition can lead to lower pricing and reduced revenues and profit margins, ultimately affecting the company's enterprise value. **Mitigation:** In order to avoid risk, the company should focus on differentiating its services by providing added value to its partners and customers, such as superior customer service, faster deliveries and tailored solutions. Additionally, maintaining close collaborations with suppliers leads to securing competitive pricing and privileged access to new products.

Electric Transition Risk (MR2)

The shift towards electrification in the automotive and powersports sectors presents significant risks for Motodynamics followed by technological obsolescence. **Valuation impact:** delayed adaptation to or insufficient investment in the electric vehicles technology could erode market share and reduce long-term profitability, potentially leading to a decline in the company's intrinsic value. **Mitigation:** Motodynamics can adopt a proactive approach, including accelerated R&D in electric technologies and the development of a product portfolio with more electric vehicles than the already existing ones.

Inflation Risk (MR3)

Inflation risk for Motodynamics S.A. poses a significant challenge to its operations and profitability. Geopolitical conflicts, such as trade wars or regional instability, exacerbate inflationary pressures by disrupting supply chains and increasing commodity prices. **Valuation impact:** Rising costs lead to reduced margins as the company faces higher expenses in distribution, transportation and sourcing of products. **Mitigation:** Motodynamics can implement strategies such as cost control measures, renegotiating supplier contracts and adjusting its pricing model to reflect inflationary changes.

Financial Risks

Interest Rates Risk (FR1)

Interest rate risk refers to the potential impact of fluctuations in the interest rates on a company's financial performance, particularly its borrowing costs and cash flows. For Motodynamics S.A., whose financial obligations are largely linked to floating interest rates such as the Euribor, changes in market rates can directly affect the cost of debt servicing. **Valuation impact:** an increase in interest rates could lead to higher financing costs, reduced profitability, and a potential decrease in the company's enterprise value. Conversely, a decline in rates could lower costs but also impact income from interest-bearing assets. **Mitigation:** To manage its exposure to interest rate volatility, Motodynamics employs derivative financial products, such as **interest rate swaps** (company's data), which allow the company to hedge against unfavorable rates movements.

Liquidity Risk (FR2)

Liquidity risk refers to the company's ability to maintain sufficient cash or easily liquidated assets to meet its short-term obligations. For Motodynamics S.A., persistent negative working capital and a current ratio below 1 over the past years highlight a structural difficulty in covering short-term liabilities with current assets. **Valuation impact:** Insufficient liquidity can lead to operational challenges, increased borrowing costs, and diminished investor confidence, which may negatively impact the company's enterprise value and profitability. **Mitigation:** Motodynamics' plan for the next years includes to increase its liquidity through improved working capital management by optimizing inventory turnover and re-negotiating payment terms with suppliers and customers. Additionally, since the company's income from operating activities is expected to grow in the coming years, this will generate more cash, minimizing in this way the need for borrowings and leading to a decrease of debt-to-equity ratio.

Foreign Exchange Risk (FR3)

Motodynamic's operating activities in different countries (Greece, Bulgaria and Romania) make it vulnerable to risk related to foreign currency fluctuations. While the Euro tends to follow a more stable trend, Bulgarian Lev and Romanian Leu are more volatile. **Valuation impact:** This risk can impact the company's revenues, costs, profitability and asset evaluation creating an uncertainty when converting to the home currency. **Mitigation:** Motodynamics could consider using **forward contracts**, which involve agreements with banks or financial institutions to exchange currencies at a predetermined rate on a future date. Additionally, another strategy is the use of **currency options**, which provides the company with the right but not the obligation, to buy or sell currencies at a specified price and time.

Credit Risk (FR4)

Motodynamics' credit risk primarily arises from receivables from customers, which include to a great extent customer claims for branded products such as Yamaha, Porsche and Sixt. In light of the prevailing economic uncertainty and global market volatility, the company faces an elevated risk of credit defaults, which is reflected in its financial performance. The Z-Score analysis over the period from 2019 to 2023 reveals a significant improvement in the company's financial stability, moving from a potentially distressed position (below 1.81) to a more secure standing, with the 2023 score indicating stronger financial health ([Appendix – 5.4: Altman Z-Score Analysis](#)). **Valuation Impact:** The upward trend in Motodynamics' Z-Score, projected at 2.86 for FY23–FY26, signals enhanced financial stability. This improvement is expected to result in more favorable credit terms, heightened investor confidence, and an increase in the company's overall valuation.

Figure 29: Type of Risks

Type of risk	Mitigation
Market Risks	MR1: Diversification of services, maintenance of close collaborations with suppliers
	MR2: R&D in electric technologies, further development of an electric product portfolio
	MR3: Cost control measures, renegotiation of supplier contracts, adjustment of prices
Financial Risks	FR1: Use of derivative financial products such as interest rate swaps
	FR2: Optimizing inventory turnover, renegotiating payment terms, securing short-term credit facilities.
	FR3: Use of financial products such as forward contracts and currency options
	FR4: Strict credit policy, predefined limits,
Operational Risks	OR1: Air freight adoption, improved inventory systems, investment in supply chain resilience technologies.
	OR2: Regular financial assessments, specialized commercial teams, insurance of excellent service delivery
	OR3: Hiring qualified personnel who don't have stake in the company
Investors Risks	IR1: Shareholders should stay informed and closely monitor the major shareholders' strategic initiatives.

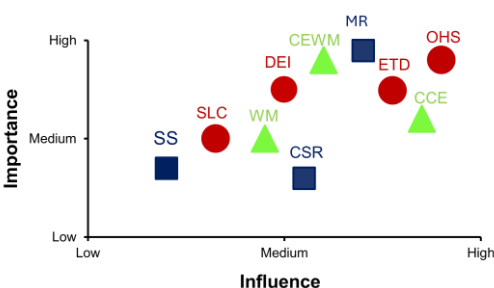
Source: Team Analysis

Figure 30: Relative ESG



Source: Team Analysis

Figure 31: Importance-Influence Matrix



Source: Team Analysis

Mitigation: To mitigate the credit risk the company adheres to a stringent credit policy, which is regularly reviewed and monitored. This ensures that credit granted to customers stays within pre-established limits, minimizing the likelihood of financial exposure.

Operational Risks

Supply Chain Risk (OR1)

Being a distributor and not a production company, Motodynamics relies entirely on its suppliers. This means that potential disruptions in supply, caused by events such as supplier delays, geopolitical crises, or natural disasters, may hinder delivery. **Valuation Impact:** This risk could lead to increased costs and customer dissatisfaction, further resulting to a loss of market share. **Mitigation:** One of strategies Motodynamics employs to minimize this risk is utilizing **air freight to transport its inventory** during periods of delays. At the same time, the company could strengthen its inventory management systems and invest in technologies to improve forecasting and enhance supply chain resilience.

Channel Effectiveness Risk (OR2)

Motodynamics' ability to reach both existing and potential customers heavily relies on the efficiency of its distribution channels. **Valuation impact:** ineffective distribution channels could disrupt the seamless delivery of products and services, which increases costs and negatively affects the company's enterprise value. **Mitigation:** This risk is managed through regular financial assessments and addressed by deploying specialized commercial teams to optimize distribution performance in each market and ensure excellent service delivery at critical points like physical stores and airports.

Governance Risk (OR3)

Motodynamics S.A. consists of a team with extensive experience, which has contributed to maintaining the company's stability and success. However, **the management and ownership are partially controlled by the major shareholders** (Figure 36). As a result, potential conflicts between the BoD and the shareholders could pose a significant risk to the company's governance, potentially disrupting its operations. **Mitigation:** Shareholders and Management are contradictory stake holding parties. Therefore, the Board should consider hiring qualified personnel who do not have any ownership stake in the company.

Investors Risks

Restricted Public Float (IR1)

The Kyriakopoulos family holds 41% of Motodynamics' shares (Figure 4), which creates a potential risk of a large volume of shares being sold under specific conditions. This could significantly increase the supply of shares available in the market, potentially disrupting the balance between supply and demand. **Share price impact:** if the shares offered are mismatched with the demanded ones, then the price of Motodynamics will decline rapidly. **Mitigation:** shareholders should stay informed and closely monitor the major shareholders' strategic initiatives.

