

Mobilezone

Valor: 27 683 769 Industry: Retail trade, mobile telephony, electronics

SELL
MOZN 5Y Price Target: **CHF 11.3.-** Price: **CHF 11.4.-** Upside: **-1%**

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Stock Data in Mio.

Price	11,4 CHF
52-Week Range	7,18 CHF-12,66 CHF
P/E	14,81x
Price/Book	22,1x
Dividend yield	5,1%
Market cap.	510 CHF
Sales	1238 CHF
EBIT	44 CHF
Earnings	34,5 CHF

Valuation

The P/E ratio is reasonably valued in historical comparison. The high P/E ratio is due to the fact that Mobilezone owns almost no assets. The forward P/E ratio is 11x in 2021 and thus slightly below the average of the last 10 years.

	12/2017	12/2018	12/2019	12/2020
P/E	11,7x	10,7x	10,4x	13,1x
Price/Book	46x	13x	32,2x	19,5x

Growth

Sales increased thanks to the acquisitions in Germany. In 2020, Mobilezone was hit hard by the Corona measures, but was fortunately able to exceed analysts' expectations and report a solid result.

	12/2017	12/2018	12/2019	12/2020
Sales	1172	1196	1324	1238
Growth		2%	10,7%	-7,1%
Earnings (EBIT)	50,1	52,2	59,6	44,0
Growth		2,2%	14,2%	-26%

Description

Together with its subsidiaries, Mobilezone offers mobile and fixed-network telephony, Internet and digital TV marketing services for various network operators. Mobilezone operates 120 stores throughout Switzerland. In Germany, Mobilezone is represented by the brands deinhandy.de and sparhandy.de, among others. With 1084 employees, Mobilezone generates sales of CHF 1238 million in 2021. Since 2021, Olaf Swantee (former Sunrise CEO) has served as Chairman of the Board of Directors.

Outlook

Mobilezone has completed its realignment with the sale of its wholesale business in Germany at the end of January 2021 and intends to focus more on online and indirect B2B commerce. In addition, Mobilezone wants to continue to expand its service business, which was greatly expanded in 2019. Mobilezone intends to continue to distribute 75% of the group's net profit - as in recent years. The dividend yield is currently 5.1%. In 2021, EBIT of CHF 61 million to 66 million is targeted. Despite a low P/E ratio, the share price potential is rather limited. The shares are more suitable for dividend fans.

Efficiency

At first glance, Mobilezone's return on sales looks disappointing. Such figures are common in the retail trade because, although a lot is sold, the products also cost quite a bit and the margins are correspondingly small.

	12/2017	12/2018	12/2019	12/2020
Return on sales	3%	3,3%	3,4%	2,8%
Sales per employee	1,4 Mio.	1,3 Mio.	1,1 Mio.	1,1 Mio.

Profitability

The return on equity is very high at 149%. However, the comparison with Swisscom is unfair because Mobilezone has an equity ratio of only 6.6%, whereas Swisscom has one of 39.1%.

	12/2017	12/2018	12/2019	12/2020
Return on equity	391%	115%	294%	149%
e.g. Swisscom	20,5%	18,5%	18,8%	16,1%

Balance sheet quality

Liquid assets of CHF 63.4 million are abundant at Mobilezone. The high level of debt is due to the fact that Mobilezone owns almost no assets such as machinery. Nevertheless, a higher equity ratio is desirable.

	12/2017	12/2018	12/2019	12/2020
Equity ratio	3%	9,4%	3,9%	6,6%
Net. Liquidity	87,9	92,2	65	63,4
Debt-equity ratio	>1000%	>1000%	>1000%	>1000%

SWOT-Analysis

Strengths <ul style="list-style-type: none"> ▪ Strong dividend yield of 5.1%. ▪ Solid result despite Corona. 	Weaknesses <ul style="list-style-type: none"> ▪ Very low equity ratio (high debt). ▪ Almost no growth prospects (weak growth in recent years).
Opportunities <ul style="list-style-type: none"> ▪ Online growth leads to higher margins. ▪ Expansion of the service business increases profit. 	Threats <ul style="list-style-type: none"> ▪ Growing competition in online retailing. ▪ Declining stationary trade. ▪ Limited share price potential.

Appointments

GA: 06.04.2022, Zürich-Oerlikon
 Year-end figures: 11.03.2022
 Quarterly statement: 20.08.2021

Website

<https://www.mobilezone.ch/>

Investor Relations

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