

FINANCIAL MODEL UPDATE

PIERER MOBILITY

Analyst:	mark.diethelm@vontobel.com
Bloomberg: PKTM SE	Price: CHF 25.0
Enterprise value (mns)	CHF 1,983
Market cap (mns)	CHF 840
Reporting Currency	EUR

Hold **PT: CHF 30.0 (NEW)**

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	14.1
P/E (adj.)	20.1	-7.7	-247	14.1
P/B	1.77	1.18	1.17	1.06
EV/EBITDA	7.2	39.5	6.2	4.6
FCF yield %	-26.4	-49.7	34.8	12.7
Dividend yield %	1.0	0.0	0.0	1.1
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	2370	2493	2738
EBITDA	325	72	333	409
EBIT	186	-117	133	192
Net profit	116	-81	41	84
EPS	2.95	-4.16	0.24	2.49

Conference call/analyst meeting

No conference call or analyst meeting scheduled

Higher debt and slower deleveraging leads to PT reduction - Volume improvement in 2025 but profitability likely only back on track by 2026 - Hold with new PT of CHF 30 (34)

FACTS & COMMENT:

Higher debt and slower deleveraging: The substantial net debt increase by mid-2024 was a negative surprise as PKTM continues its dealer network support with extended payment terms. While inventory will fall towards end-FY24 also on the back of a 25% production cut, inventory will be converted to receivables with NWC staying elevated. As a result, net debt will likely remain above EUR 1.2bn (vs. our old estimate of EUR 0.93bn).

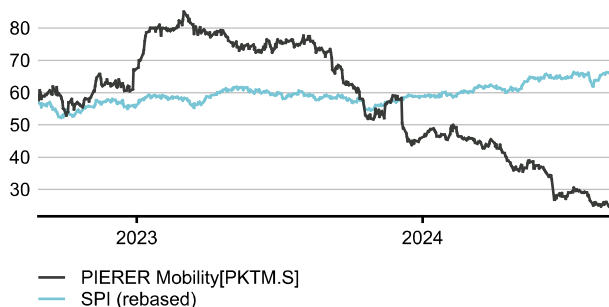
Demand to improve by 2025: Dealer demand should improve in 2025 as today's high inventory is expected to be worked down. However, a clear uptick in top-line growth is only expected by 2026 also driven by newer models.

Estimate changes: We only marginally revised our top-line and EBITDA estimates in absolute terms with our EBIT forecast being up due to lower D&A assumptions (again, small changes in absolute terms). The most significant estimate changes are to the balance sheet due to a more pronounced cut in FY24 OpFCF with net debt up by 38% y/y. We expect FY25 net debt to fall below EUR 1bn (old: EUR 734mn) on a significant receivables reduction.

OUR CONCLUSION:

FY24 is a transformation year with a reset in the successful motorcycle story. The positive news is that the cost side and Capex evolution are being tackled, which were expanding since FY20 on the back of robust end-markets. Without the costly bicycle adventure, the debt situation would be less of a focus point. Course corrections are being executed but it will take time to get back on track, which we expect by FY26/FY27. Hold with an updated PT of CHF 30 (34) largely due to higher net debt.

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	2262	2354	2548	2288	2393	2543	-1%	-2%	0%
EBITDA	53	293	368	66	299	360	-19%	-2%	2%
- margin	2.4%	12.4%	14.4%	2.9%	12.5%	14.1%			
EBIT	-124	109	176	-114	101	163	9%	8%	8%
- margin	-5.5%	4.6%	6.9%	-5.0%	4.2%	6.4%			
Group profit (incl. Restructuring)	-160	-2	68	-182	23	80	n.m.	n.m.	-15%
Operating FCF	-442	309	113	-94	195	94	n.m.	59%	20%
FCF/sales	-19.5%	13.1%	4.4%	-4.1%	8.1%	3.7%			
Net debt	1278	969	856	929	734	640	37.6%	31.9%	33.7%

Source: Vontobel Equity Research

Disclaimer & Disclosures – Equity Research

1. Analyst declaration

This Vontobel Report has been produced by the organizational unit responsible for investment research (Swiss Equity Research, buy-side analysis) of Bank Vontobel AG, Gotthardstrasse 43, CH-8022 Zurich, tel. +41 (0)58 283 71 11 www.vontobel.com. Bank Vontobel AG is subject to supervision by the Swiss Financial Market Supervisory Authority (FINMA).

The financial analysts listed on page 1 of the research report confirm that the report gives a complete and precise reflection of their opinion of the analyzed company and that they have neither directly nor indirectly received compensation for their assessment or opinion. The compensation received by them is not directly related to the investment banking volume generated between Vontobel and the analyzed company.

The financial analysts own securities in the analyzed companies: None

The financial analysts hold no executive functions and have no significant influence in the analyzed companies.

The document was not submitted to the analyzed companies before publication or distribution

2. Disclosure of conflicts of interest

The producer (Bank Vontobel AG) and distributors of this financial analysis point out the following potential conflicts of interests: The producer and its associated companies

- will or are attempting to generate investment banking business with the analyzed companies within the next three months,
- conduct transactions with securities of the analyzed companies from time to time
- have participated in capital market transactions/the issue of securities of the following analyzed companies in the last 12 months: None
- have been active as Market Maker in equities of the following analyzed companies in the last 12 months: None
- have provided other publicly known investment banking services for the following companies mentioned in this report in the last 12 months: None
- have received compensation for products and services outside Investment Banking from the following analyzed companies: None
- hold mandatory disclosable (%) of the voting rights of the following analyzed companies: None
- have executives who are members of the executive board and/or board of directors of: None and
- have executives who are members of the board of Bank Vontobel AG or affiliated companies: None
- have no significant financial interest in the analyzed companies and
- have reached no agreement with the analyzed companies regarding this financial analysis.