ENVIRONMENTAL SOCIAL & GOVERNANCE (ESG)

Our assessment of Motodynamics' ESG performance includes a comprehensive company review and a brief comparison with its peers, resulting in an "average" rating, with governance identified as a key area for improvement (Figure 30). We applied the **"ESG Integration"** approach, recommended as best practice by the CFA Institute, to guide our analysis. We begin by identifying key ESG issues within the sector, followed by a materiality assessment using an **Importance-Influence plot** (Figure 31), and a **double materiality assessment** (Figure 32) to evaluate both financial implications and the company's environmental and social impact. This analysis shows that Motodynamics is actively managing its ESG risks and opportunities, which **aligns** with our **"buy"** recommendation, supported by our valuation analysis.

Environmental Evaluation

Climate Change and Energy (CCE) Importance: High | Influence: High

Motodynamics has shown a notable commitment to addressing climate change, with a clear focus on reducing both direct (**Scope 1**) and indirect (**Scope 2**) emissions by 2030, and a **long-term goal of achieving net-zero emissions by 2050**. Investing in a **green vehicle fleet** is key to Motodynamics' sustainability strategy, with the shift to electric vehicles **offering both challenges and opportunities**. The company has also taken steps by promoting low-carbon vehicles and engaging with suppliers that meet ESG criteria, aligning with the **EU's Fit for 55 initiative, targeting a 55% reduction in emissions by 2030**. However, the current evidence does not fully support the company's ability to meet these ambitious goals. If the company fails to accelerate its transition to electric and low-emission vehicles, it risks falling short of its long-term sustainability targets, which could impact its reputation and competitiveness in the market. While the company has made significant progress in areas such as fuel consumption reductions for gasoline (47%) and diesel (46%), **challenges remain**, particularly in reducing emissions from its **supply chain (Scope 3)**, which constitutes a significant portion of the company's overall emissions.

Circular Economy and Waste Management (CEWM) Importance: Medium | Influence: Medium

Motodynamics is committed to promoting the circular economy by focusing on **waste reduction** and optimizing resource use. The company prioritizes recycling of materials like plastic, paper, and organic waste, ensuring compliance with environmental standards.

Figure 32: Double Materiality Assessment

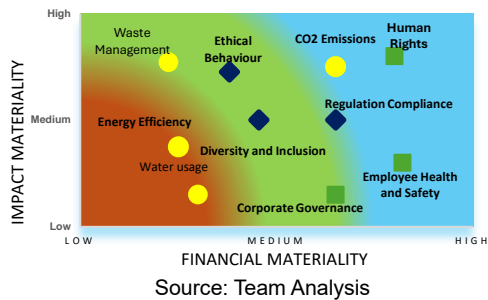
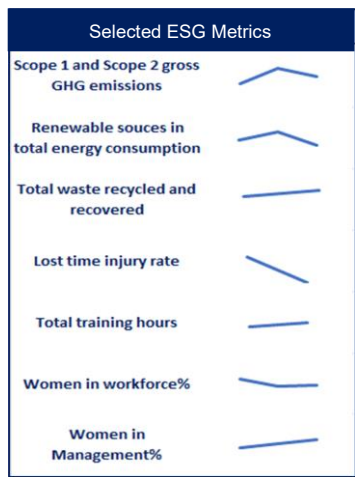
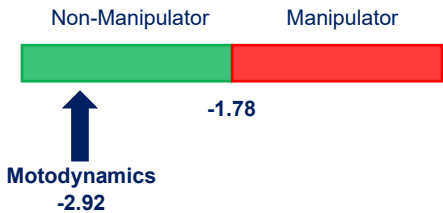


Figure 33: ESG Key Metrics



Source: Team Analysis

Figure 34: Beneish M-Score



Source: Team Analysis

Figure 35: ESG Evaluation Scoring

ESG Evaluation Scoring Scale	
A+	A: Strong compliance with ESG criteria
A	
A-	
B+	B: Medium compliance with ESG criteria
B	
B-	
C+	C: Weak compliance with ESG criteria
C	
C-	
D+	D: Minimum compliance with ESG criteria
D	
D-	
F	F: No compliance with ESG criteria

Source: Team Analysis

Through collaborations with certified partners for handling hazardous materials, Motodynamics reinforces its dedication to sustainable operations. In line with its goals, the company participates in the “Just Go Zero” initiative, aiming for a zero-waste future where nothing is wasted, contributing to a more sustainable and resource-efficient economy.

Water Management (WM) Importance: Medium | Influence: Medium

Regarding water management, Motodynamics primarily utilizes water for vehicle cleaning and maintenance, employing **advanced steam cleaning technology** at Athens and Thessaloniki airports, to **minimize water consumption, wastewater, and emissions** (Figure 33). However, the **absence of a formal water disposal control process** at its Metamorfoi facility raises environmental and regulatory concerns. Failure to implement stricter water management measures across all locations could lead to compliance risks, operational inefficiencies, and reputational damage.

Social Evaluation

Occupational Health and Safety (OHS) Importance: High | Influence: Medium

Motodynamics focuses on employee well-being through a hybrid work model and access to medical advice, which contributes to improved satisfaction and productivity. The company maintains a strong safety culture with continuous training programs. The improvement plan includes the completion and implementation of the **Wellbeing plan**, with an emphasis on maintaining **zero health and safety incidents** in the workplace.

Employee Training and Development (ETD) Importance: High | Influence: Medium

Motodynamics emphasizes employee training and development as a strategic priority, with a **51% increase** in employee training programs and an **86% rise in training expenditures**. In 2022, Motodynamics allocated **€30,000 to employee training**, which, while reflecting a commitment to workforce development, is relatively modest considering the scale of the company's operations. Through structured programs and initiatives like the Kaizen Academy and the EdX platform, the company fosters continuous improvement, enhancing both professional and personal growth, and aligning employee skills with organizational goals. This focus on development and well-being earned the company recognition as a **Best Place to Work** in 2023, highlighting its commitment to workplace excellence and **reducing legal and reputational risks**.

Diversity, Equity, and Inclusion (DEI) Importance: High | Influence: Medium

Motodynamics is actively advancing diversity and inclusion in its industry. In 2024, it was the first company in the sector to **achieve ISO 30415 certification** for Diversity & Inclusion. Ongoing initiatives include creating an Employee Council for Diversity, building wheelchair-accessible ramps, and hiring neurodiverse individuals. The company ensures equal pay for equal work, with **women employees earning slightly more than men** on average, underscoring its commitment to gender equality. Employee engagement surveys and initiatives like the “CEO lunch” foster open communication and continuous improvement, while addressing challenges in achieving consistent diversity across all levels.

Community Relations (CR) Importance: Medium | Influence: Medium

Motodynamics focuses on corporate social responsibility by **supporting education, road safety, sportsmanship, mobility-challenged individuals and environmental sustainability**. All social initiatives are evaluated based on their **Social Return on Investment (SROI)** to ensure impactful contributions. The company also actively funds scholarships, especially for students from isolated islands, and forms partnerships with academic institutions to develop talent and encourage social responsibility. By actively participating in programs like “Excellent Seas” and “Junior Achievement Greece,” the company continues to make a positive impact on society.

Governance Evaluation

Management Review (MR) Importance: High | Influence: High

The **Board of Directors (BoD)** of Motodynamics consists of **13 Members** (Figure 36), 7 of which are **independent Directors** and 4 are **women Directors**, representing approximately **30%** of the Board's Composition, a figure that exceeds the legal requirement for **gender diversity**. The **term period** for BoD members is 3 years and the **average tenure** of directors is kept short, promoting internal discipline and minimizing the risk of misconduct. The company also adheres to corporate governance standards by appointing an independent Vice-Chairman, which helps to preserve the board's autonomy. The **Remuneration Committee** consists of two independent members and non-independent one, partially meeting the recent Greek law's requirement for a majority of independent members. However, Motodynamics maintains **CEO duality**, with the CEO also holding the position of Chairman of the BoD, which goes against with the corporate governance framework in **most OECD jurisdictions**.

Shareholders Structure (SS) Importance: Medium | Influence: Low

Regarding ownership structure and management, Motodynamics is primarily owned by the **Kyriakopoulos family, which holds 41% of the company's share capital**, and **Hatzikos Sotirios, who owns 5.89%**. The **remaining 53% of shares are publicly traded**, with 8.6% held by institutional investors, both domestic and foreign (Figure 4). While the ownership structure is diverse, there is potential for enhanced shareholder engagement to better align with corporate governance best practices. Additionally, Motodynamics' **Beneish M-Score of -2.47 highlights its financial integrity and commitment to transparency** (Figure 34). According to the LSEG data, Motodynamics has a **free float of 52.32%** and a **holdings concentration of 56.18%** among the top 10 shareholders. While this concentration may offer stability, it could also limit the influence of minority shareholders, potentially affecting corporate governance and reducing transparency in decision-making processes.

