

FINANCIAL MODEL UPDATE

PIERER MOBILITY

Analyst:	mark.diethelm@vontobel.com
Bloomberg: PKTM SE	Price: CHF 28.1
Enterprise value (mns)	CHF 1,765
Market cap (mns)	CHF 942
Reporting Currency	EUR

Hold (NEW) PT: CHF 34.0 (NEW)

Income Stat. (mns)	2023A	2024E	2025E	2026E
Revenues	2662	2288	2393	2543
EBITDA	325	65.7	299	360
EBIT	161	-114	101	163
Net profit	76.8	-184	21.2	74.1
Growth (%)	2023A	2024E	2025E	2026E
Revenues	9.2	-14.1	4.6	6.3
Net profit	-53.7	-339	NA	249
EPS (rep.)	-55.0	-337	NA	249
Margin analysis (%)	2023A	2024E	2025E	2026E
Gross margin	25.7	24.0	25.5	26.6
EBITDA margin	12.2	2.9	12.5	14.1
EBIT margin	6.1	-5.0	4.2	6.4
Balance sheet (%)	2023A	2024E	2025E	2026E
NWC/Revenues	13.3	21.5	15.2	10.6
Net debt (mns)	776	929	734	640
Equity to tot. assets	30.8	26.0	29.3	32.5
Gearing	85.3	128	96.4	75.2
Net debt/EBITDA	2.4	14.1	2.5	1.8
CF statement (mns)	2023A	2024E	2025E	2026E
Capex	-313	-248	-217	-207
Operating FCF	-424	-93.8	195	94.1
Inc(+)/Dec(-) in cash	-19.8	-103	54.6	-5.86
CF analysis (%)	2023A	2024E	2025E	2026E
Op. CF margin	-4.2	6.7	17.2	11.9
Capex/Revenues	11.8	10.8	9.1	8.1
Capex/Depreciation	191	138	110	105
Per-share data (CHF)	2023A	2024E	2025E	2026E
EPS (rep.)	2.20	-5.20	0.60	2.10
EPS (adj.)	2.27	-4.05	0.60	2.10
Net cash	-22.2	-26.3	-20.8	-18.1
Dividend	0.48	0.00	0.00	0.28
Payout ratio (%)	21.9	0.0	0.0	13.6
Valuation (X)	2023A	2024E	2025E	2026E
P/E	20.9	NM	46.7	13.4
P/E (adj.)	20.1	-6.9	46.7	13.4
P/B	1.77	1.37	1.31	1.17
EV/EBITDA	7.0	27.5	5.4	4.3
FCF yield %	-26.4	-9.5	19.6	9.5
Dividend yield %	1.0	0.0	0.0	1.0
Profit. ratios (%)	2023A	2024E	2025E	2026E
ROIC	7.6	-4.6	4.3	7.3
ROE	8.5	-22.6	2.9	9.2
ROA	2.7	-6.5	0.8	3.0
BB Consensus (mns)	2023A	2024E	2025E	2026E
Revenues	2640	2529	2684	2887
EBITDA	325	339	384	422
EBIT	186	89	209	237
Net profit	116	1	93	123
EPS	2.95	0.48	3.01	3.94

Conference call/analyst meeting

No conference call or analyst meeting scheduled

Margin recovery and deleveraging will take longer - Substantial estimate revisions and higher net debt level result in a new PT of CHF 34 (75). Downgrade to Hold

FACTS & COMMENT:

Slow margin recovery in motorcycles : Despite intensified cost saving measures and partial production transfer to low-cost countries, the margin recovery back to the recent levels in motorcycles seems to take longer than previously expected. By FY26E, we now only assume an EBITDA margin of 14.7% (old: 16.2%) on 13% lower sales. On an absolute basis, our motorcycle FY26E EBITDA/EBIT estimates declined by 21%/40%.

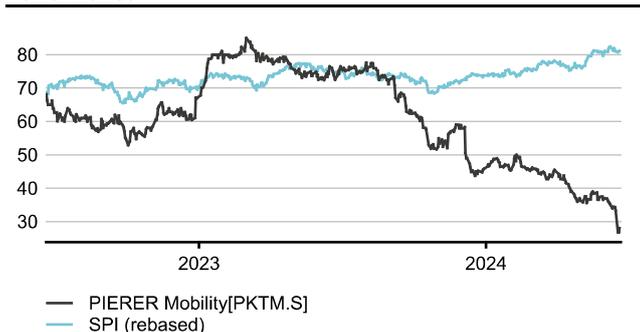
Bicycles target obsolete: The clean-up in the bicycle segment with the fire sale is expected to be largely concluded end FY24. The segment is expected to return to profitability in FY25 but will not materially impact group profits going forward. The FY27 target of EUR 0.5bn sales has been abandoned.

Model update: Our top-line/profit estimates have been drastically lowered to reflect the FY24 volume set-back with sales to recover only gradually thereafter. Margins will take longer to recover and a return to the low-end of the mid-term EBIT margin target range is not expected before FY27. Moreover, net debt expected to increase/stay elevated as the avg. FY24-26E FCF will remain muted.

OUR CONCLUSION:

Cost-cutting measures are significant, but the margin recovery appears to be taking longer. Capex is only slowly declining and dealer financing continues, resulting in a slower deleveraging than previously assumed. Given the substantial estimate cuts & higher net debt levels, our PT falls to CHF 34 (75). The risk/reward profile has deteriorated & a positive stance with a 12-month view can no longer be justified due to higher near-term uncertainties and limited visibility. Downgrade to Hold.

Performance



Source: Bloomberg, Vontobel Equity Research

Changes to Vontobel estimates

(EUR m)	FY24 new	FY25 new	FY26 new	FY24 old	FY25 old	FY26 old	FY24 chg	FY25 chg	FY26 chg
Revenues	2288	2393	2543	2595	2791	3018	-12%	-14%	-16%
EBITDA	66	299	360	343	420	456	-81%	-29%	-21%
- margin	2.9%	12.5%	14.1%	13.2%	15.1%	15.1%			
EBIT	-114	101	163	147	231	265	n.m.	-56%	-39%
- margin	-5.0%	4.2%	6.4%	5.7%	8.3%	8.8%			
Group profit (incl. Restructuring)	-182	23	80	73	146	176	n.m.	-84%	-54%
Operating FCF	-94	195	94	57	181	190	n.m.	7%	-50%
FCF/sales	-4.1%	8.1%	3.7%	2.2%	6.5%	6.3%			

Source: Vontobel Equity Research

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PIERER Mobility[PKTM.S] was last changed from Hold to Buy on 04-10-17

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Buy	41	42	41
Hold	57	58	35
Reduce	0	0	0

The table above is revised at the beginning of each quarter, i.e. it currently reflects the status as of 30 December 2023.

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Rating	Definition
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Hold	Price target (when set) implies 0-10% up/downside on a 12-month horizon
Reduce	Price target (when set) implies 10% downside on a 12-month horizon
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Buy	Price target (when set) implies 15% or more upside on a 12-month horizon
Hold	Price target (when set) implies 0-15% up/downside on a 12-month horizon
Reduce	Price target (when set) implies 10% downside on a 12-month horizon
Other	All other Swiss stocks
Buy	Price target (when set) implies 20% or more upside on a 12-month horizon
Hold	Price target (when set) implies 0-20% up/downside on a 12-month horizon
Reduce	Price target (when set) implies 15% downside on a 12-month horizon
Restricted	Coverage is temporarily restricted (no price target)
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