

## WHAT'S NEW?

## PIERER MOBILITY

Analyst:	mark.diethelm@vontobel.com
Bloomberg: PKTM SE	Price: CHF 18.0
Enterprise value (mns)	CHF 1,749
Market cap (mns)	CHF 606
Reporting Currency	EUR

**Hold** **PT: CHF 30.0**

Income Stat. (mns)	2023A	2024E	2025E	2026E
Revenues	2662	2262	2354	2548
EBITDA	325	53.2	293	368
EBIT	161	-124	109	176
Net profit	76.8	-156	-3.61	62.8
Growth (%)	2023A	2024E	2025E	2026E
Revenues	9.2	-15.0	4.1	8.3
Net profit	-53.7	-303	NA	NA
EPS (rep.)	-55.0	-300	NA	NA
Margin analysis (%)	2023A	2024E	2025E	2026E
Gross margin	25.7	24.0	25.5	26.6
EBITDA margin	12.2	2.4	12.4	14.4
EBIT margin	6.1	-5.5	4.6	6.9
Balance sheet (%)	2023A	2024E	2025E	2026E
NWC/Revenues	13.3	29.2	26.2	16.2
Net debt (mns)	776	1278	969	856
Equity to tot. assets	30.8	24.1	25.4	28.1
Gearing	85.3	169	127	102
Net debt/EBITDA	2.4	24.0	3.3	2.3
CF statement (mns)	2023A	2024E	2025E	2026E
Capex	-313	-278	-240	-230
Operating FCF	-424	-442	309	113
Inc(+)/Dec(-) in cash	-19.8	-102	159	12.6
CF analysis (%)	2023A	2024E	2025E	2026E
Op. CF margin	-4.2	-7.2	23.3	13.4
Capex/Revenues	11.8	12.3	10.2	9.0
Capex/Depreciation	191	157	131	120
Per-share data (CHF)	2023A	2024E	2025E	2026E
EPS (rep.)	2.20	-4.39	-0.10	1.77
EPS (adj.)	2.27	-3.25	-0.10	1.77
Net cash	-22.2	-35.9	-27.2	-24.1
Dividend	0.48	0.00	0.00	0.28
Payout ratio (%)	21.9	0.0	0.0	16.0
Valuation (X)	2023A	2024E	2025E	2026E
P/E	20.9	NM	NM	10.2
P/E (adj.)	20.1	-5.6	-178	10.2
P/B	1.77	0.85	0.84	0.77
EV/EBITDA	7.2	34.8	5.3	4.0
FCF yield %	-26.4	-68.9	48.2	17.5
Dividend yield %	1.0	0.0	0.0	1.6
Profit. ratios (%)	2023A	2024E	2025E	2026E
ROIC	7.6	-4.6	4.0	7.0
ROE	8.5	-18.9	-0.5	7.9
ROA	2.7	-5.2	-0.1	2.2
BB Consensus (mns)	2023A	2024E	2025E	2026E
Revenues	2640	2237	2344	2528
EBITDA	325	58	307	393
EBIT	186	-129	98	167
Net profit	116	-160	3	68
EPS	2.95	-4.62	0.23	2.02

## Conference call/analyst meeting

No conference call or analyst meeting scheduled

## Profit warning amid weaker motorcycle sales with no NWC and net debt reduction expected - FY24 guidance abandoned - Balance sheet becoming very stretched

## FACTS &amp; COMMENT:

**Another profit warning:** PKTM issued a profit warning yesterday after close that the expected recovery in motorcycle sales in 2H24 is becoming less likely as US demand contraction intensified (-6% after 9 months with September being -15% y/y ; -4% y/y after 6 months). In Europe, sales remained robust so far but momentum is slowing. A rapid recovery in 2H24 cannot be expected and thus the targeted balanced operating result seems no longer possible. In the bicycle segment, the restructuring continues but seems now to stretch into 2025 with the company expecting additionally impairments necessary by year-end.

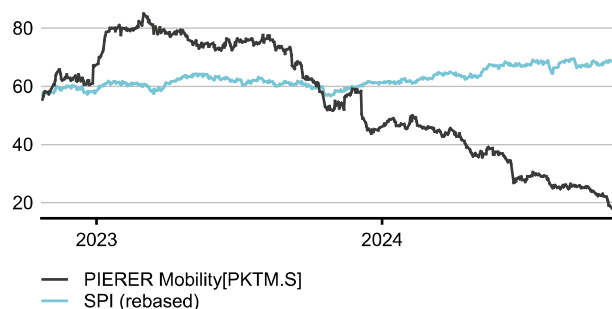
**Guidance abandoned:** Due to the weakening of demand in motorcycles and further impairments in bicycles, the company cancelled the FY24 guidance. This also includes the target of NWC and net debt reduction vs. the 1H24 results as PKTM continues its support for its dealers and suppliers financially. Further impairments - also in motorcycles might be likely.

**Exec board reduced:** As a result of the re-orientation of the business, PKTM will reduce its exec board from 6 to 2 members.

## OUR CONCLUSION:

Another profit warning with hopes for a 2H24 recovery in motorcycle abandoned. The latter also means that inventory reduction will be slower with the company canceling its FY24 targets and thus a break-even result in motorcycles is no longer viable with net debt reduction unlikely. Moreover, further impairments in bicycles but likely also in other segments can be expected, impacting the low equity ratio further. Balance sheet is very stretched and becomes a real concern. Clearly negative.

## Performance



Source: Bloomberg, Vontobel Equity Research

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PIERER Mobility[PKTM.S] was last changed from Buy to Hold on 20-06-24

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	VT Research universe No.	VT Research universe As %	Share of Bank VT clients in rating category As %
Buy	40	42	23
Hold	55	58	31
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 September 2024.

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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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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
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Restricted	Coverage is temporarily restricted (no price target)
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