Figure 36: ESG Corporate Governance



Source: Team Analysis

Corporate Social Responsibility (CSR) Importance: **Medium** | Influence: **Medium**

In 2023, the Group released its **first Sustainability Report** for fiscal year 2022, providing key insights for shareholders and stakeholders. The report complies with the **Global Reporting Initiative (GRI) 2021** standards and the **Athens Stock Exchange ESG Reporting Guide 2022**. Committed to Sustainable Development, the Group aligns its practices with the **United Nations Sustainable Development Goals (SDGs)**. In the same year, Motodynamics was included in the **ATHEX ESG Index for the first time**, achieving a **transparency score of 57%**, with plans to further enhance this score as part of its strategic focus.

ESG Peer Group Comparison

We derive the company's ESG score through a peer-based analysis, utilizing insights from the K-Nearest Neighbors algorithm ([Appendix 6.4: K-Nearest Neighbors](#)). This analysis identifies two key competitors in the motorcycle sector (Piaggio, Honda), two in the automotive sector (Bilia AB, Inchcape), and two in the car rental industry (Autohellas, Avis) ([Figure 40](#)).

Due to the limited availability of information regarding Motodynamics' ESG score, we proceeded with the calculation of our own, following the LSEG ESG Report framework. Therefore, we conducted a thorough comparative analysis, using data from peer companies provided by LSEG and cross-referencing it with information disclosed in Motodynamics' official reports. We created a framework with over 200 key metrics, both quantitative and qualitative (expressed as TRUE or FALSE) to assess the company's sustainability. Qualitative data was assessed with a binary scoring system, assigning a "1" for valid entries and "0" for invalid ones. Quantitative metrics underwent min-max normalization, where the lowest value among peers was assigned a score of "0" and the highest a "1," with Motodynamics' figures proportionally scaled within this range. We then aggregated the scores for all factors, converting them into a percentage. By applying the assigned weights for each sub-pillar, we derived the final score, which was subsequently converted into a rating scale from A+ to F ([Figure 35](#)).

In terms of the **Environmental perspective**, it can be observed that Motodynamics is falling behind in the Resource Use factor. However, it exhibits a higher score in Emissions, while it shows the same score in the Innovation factor ([Figure 37](#)).

Regarding the Second parameter of ESG, Motodynamics outperforms in **Social Evaluation** in both Human Rights, and Community as the Company has indeed placed strict lines in terms of human rights. Moreover, the company's social efforts are demonstrated through its charitable and volunteer initiatives. However, there is room for improvement in the area of Product Responsibility, while in the Workforce factor, it aligns with its competitors ([Figure38](#)).

Concerning the **Governance perspective**, the company appears to lag behind its competitors in the Shareholders and CSR Strategy score. As for the Management factor, it can be rated as "average" yet there is a prospect for improvement ([Figure39](#)).

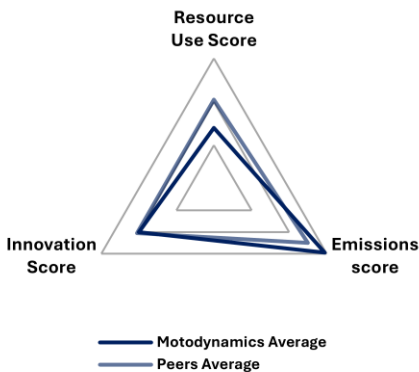
Overall, our analysis indicates that Motodynamics performs at an average level across Environmental, Social, and Governance (ESG) factors, highlighting substantial potential for improvement.

Figure 40 : Motordynamics VS Competitors ESG Scores

ESG Factors	Autohellas	Avis	Bilia ab	Motodynamics	Honda	Piagio	Inchcape
Resource use (Weight 6,3%)	D+	B+	C-	C-	A	C+	C-
Emissions (Weight 7,7%)	B-	C	B	B	A-	A	C-
Innovation (Weight 5,1%)	C+	D-	D-	C+	A+	C-	D-
Workforce (Weight 10,2%)	B-	B-	B+	B-	A	A	C+
Human Rights (Weight 7,7%)	B	A-	B+	B+	B	B	C
Community (Weight 12,8)	B	B-	D+	B	A	A+	D-
Product Responsibility (Weight 11,9%)	C-	C+	A	B-	A+	A-	D-
Management (Weight 25,5%)	C+	C-	B+	B	A-	C-	A+
Shareholders (Weight 7,7%)	D-	C	A	C-	D	C+	A+
CSR strategy (Weight 5,1%)	C	A+	B+	C	C+	C	C+

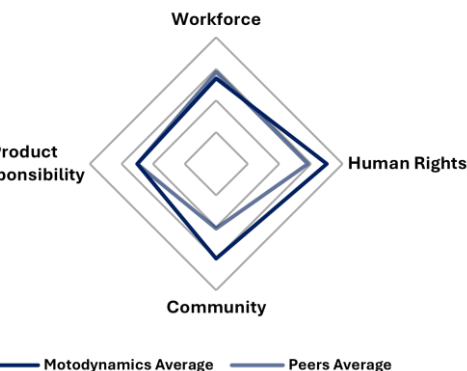
Source: LSEG Data, Team Analysis

Figure 37: Environmental Evaluation



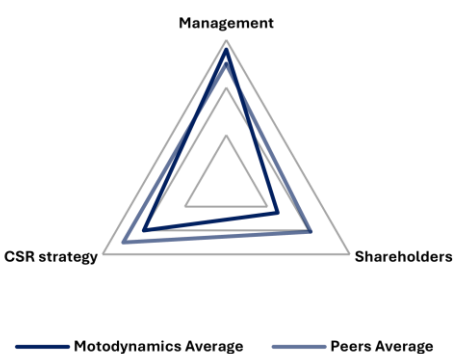
Source: LSEG Data, Team Analysis

Figure 38: Social Evaluation



Source: LSEG Data, Team Analysis

Figure 39: Governance Evaluation



Source: LSEG Data, Team Analysis

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Appendix 1: Assumptions

Appendix 1.1

ASSUMPTIONS

Revenues: **a)** Motor bikes, marine machines & related products growth at a 14.20% CAGR (17,76% in FY18-FY23) driven by a 14.72% CAGR growth in motorized two-wheeler and similar products, a 11.23% CAGR growth in marine machines and a 14.72% CAGR growth in spare parts - accessories - lubricants – services. The company maintains its units market share of 10.4% in the two-wheelers industry throughout the forecast horizon and the price of which traces the projected ECB inflation rate plus a 5-year historical CAGR of the average two-wheelers price increase. Spare parts etc. are directly tied to two-wheeler sales at a rate of 60.47%. Marine machines grow at the projected rate of the industry. **b)** Cars segment is set to grow at a 15.99% CAGR (22.75% in FY18-FY23) as a result of keeping up with the luxury car boom by fluctuating the average price between €186.5K and €191.3K. **c)** Car leases revenues are estimated to increase at a 10.54% CAGR (119.57% in FY18-FY23) by increasing the fleet size from 3,759 to 4,795 (6.3% CAGR growth), enhancement in the utilization rates from 46% to 51% throughout the forecasted horizon and the average rental price of a car (€79.54) following the ECB forecasted inflation rate. Additionally, fleet sales serve as an extra income by selling the 3-year depreciated vehicles at a mark-up of 24.63% in 2024 falling to 14.54% in 2029. The price was calculated by averaging the prices of the available models for each week throughout all 12 months of the year. The fleet size was derived by scaling Sixt SE's fleet to Motodynamics'.

Cost of Sales: **a)** Cost of sales for two-wheelers is calculated as a percentage of revenue ranging from 85% in 2024 falling to 84% in 2029 reflecting the economies of scale, the increased negotiation power against the suppliers and the dilution of fixed costs. Marine machines and aftersales costs are also calculated as a percentage of revenue at a fixed 60% and 70% respectively. **b)** Likewise, the cost of sales for cars is a percentage of revenues at a fixed 80.20% rate. **c)** As the company scales the cost of sales to revenue ratio of the car leases segment will decrease from 32.09% to 28.85%, it benefits from economies of scale, better fleet utilization, improved financing terms, and reduced operational costs.

Administrative and distribution expenses: Forecasted as a percentage of revenues. The percentage for administrative expenses rises to 3.45% at first to reflect the cost implications of the new CSRD regulation and then gradually decreases to 2.90%. The percentage for distribution expenses gradually decreases from 9.23% to 8.34%. These are a result of automation and the use of AI in processes such as customer support, route optimization, expense categorization and marketing.

CAPEX: CAPEX is comprised of maintenance investment and growth investment. Expenditures for fleet vehicles account, on average, for 84% of total CAPEX and are done to cover depreciation, the NBV, of the years' sold fleet and a 5% annual increase in fleet size. For the total of the remaining tangible and intangible assets the growth investment amounts to a fixed ratio of revenues of 1.51%.

D&A: Fleet vehicles are depreciated at a rate of 16.25% gradually increasing to 17.25% (FY24-FY29) of their NBV to reflect higher use. For software & other intangible assets, buildings, machinery, transport equipment and furniture & fixtures the depreciation is calculated with fixed rates of the historical cost of 6.51%, 8.62%, 5.86%, 1.72%, and 6.57% respectively.

Terminal Growth Rate: 1.34%, Greece GDP growth in 2029, International Monetary Fund, World Economic Outlook Database, October 2024

Effective Tax Rate: 22% same as nominal tax rate in Greece

Shares Outstanding: Remaining stable

Appendix 2: Financials

Appendix 2.1

Income Statement

Income Statement In € '000s	Historical Data					Projections					
	2019A	2020A	2021A	2022A	2023A	2024E	2025F	2026F	2027F	2028F	2029F
Revenue	94,388	78,305	94,700	132,045	169,970	200,712	217,605	237,707	264,150	297,047	333,253
Cost of Sales	72,878	63,200	71,802	98,111	130,945	153,314	165,476	179,967	199,647	224,185	251,338
Gross Profit	21,510	15,104	22,898	33,933	39,025	47,398	52,129	57,740	64,502	72,861	81,914
Administrative Expenses	3,006	3,554	4,128	5,246	5,336	6,931	7,139	7,565	8,154	8,894	9,679
Distribution Expenses	15,346	12,291	10,632	12,701	16,009	18,527	19,684	21,073	22,949	25,290	27,806
Total Operating Expenses	17,930	15,863	15,486	18,207	21,357	25,459	26,824	28,638	31,103	34,185	37,485
Earnings Before Interst & Taxes	3,580	-759	7,411	15,725	17,668	21,939	25,304	29,102	33,399	38,675	44,429
Financial Income (net)	-1,832	-1,497	-1,236	-1,488	-2,322	-2,701	-2,506	-2,045	-1,704	-1,337	-744
Earnings Before Taxes	1,747	-2,250	6,175	14,237	15,346	19,237	22,798	27,056	31,694	37,338	43,685
Income Tax	504	355	1300	3,739	3,831	-4,232	-5,015	-5,952	-6,972	-8,214	-9,610
Net Earnings	1,243	-2,606	4,874	10,497	11,514	15,005	17,782	21,104	24,721	29,123	34,074

Appendix 2.2

Balance Sheet

Balance Sheet In € '000s	Historical Data					Projections					
	2019A	2020A	2021A	2022A	2023A	2024E	2025F	2026F	2027F	2028F	2029F
Non-Current Assets											
Tangible Assets	34,716	27,907	31,827	46,759	55,679	65,949	72,907	80,406	88,578	97,529	107,330
Goodwill	2,766	2,766	2,766	2,134	2,134	2,134	2,134	2,134	2,134	2,134	2,134
Intangible Assets	530	444	582	592	786	1,007	1,246	1,507	1,798	2,125	2,491
Rights to Assets	4,499	5,709	5,750	7,160	6,344	8,028	7,616	8,319	9,245	10,396	11,663
Deferred Tax	6,238	6,369	5,683	3,655	2,571	2,812	2,812	2,812	2,812	2,812	2,812
Investment in Subsidiaries	0	0	0	0	0	0	0	0	0	0	0
Claims From Option Rights	0	0	0	210	0	0	0	0	0	0	0
Other Non-Current Assets	2,268	1,545	918	962	1,165	1,462	1,462	1,462	1,462	1,462	1,462
Total Non-Current Assets	51,019	44,742	47,528	61,475	68,681	81,395	88,180	96,644	106,032	116,461	127,895
Current Assets											
Inventories	12,533	9,912	7,507	14,429	22,643	37,491	38,082	41,417	45,946	51,593	57,842
Trade Receivables	7,968	4,140	2,513	8,616	8,747	10,490	13,110	13,946	15,045	17,414	19,357
Receivables from Subsidiaries	0	0	0	0	0	0	0	0	0	0	0
Other Receivables	3,140	1,626	4,097	828	1,017	3,891	2,390	2,985	3,770	3,744	4,381
Payments in Advance	0	0	0	1,871	843	974	906	986	1,093	1,228	1,377
Cash & Cash Equivalent	1,258	2,129	7,133	6,428	2,536	7,076	10,595	11,885	11,896	13,388	11,942
Total Current Assets	24,901	17,808	21,251	32,173	35,789	59,923	65,085	71,221	77,753	87,369	94,900
Total Assets	75,921	62,551	68,779	93,649	104,470	141,319	153,265	167,866	183,785	203,831	222,795
Equity											
Share Capital	10,530	10,530	10,530	10,530	10,854	13,188	16,745	20,966	25,910	31,735	38,550
Share Premium Account	9,042	9,042	9,042	9,042	9,744	9,744	9,744	9,744	9,744	9,744	9,744
Reserves	1,058	1,107	1,226	1,896	2,546	3,297	4,186	5,241	6,477	7,933	9,637
Other Reserves	160	394	844	1,186	584	584	584	584	584	584	584
Own Shares	0	-33	-59	-132	-911	0	0	0	0	0	0
Currency Differences	-322	-342	-367	-369	-384	-381	-381	-381	-3,81	-381	-381
Retained Earnings	-1,511	-4,085	-158	6,638	10,917	18,335	26,337	35,834	46,959	60,065	75,398
Total Equity to Shareholders	18,957	16,612	21,058	28,793	33,350	44,768	57,216	71,989	89,294	109,681	133,533
Non - Controlling Interests	2,748	2,080	2,779	4,077	0	0	0	0	0	0	0
Total Equity	21,706	18,692	23,838	32,870	33,350	44,768	57,216	71,989	89,294	109,681	133,533
Non-Current Liabilities											
Long - Term Borrowings	19,420	17,428	16,436	15,444	21,440	31,050	28,732	25,049	19,133	12,647	2,613
Provision to Employees	942	902	295	231	318	318	318	317	317	316	316
Other Non-Current Liabilities	340	343	325	399	487	487	487	487	487	487	487
Liabilities From Option Rights	0	0	0	166	0	0	0	0	0	0	0
Long-Term Leases	3,737	5,049	4,953	5,830	5,032	6,703	6,321	6,905	7,673	8,629	9,680
Total Non-Current Liabilities	24,442	23,723	22,010	22,073	27,279	38,560	35,859	32,759	27,612	22,081	13,098
Current Liabilities											
Trade Payables	16,197	12,027	16,633	16,691	24,767	29,886	31,735	34,514	38,288	42,994	48,201
Contract Liabilities	0	0	0	4,415	3,879	5,753	6,557	7,163	7,960	8,952	10,043
Short-Term Borrowings	8,720	3,752	1,000	10,000	7,395	11,472	10,616	9,255	7,069	4,673	965
Income Tax	405	357	563	890	1,836	2,261	2,30	2,622	2,890	3,256	3,644
Paid Dividends	0	0	0	0	0	0	0	0	0	0	0
Short-Term Leases	918	938	1,102	1,748	1,436	1,645	1,523	1,663	1,849	2,079	2,332
Other Short-Term Liabilities	3,530	3,058	3,631	4,958	4,525	6,991	7,376	7,897	8,819	10,113	10,974
Total Current Liabilities	29,772	20,134	22,930	38,705	43,840	57,990	60,189	63,116	66,878	72,068	76,163
Total Liabilities	54,214	43,852	44,941	60,778	71,119	96,550	96,048	95,876	94,490	94,149	89,262
Total Equity & Liabilities	75,921	62,551	68,799	93,649	104,470	141,319	153,265	167,866	183,785	203,831	222,795

Appendix 2.3

Cash Flow Statement

Cash Flow Statement	Historical Data					Projections					
In € '000s	2019A	2020A	2021A	2022A	2023A	2024E	2025F	2026F	2027F	2028F	2029F
<u>Operating Activities:</u>											
<u>+/- adjustments for:</u>											
Profit Before Tax	1,747	-2,250	6,175	10,497	11,514	19,237	22,798	27,056	31,694	37,338	43,685
Depreciation	7,442	7,051	6,755	9,489	11,408	12,063	13,485	14,501	15,856	17,389	19,096
Financial Costs	1,824	1,469	1,235	1,488	2,322	2,701	2,506	2,045	1,704	1,337	744
Income Tax	504	355	1,300	3,739	3,831	4,232	5,015	5,952	6,972	8,214	9,610
Inventories	-25,082	4,765	-6,254	-28,234	-24,651	-14,848	-590	-3,334	-4,529	-5,647	-6,248
Receivables	1,431	5,984	-612	-5,152	408	-4,616	-1,118	-1,431	-1,883	-2,343	-2,579
Liabilities	3,792	-4,672	5,122	5,915	7,039	9,863	3,178	4,147	5,762	7,356	7,548
Other	-2,124	-1,849	-706	-2,865	-3,284	-2,261	-2,380	-2,622	-2,890	-3,256	-3,624
Total income/outcome from Operating Activities	-10,464	10,852	13,016	-5,121	8,587	26,371	42,893	46,315	52,688	60,389	68,212
<u>Investing Activities:</u>											
Purchase of Tangible & Intangible Assets	-927	-1,778	-2,033	-952	-2,662	-31,686	-30,304	-33,993	-34,863	-38,543	-40,890
Other	-77	723	857	1	-7,671	0	0	0	0	0	0
Total income/outcome from Investing Activities	1,005	-1,055	-1,176	-950	-10,333	-31,686	-30,304	-33,993	-34,863	-38,543	-40,890
<u>Financial Activities:</u>											
Income from loans issued/undertaken	48,891	25,512	0	13,500	43,391	13,687	-3,174	-5,043	-8,101	-8,882	-8,688
Financial Lease Liabilities Paid offs	-1,114	-992	-1,172	-1,390	-1,824	-1,816	-1,966	-1,781	-1,854	-1,968	-2,122
Dividends Payout	0	-585	-585	-117	-2,932	-4,501	-5,334	-6,331	-7,416	-8,737	-10,222
Other Financial Activities	-49,688	-32,506	-3,778	-5,572	-40,779	2,483	1,406	2,124	-441	-765	-7,735
Total Income/Outcome from Financial Activities	-1,912	-8,571	-5,535	5,367	-2,145	9,853	-9,068	-11,031	-17,813	-20,353	-28,768
Net Increase/Decrease in Cash & Cash Equivalents	-13,382	1,225	6,304	-704	-3,891	4,539	3,519	1,290	10	1,491	-1,446
Cash & Cash Equivalents at January 1st	15,144	1,258	2,129	7,133	6,428	2,536	7,076	10,595	11,885	11,896	13,388
Cash & Cash Equivalents at December 31st	1,258	2,129	7,133	6,428	2,536	7,076	10,595	11,885	11,896	13,388	11,942

Appendix 3: Business Description

Appendix 3.1

SWOT Analysis



Strengths

Diversified product portfolio

Exclusive distribution rights for Yamaha in Greece, Bulgaria, Romania and for Porsche in Greece.

Significant sponsorships: supporting the Hellenic Basketball Federation and the Navarino Challenge, promoting the values of sportsmanship, fair play, and healthy living.

According to BCG Matrix Motodynamics is positioning as a "star", owning a big market share in a promising and flourishing market.

Highly recognizable brand names.

S

Weaknesses



Poor geographically diversified portfolio: operating in countries with similar market features.

Slightly rigid pricing policy especially for Porsche.

High reliance on imports: The company's dependence on imported products exposes it to supply chain disruptions, currency fluctuations, and geopolitical risks, affecting cost control and stability.

Dependence on traditional sales model: Motodynamics' reliance on ohvsical dealerships limits its digital adaptability

W



Opportunities

O

Entry and expansion in new foreign markets by exercising exclusive distribution rights in Moldova and Albania.

Likelihood of acquisitions, mergers, collaborations or even new potential deals such as this with **Toyota**.

A possible upgrade of Greece from emerging to developed markets, leading to financing under more favorable terms and increased interest from foreign investors.

T

Threats



Entrance of newcomers leading to losing market share.

Competitors' collaborations or mergers such as Honda with Toyota

Geopolitical conflicts leading to instability and potential of disruption in international trade and supply chain.

Changes in consumer preferences, leading to a shift away from the products currently offered.

Regulatory changes in the automotive or rental sectors that could increase operational costs.

Appendix 4: Industry Overview & Competitive Position

Appendix 4.1

Porter's Five Forces Analysis



Appendix 4.2

Competition Overview

Main Peers | Motorcycle Distribution Sector



Piaggio Group, founded in 1884 by Rinaldo Piaggio, is an Italian motor vehicle manufacturer and distributor specializing in two-wheeled motor vehicles and compact commercial vehicles under established brands such as Piaggio, Vespa, Aprilia, Moto Guzzi, and Derbi. The enterprise's total sales for 2023 reached approximately €1,995M.

Honda Motor Corp Ltd is a Japanese based multinational corporation founded in 1946 and being recognized globally for its expertise in design, production and distribution of motorcycles, automobiles, and power equipment. According to the latest available financial results of 2023, the company attained an overall turnover around JPY 108,154M.




Sanyang Motor Corp Ltd, founded in 1954, is a Taiwanese automotive company primarily focused on the production and distribution of motorcycles, scooters, and ATVs. The company supplies a variety of models, including the SYM Wolf and SYM Jet series, catering to different segments of the motorcycle market. The company's annual revenues for 2023 soared to TWD 1,901M.



Pierrer Mobility AG is headquartered in Switzerland and has been providing development and delivery solutions for motorized products such as motorcycles, scooters and e-bikes, both domestically and internationally since 1990. The corporation reported revenues reaching CHF 2,661M for 2023.



Harley-Davidson Inc is an American company incorporated in 1903, specializing in the design, manufacturing, and supply of motorcycles and related motorized products through its global distribution network. For the year 2023, the enterprise achieved total sales amounting to \$4,419M.



Motorcycle Holdings Ltd, founded in 1989, is an Australian company, engaging in the automotive industry. It focuses on the sale of new and used motorcycles, along with accessories and support services, operating in over 45 locations in Australia and New Zealand. The annual turnover of the company amounted nearly AUD 523M.

Main Peers | Premium Car Distribution Sector



Inchcape plc, established in 1847, is a British multinational automotive distribution, retail, and services company headquartered in London. For the year 2023, the company achieved total earnings amounting to approximately £13,172M.

Porsche AG, founded in 1931 and based in Stuttgart, Germany, specializes in manufacturing luxury sport cars, SUVs, and sedans. The company offers models like the 911, Panamera, Cayenne, and Taycan. It is majority-owned by Volkswagen AG and operates globally in the automotive sector. The company's annual revenues for 2023 reached €40,500M.




Bilja AB, was founded in Gothenburg, Sweden and along with its subsidiaries operates through sales of new and used cars, vehicle maintenance, and fuel services since 1967. For the year 2023, the company achieved total sales amounting to SEK 3,471M.

Main Peers | Car Rental Sector

Sixt SE, incorporated in 1912 and headquartered in Pullach, Germany, is a global provider of vehicle rental and mobility services. The company offers a range of vehicles, including cars, vans, and trucks, along with leasing and car-sharing solutions. The company's earnings for 2023 amounted around €3,621M.





Movida Participacoes S.A. is a Brazilian-based company established in 2006, specializing on car rentals and fleet management. The company provides services including automobile rental, fleet solutions, and maintenance for individual and corporate clients. The company's annual revenues for 2023 soared to BRL 1,929M.

Autohellas S.A. was found in 1962, in Kifisia, Greece and since then is providing car rental, importing, distribution, leasing and automotive solutions in more than seven European countries. The company operates under brands such as Hertz, Thrifty, and Firefly. Based on the latest financial results of 2023, the total turnover of the company reached €1,003M.



Localiza Rent a Car S.A. operates since 1973 through car rental, fleet leasing, and used car sales services. Headquartered in Belo Horizonte, Brazil, it is a leading company in the vehicle rental and fleet management sector. For the year 2023, the company achieved total earnings amounting to approximately BRL 3,316M.

Avis Budget Group Inc., incorporated in 1946 and based in Parsippany, New Jersey, is a global provider of vehicle rental and mobility services. The company operates well-known brands such as Avis, Budget, and Zipcar, offering a wide range of cars and trucks for rental and car-sharing solutions. The corporation's earnings for 2023 amounted around \$10,867M.



Hertz Global Holdings Inc. is a global car rental company, primarily offering vehicle rental and leasing services. The company is headquartered in Estero, Florida, USA, and was founded in 1918. The enterprise's total sales for 2023 reached approximately \$8,481M.

Appendix 4.3

Competition Ratios Analysis

Key Ratios	Motodynamics		Sixt SE		Bilia AB		Autohellas SA		Pierer Mobility		Piaggio		Inchcape plc		Motorcycle Holdings		Porsche AG	
Competitors Analysis	2022A	2023A	2022A	2023A	2022A	2023A	2022A	2023A	2022A	2023A	2022A	2023A	2022A	2023A	2022A	2023A	2022A	2023A
Profitability Ratios (%)																		
Gross Profit Margin	26%	23%	75%	73%	17%	16%	24%	22%	28%	26%	27%	29%	16%	17%	28%	26%	28%	29%
EBITDA margin	19%	17%	24%	21%	9%	7%	30%	27%	15%	12%	14%	16%	7%	7%	23%	23%	23%	23%
Return on Assets	11%	11%	07%	5%	9%	4%	7%	6%	7%	3%	5%	6%	4.47%	4.00%	9%	10%	9%	10%
Return on Equity	36%	35%	19%	17%	36%	16%	24%	19%	20%	8%	20%	22%	17%	17%	25%	27%	25%	27%
Return on Invested Capital	28%	24%	10%	5%	15%	9%	13%	12%	16%	9%	10%	12%	10%	10%	12%	13%	13%	14%
Liquidity Ratios (x)																		
Current Ratio	0.83	0.82	2.58	2.45	0.96	1.03	0.90	0.82	1.34	1.77	0.83	0.76	1.17	1.06	1.22	1.49	1.22	1.49
Quick ratio	0.41	0.28	2.55	2.36	0.36	0.38	0.65	0.51	0.69	0.83	0.43	0.39	0.53	1.40	0.86	0.99	0.86	0.99
Cash ratio	0.17	0.06	0.01	0.01	0.06	0.03	0.32	0.21	0.28	0.28	0.26	0.20	0.37	0.22	0.43	0.53	0.43	0.53
Solvency Ratios (x)																		
Total debt to total assets	0.35	0.34	0.45	0.51	0.38	0.44	0.33	0.36	0.21	0.35	0.21	0.35	0.28	0.24	1.22	1.49	0.41	0.52
Debt to Equity	1.15	1.06	1.26	1.63	1.55	1.70	1.14	1.10	0.59	0.53	0.59	0.53	1.24	1.07	0.86	0.99	0.36	0.32
Interest Coverage	10.57	7.61	15.60	5.20	9.91	4.09	6.57	3.71	11.92	2.13	11.92	2.13	14.52	4.58	1.43	0.53	7.5	8.7

Appendix 5: Financial Analysis

Appendix 5.1

Ratios Analysis

Key Ratios (Fiscal year ends 31 December)	Historical						Projected				
	2019	2020	2021	2022	2023	2024E	2025F	2026F	2027F	2028F	2029F
Profitability Ratios (%)											
Net Profit Margin	1.32	-3.33	5.15	7.95	6.77	7.48	8.17	8.88	9.36	9.80	10.22
Gross Profit Margin	22.79	19.29	24.18	25.70	22.96	23.62	23.96	24.29	24.42	24.53	24.58
Operating margin	3.79	-0.97	7.83	11.91	10.93	10.93	11.63	12.24	12.64	13.02	13.33
EBITDA margin	11.68	8.04	14.96	19.10	16.94	16.94	17.83	18.34	18.65	18.87	19.06
Return on Assets	1.64	-4.17	7.09	11.21	10.62	10.62	11.60	12.57	13.45	14.29	15.29
Return on Equity	6.56	-15.69	23.15	36.46	34.53	33.52	31.08	29.32	27.69	26.55	25.52
Return on Invested Capital	3.79	-11.75	18.26	28.25	24.31	20.65	26.38	34.46	48.44	72.73	152.96
Liquidity Ratios (x)											
Current ratio	0.84	0.88	0.93	0.83	0.82	1.03	1.08	1.13	1.16	1.21	1.25
Quick ratio	0.42	0.39	0.60	0.41	0.28	0.37	0.43	0.46	0.46	0.48	0.47
Cash ratio	0.04	0.11	0.31	0.17	0.06	0.12	0.18	0.19	0.18	0.19	0.16
Receivables Turnover	7.95	9.28	15.30	16.45	17.70	16.62	14.56	14.66	14.78	14.86	14.84
Inventory Turnover	6.10	5.63	8.24	8.94	7.06	5.10	4.38	4.53	4.57	4.60	4.59
Payables Turnover	5.12	4.48	5.01	5.89	6.32	5.61	5.37	5.43	5.48	5.52	5.51
Cash Conversion Cycle (days)	34.37	22.64	-4.72	1.01	14.51	28.50	40.47	38.34	38.01	37.79	37.83
Working Capital Turnover	-92.04	-21.76	-47.29	-32.16	-23.31	-65.62	63.73	36.57	27.83	22.70	19.58
Solvency Ratios (x)											
Total Debt to Total Assets (Book Values)	0.43	0.43	0.34	0.35	0.34	0.36	0.31	0.26	0.19	0.14	0.07
Debt to Equity (Book Values)	1.73	1.64	1.12	1.15	1.06	1.14	0.82	0.60	0.40	0.26	0.12
Interest Coverage	1.95	-0.51	6.00	10.57	7.61	8.12	10.10	14.23	19.59	28.92	59.72

Appendix 5.2

Beneish M-Score Analysis

The Beneish M-Score, introduced in 1999 by Dr. Messod Beneish, is a method designed to identify potential financial fraud, particularly focusing on the manipulation of a company's earnings. This analytical tool utilizes eight financial ratios within a mathematical framework to detect irregularities. An M-Score above -1.78 suggests a high probability that the company is manipulating its earnings, whereas a score below -1.78 indicates the opposite. As for Motodynamics, the M-Score remains consistently below the -1.78 level throughout the period under consideration (except for 2022), indicating a low probability of earnings manipulation.

M-Score Indices	Historical					Projected				
	2020	2021	2022	2023	2024E	2025F	2026F	2027F	2028F	2029F
Day Sales in Receivables Index (DSRI)	0.63	0.95	1.02	0.80	1.25	0.99	1.00	1.00	1.00	1.00
Gross Margin Index (GMI)	0.98	1.03	1.01	0.98	1.00	1.00	1.00	1.00	1.00	1.00
Asset Quality Index (AQI)	0.93	1.06	1.09	1.04	1.02	1.01	1.00	1.00	1.00	1.00
Sales Growth Index (SGI)	0.83	1.21	1.39	1.29	1.18	1.08	1.09	1.11	1.12	1.12
Depreciation Index (DEPI)	0.88	1.15	1.04	0.99	1.10	0.99	1.02	1.01	1.00	1.00
Selling, General, & Admin. Expenses Index (SGAI)	1.07	0.81	0.84	0.91	1.01	0.97	0.98	0.98	0.98	0.98
Leverage Index (LVGI)	1.01	0.79	1.03	0.96	1.07	0.86	0.83	0.76	0.71	0.51
Total Accruals to Total Assets (TATA)	-0.22	-0.12	0.17	0.03	-0.08	-0.16	-0.15	-0.15	-0.15	-0.15
Beneish M-Score	-4.05	-2.74	-1.26	-2.24	-2.47	-3.12	-3.04	-3.01	-2.99	-2.92

The formula for the 8 variable model is: **M-Score = -4.84 + 0.920*DSRI + 0.528*GMI +0.404*AQI + 0.892*SGI + 0.115*DEPI - 0.172*SGAI + 4.679*TATA - 0.327*LVGI**

Appendix 5.3

Piotroski F-Score Analysis

The Piotroski F-Score, created in 2000 by Professor Joseph D. Piotroski from Chicago, is a fundamental analysis tool designed to identify potential buy or sell opportunities in stocks. It evaluates nine critical financial ratios, categorized into three groups: profitability, operating efficiency, and leverage/liquidity/source of funds. These ratios are analyzed on a year-over-year basis to determine whether they have improved. If a ratio shows improvement, it contributes a score of 1; otherwise, it scores 0. A higher overall F-Score reflects stronger financial fundamentals and typically signals a favorable buying opportunity.

F-Score Indices	Historical Results					Forecasted Period				
	2020	2021	2022	2023	2024E	2025	2026	2027	2028	2029
Profitability										
ROA	0	1	1	1	1	1	1	1	1	1
CFO	1	1	0	1	1	1	1	1	1	1
ΔROA	0	1	1	0	1	0	1	1	1	1
ACCRUAL	1	1	0	0	1	1	1	1	1	1
Leverage, Liquidity, Source of Funds										
ΔLEVER	1	0	1	0	0	1	1	1	1	1
ΔLIQUID	1	1	0	0	1	1	1	1	1	1
EQ_OFFER	1	1	0	1	1	1	1	1	1	1
Operating Efficiency										
ΔMARGIN	0	1	1	0	1	1	1	1	1	1
ΔTURN	0	1	1	0	1	0	1	1	1	1
Total Score	5	8	5	3	8	7	9	9	9	9

Appendix 5.4

Altman Z-Score Analysis

The Altman Z-Score, developed by Dr. Edward Altman in 1968, is a financial model used to assess a company's likelihood of bankruptcy combining five key financial ratios into a single formula. A Z-Score above 2.99 indicates a low risk of bankruptcy (in the next 2 years), while a score below 1.81 suggests a high risk. Scores between these thresholds fall into a gray area, signaling uncertainty.

Z-Score Indices		2019	2020	2021	2022	2023	2024E	2025F	2026F	2027F	2028F	2029F
X1	Working Capital / Total Assets	-0.06	-0.04	-0.02	-0.07	-0.08	0.01	0.03	0.04	0.05	0.07	0.08
X2	Retained Earnings / Total Assets	-0.02	-0.07	0.00	0.07	0.10	0.12	0.17	0.21	0.25	0.29	0.34
X3	EBIT / Total Assets	0.05	-0.01	0.11	0.17	0.17	0.15	0.16	0.17	0.18	0.18	0.19
X4	MV of Equity / Total Liabilities	0.86	0.75	1.19	1.04	1.39	0.86	0.93	0.98	1.03	1.05	1.11
X5	Revenue / Total Assets	1.24	1.25	1.38	1.41	1.63	1.42	1.41	1.41	1.43	1.45	1.49
Altman Z-Score		1.81	1.52	2.42	2.60	3.08	2.62	2.80	2.93	3.08	3.22	3.40

The formula used in Z-Score is: **Z-Score= 1.2*X1 + 1.4*X2 + 3. 3*X3 + 0.6*X4 + 1.0*X5**

Appendix 5.5

Dupont Analysis

To evaluate Motodynamics's efficiency in using its shareholders' equity, we conducted a Dupont Analysis. This approach breaks down the Return on Equity (ROE) into its core elements, a method originally developed by the management at Dupont Corporation.

DuPont Analysis	Historical Results						Forecast Period					
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Tax Burden (%)	-19.12	71.16	115.78	78.94	73.73	75.03	78.00	78.00	78.00	78.00	78.00	78.00
Interest Burden (%)	24.86	48.82	296.40	83.32	90.54	86.86	87.68	90.09	92.97	94.90	96.54	98.33
Operating Margin (%)	1.26	3.79	-0.97	7.83	11.91	10.39	10.93	11.63	12.24	12.64	13.02	13.33
Net Profit Margin (%)	-0.06	1.32	-3.33	5.15	7.95	6.77	7.48	8.17	8.88	9.36	9.80	10.22
Asset Turnover (x)	0.89	1.24	1.25	1.38	1.41	1.63	1.42	1.42	1.42	1.44	1.46	1.50
Equity Multiplier (x)	6.06	3.50	3.35	2.89	2.85	3.13	3.16	2.68	2.33	2.06	1.86	1.67
ROE (%)	-0.32	5.73	-13.94	20.45	31.94	34.53	33.52	31.08	29.32	27.69	26.55	25.52

Appendix 6: Valuation

Appendix 6.1

Weighted Average Cost of Capital (WACC)

WACC	Today	2025F	2026F	2027F	2028F	2029F	Perpetuity
Risk Free Rate	2.34%	2.34%	2.34%	2.34%	2.34%	2.34%	2.34%
Beta	1.29	1.12	1.00	0.89	0.82	0.74	0.74
Equity Risk Premium	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%	8.26%
Other Risks (Distribution,Governance)	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Cost of Equity	14.47%	13.10%	12.09%	11.23%	10.60%	9.99%	9.99%
Effective Interest Rate	5.31%	5.31%	4.77%	4.77%	4.77%	4.77%	4.77%
Effective Tax Rate	22.00%	22.00%	22.00%	22.00%	22.00%	22.00%	22.00%
Cost of Debt (after tax)	4.14%	4.14%	3.72%	3.72%	3.72%	3.72%	3.72%
Weight of Equity	46.81%	54.80%	62.67%	71.42%	79.65%	89.54%	89.54%
Weight of Debt	53.19%	45.20%	37.33%	28.58%	20.35%	10.46%	10.46%
WACC	8.97%	9.05%	8.97%	9.09%	9.20%	9.33%	9.33%

Appendix 6.2

Discounted Cash Flow Model (DCF)

Discounted Cash Flow Model In (€ '000s)						
	2024E	2025F	2026F	2027F	2028F	2029F
EBIT	21,939	25,304	29,102	33,999	38,675	44,429
Less: Taxes	4,232	5,015	5,952	6,972	8,214	9,610
Plus: D&A	12,063	13,485	14,501	15,856	17,389	19,096
Less: CapEx	31,686	30,304	33,993	34,863	38,543	40,890
Less: Changes in WC	9,732	-1,536	698	758	768	1,427
Unlevered FCFF	-11,648	5,005	2,959	6,661	8,537	11,596

DCF Valuation - Perpetuity Growth (In € '000s)	
Final Year FCF	11,596
Terminal Value	147,037
PV of Terminal Value	102,903
Enterprise Value	130,895
Less: Net Debt (Cash)	43,769
Equity Value	87,099
Shares Outstanding	30,150
Implied Share Price	€2.89

	Exit Multiple		Price
	Quartile 1st	2.01	
	Average	3.54	
Quartile 3rd	4.24	3.85	

DCF Valuation - Exit Multiple (In € '000s)	
Exit Year EBIT	44,429
Terminal Value	157,335
PV of Terminal Value	100,110
Enterprise Value	138,102
Less: Net Debt (Cash)	43,796
Equity Value	94,306
Shares Outstanding	30,150
Implied price using multiples	€3.13

Appendix 6.3

Comparable Companies Analysis

Companies	EV/Revenue	EV/EBITDA	P/E	P/B
Sixt SE	1.65	4.79	11.22	1.67
Bilia AB	0.32	4.90	9.78	1.99
Autohellas SA	1.21	4.35	6.80	1.23
Pierer Mobility AG	0.07	0.53	-17.18	1.26
Piaggio & C. SPA	0.67	4.11	9.65	1.76
Inchcape plc	0.34	4.33	8.89	1.65
Movida Participacoes SA	1.15	3.38	5.52	0.52
Honda Motor Co. Ltd	0.62	6.67	5.59	0.51
Localiza Rent a Car SA	1.50	4.60	8.68	1.11
Hertz Global Holdings Inc	1.12	29.04	-4.87	2.64
Sanyang Motor Co.Ltd	1.01	7.83	10.85	2.29
Harley-Davidson Inc	2.19	11.43	6.80	1.03
Motorcycle Holdings Ltd.	0.34	4.75	7.56	0.66
Dr. Ing.h.c. F. Porsche AG	0.80	3.50	13.71	2.11
Avis Budget Group Inc	0.67	7.59	8.87	24.50
Target Company				
Motodynamics S.A.	0.57	5.35	4.88	1.52
Quartile 1	0.48x	4.22x	6.20x	1.07x
Weighted Average	0.97x	6.22x	6.42x	2.08x
Quartile 3	1.18x	7.13x	9.72x	2.05x
Percentile 10	2.25	2.01	3.65	2.03
Weighted Average	5.81	3.54	3.79	3.95
Percentile 90	7.30	4.24	5.73	3.89
Multiples' weightings	25%	25%	25%	25%
Implied Share Price	4.27			

KNN Weights	
Distance	Weight
0.079	0.200
0.183	0.086
0.201	0.078
0.246	0.064
0.225	0.070
0.252	0.063
0.285	0.055
0.145	0.109
0.298	0.053
0.310	0.051
0.408	0.039
0.372	0.042
0.387	0.041
0.789	0.020
0.560	0.028

Motodynamics Key Metrics	2025F
EV/Revenue	0.57
EV/EBITDA	5.35
P/E	5.03
P/B	1.56
Dividend Yield	5.96%
Return on Equity	31.08%

Appendix 6.4

KNN-K-Nearest Neighbors

To identify Motodynamics S.A.'s closest competitors, we utilized the K-Nearest Neighbors (KNN) algorithm, a machine learning approach that relies on publicly available financial data and company disclosures. Our analysis included 15 peer companies divided into three sectors: six operating in the two-wheeler sector, three in the premium cars segment and six in the car rental industry. The evaluation focused on key financial metrics and other corporate features that we consider crucial for assessing the comparability of the companies. Firstly, in order to depict the financial health of the companies, we selected some key indicators such as the debt-to-equity ratio, gross profit margin and inventory turnover (for two-wheeler peers). We also included the net debt to net fleet ratio for "rent a car" companies because fleet is the most important asset for this type of businesses and this ratio shows whether the company can service its debt without facing liquidity issues. Furthermore, to match geographically with the peer companies we created a total score out of one hundred, called the **Geographical Score**, which equals the percentage of each peer's revenues generated from Europe, relative to Motodynamics' total revenues originating from its operations in the EU. Moreover, with the aim of describing Motodynamic's unique portfolio we created again a total score out of one hundred named the **Operational Score**. According to this methodology, if a peer company operates in one of three Motodynamic's main sectors then it gets 33.33 points (100/3) multiplied with the percentage of revenues derive from this operation. It's also worth mentioning that companies performing in additional sectors beyond these three, receive a penalty on their total score. Finally, we have chosen market capitalization to measure the companies' size. The KNN results are described in the following table (**Market Cap in million Euros**).

Company Name	Ticker	Parameters							KNN Results		
		Market Cap	Geographic Score	Operational Score	Gross Profit Margin	Debt to Equity	Inventory Turnover	Net debt/Net fleet	Rank	Distance	Distance-Based Weights
Motodynamics S.A	MOTO.AT	96.23	100	100	22.96%	1.06	7.06	0.44			
Two-wheelers											
Pierer Mobility AG	PKTM.SWX	1,680	50.90%	9.58%	25.70%	1.06	2.62	-	6	0.246	6.41%
Piaggio & C. SPA	PIA.MI	1,055	62.25%	7.28%	36.80%	1.50	3.56	-	5	0.225	7.03%
Honda Motor Co. Ltd	7267.T	36,850	3.90%	2.69%	19.70%	0.72	6.65	-	2	0.145	10.88%
Sanyang Motor Co.Ltd	2206.TW	1,670	7.63%	2.78%	9.90%	0.61	9.48	-	13	0.408	3.87%
Harley-Davidson Inc	HOG.NYSE	4,649	7.70%	6.13%	43.10%	2.19	3.54	-	11	0.372	4.24%
Motorcycle Holdings Ltd.	MTO.AX	91.09	0.00%	5.93%	26.30%	0.50	3.23	-	12	0.387	4.08%
Premium Cars											
Bilia AB	BILIA.STO	1,169	100.00%	15.57%	15.94%	1.44	-	-	3	0.183	8.62%
Inchcape plc	INCH.L	2,570	40.93%	16.67%	16.94%	0.80	-	-	7	0.252	6.27%
Dr. Ing.h.c. F. Porsche AG	P911.XET	72,800	31.94%	12.40%	0.00%	0.00	-	-	15	0.789	2.00%
Car Rental											
Sixt SE	SIX2.XET	4,185	70.00%	33.00%	73.06%	1.65	-	0.74	1	0.079	19.98%
Autohellas SA	AUTR.AT	621	100.00%	5.20%	21.76%	0.95	-	0.92	4	0.201	7.84%
Movida Participacoes SA	MOVI3.SA	803	0.00%	33.00%	26.77%	5.85	-	0.84	8	0.285	5.54%
Localiza Rent a Car SA	RENT3.SA	12,552	0.00%	33.00%	28.62%	1.60	-	0.56	9	0.298	5.30%
Hertz Global Holdings Inc	HTZ.NDAQ	2,896	6.00%	33.00%	18.44%	5.07	-	1.02	10	0.310	5.10%
Avis Budget Group Inc	CAR.NDAQ	5,810	13.00%	11.10%	32.43%	-69.27	-	1.11	14	0.560	2.82%

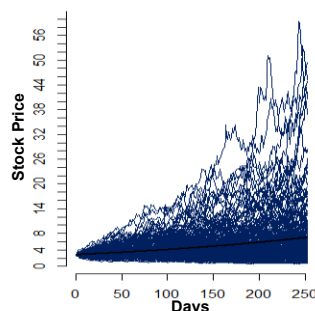
Appendix 6.5

Sensitivity Analysis & Monte Carlo Simulation

Sensitivity Analysis – Perpetuity Growth

Long-Term Growth	WACC						
	7.83%	8.33%	8.83%	9.33%	9.83%	10.33%	10.83%
	0.74%	3.52	3.18	2.89	2.63	2.40	2.02
	0.94%	3.64	3.29	2.98	2.71	2.48	2.08
	1.14%	3.77	3.40	3.08	2.80	2.55	2.33
	1.34%	3.92	3.52	3.18	2.89	2.63	2.40
	1.54%	4.07	3.65	3.29	2.98	2.71	2.47
	1.74%	4.23	3.79	3.41	3.08	2.80	2.55
	1.94%	4.40	3.93	3.53	3.19	2.89	2.63

Geometric Brownian Motion

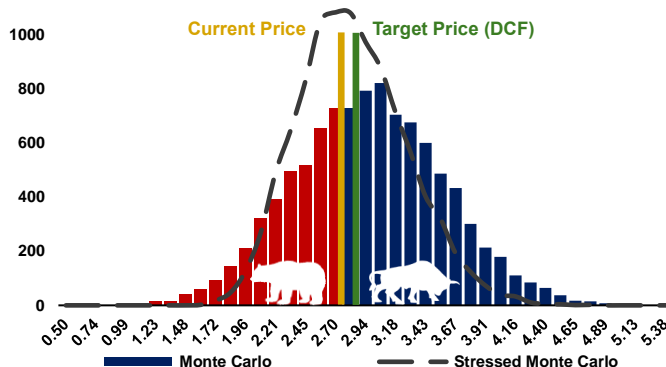


Simulation Statistics	
Trials	10,000
Mean	2.90
Standard deviation	0.61
Kurtosis	-0.01
Skewness	0.07
1st quartile	2.48
Median	2.90
3rd quartile	3.32

Sensitivity Analysis – Exit Multiples Approach

Exit Multiple	WACC						
	7.83%	8.33%	8.83%	9.33%	9.83%	10.33%	10.83%
	2.48%	2.18	2.13	2.08	2.03	1.99	1.94
	2.83%	2.56	2.51	2.45	2.40	2.34	2.29
	3.19%	2.95	2.89	2.82	2.76	2.70	2.65
	3.54%	3.34	3.26	3.20	3.13	3.06	2.93
	3.90%	3.72	3.64	3.57	3.49	3.42	3.35
	4.25%	4.11	4.02	3.94	3.86	3.78	3.70
	4.60%	4.49	4.40	4.31	4.22	4.14	4.05

Monte Carlo Simulation of Stock Price



Appendix 7.1

Abbreviation Table

ABBREVIATION	FULL TERM	ABBREVIATION	FULL TERM
A	Annual	F	Forecasted
AUD	Australian Dollar	FY	Fiscal Year
BoD	Board of Directors	GDP	Gross Domestic Product
BRL	Brazilian Real	HNVIs	High Net Value Individuals
CAGR	Compounded Annual Growth Rate	ICR	Interest Coverage Ratio
CAPEX	Capital Expenditures	ISO	International Organization of Standardization
CAPM	Cash Flow from Operations	JPY	Japanese Yen
CCA	Comparable Company Analysis	M	Millions
CEO	Chief Executive Officer	MSCI	Morgan Stanley Capital International
CFO	Chief Financial Officer	NBV	Net Book Value
CHF	Swiss Franc	OPEX	Operating Expenses
DCF	Discounted Cash flow	P/E	Price to Earnings
DPS	Dividends Per Share	RaC	Rent a Car
EBIT	Earnings Before Interests, Taxes	R&D	Research & Development
EBITDA	Earnings Before Interests, Taxes, Depreciation and Amortization	ROE	Return on Equity
ECB	European Central Bank	ROIC	Return on Investment Capital
EPS	Earnings Per Share	SEK	Swedish Krona
ERP	Equity Risk Premium	UN	United Nations
EU	European Union	WACC	Weighted Average Cost of Capital
E	Estimated		

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