3. Research rating history

The Ratings and/or Rating Outlook of the analyzed companies were last changed as follows:

Accelleron[ACLN.S] was last changed from Buy to Hold on 27-03-24

Allreal[ALLN.S] was last changed from Reduce to Hold on 31-10-17

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

Sonova[SOON.S] was last changed from Buy to Hold on 18-05-23

Stadler[SRAIL.S] was last changed from No Rating to Buy on 05-10-21

Vaudoise[VAHN.S] was last changed from Suspended Coverage to Hold on 05-07-19

4. Global rating breakdown

	VT Research universe No.	VT Research universe As %	Share of Bank VT clients in rating category As %
Buy	35	36	20
Hold	62	64	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 June 2024.

5. Rating plotter charts

The data used for the share price and/or price target chart may have to be adjusted to reflect corporate actions undertaken by the company.

Not Rated: Currently Restricted, Suspended Coverage, or no rating assigned to company due to e.g., advising of analyzed company in a capital market transaction, temporary suspension of analyst coverage or a similar reason.

For company specific disclosures, such as Research rating history or Rating plotter charts, please refer to the most recent company specific information provided by Bank Vontobel under "<https://research.vontobel.com/en/disclaimers/companies>" and/or contact Bank Vontobel for further information.

6. Methodology/Rating system

Bank Vontobel's financial analysts apply a variety of valuation methodologies (e.g., DCF and EVA modelling, "sum-of-the-parts", break-up and event-related analysis, peer group and market multiple comparisons) to their own financial projections for the companies they cover. Overall, our investment recommendations take into consideration an assessment of the company in its entirety and of the sector to which it belongs ("bottom-up approach"). Price target calculation is based on a number of factors, observations, and assumptions, including but not limited to: key business performance indicators and ratios, public and private valuation multiples, comparison with one or more peer groups of comparable companies, overall equity market valuations, and with the company's own history and track record.

The stock recommendations published by Vontobel's research team are defined as follows:

Rating	Definition
SMI/SLI (ex SMI)	Swiss Market Index/Swiss Leader Index stocks
Buy	Price target (when set) implies 10% or more upside on a 12-month horizon
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
SMIM	Swiss Market Index Mid stocks
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)
Suspended Coverage	Coverage is temporarily suspended (no price target)

Analysts are required to review their recommendations under the following conditions:

Buy: When upside to price target falls below: 5% for SMI/SLI stocks for 30 calendar days; 10% for SMIM stocks for 30 calendar days; 15% for all other stocks for 45 calendar days.

Hold: When upside to price target reaches or exceeds: 10% for SMI/SLI stocks for 30 calendar days; 15% for SMIM stocks for 30 calendar days; 20% for all other stocks for 45 calendar days; or when downside to price target reaches or exceeds: 10% for SMI/SLI stocks for 30 calendar days; 15% for SMIM stocks for 30 calendar days; 20% for all other stocks for 45 calendar days.

Reduce: When downside to price target reaches or falls below: 5% for SMI stocks for 30 calendar days; 10% for all other stocks for 45 calendar days.

We reserve the right to waive repeated changes of recommendation during periods of unusually high equity market or specific stock price volatility

Share prices used in this financial report are closing prices on the date given. Deviations from this rule are disclosed. The underlying figures of a company valuation, i.e. the profit and loss statement, capital flow and balance sheet are estimates based on date and thus bear certain risks. These may change at any time and without prior notice if other, different models, assumptions, interpretations, and/or estimates are applied.

The use of the valuation methods does not rule out the risk that the stock fails to achieve the "fair value" within the projected period. Numerous factors influence share price performance.

Unforeseen changes can arise from the emergence of competitive pressure, from a change in demand for the products of an issuer, technological development, from macroeconomic activity, exchange rate fluctuation or from a shift in society's moral concept. Changes in taxation law or supervisory regulations can often have a grave, unforeseen impact. This discourse on valuation methods and risk factors does not claim completeness.

7. Disclaimer & Sources

Vontobel research reports are for informational purposes only, do not represent tax, accounting, legal, or investment advice and contain neither an offer nor an invitation to make an offer. They represent an expectation of the performance of certain financial instruments without taking into account the individual recipients' financial situation, investment objectives as well as their knowledge

and experience. Bank Vontobel AG neither guarantees that the equities discussed in the reports are accessible to individual recipients nor that they are appropriate or suitable for them. If non-institutional investors receive a report it is recommended they seek advice from a portfolio manager or an investment advisor prior to making an investment decision. The research reports do not replace the qualified advice necessary before any purchase decision, in particular as regards all associated risks.

No part of this publication may be reproduced or duplicated in any form, by any means, or redistributed, without acknowledgement of source and prior written consent from Bank Vontobel AG. Bank Vontobel AG maintains the right to change and/or revoke all opinions expressed in this report at any time. Although Bank Vontobel AG believes that the information provided in the reports is based on reliable sources, it does not assume responsibility for the quality, correctness, timeliness, or completeness of the information contained therein.

Bank Vontobel AG has taken internal organizational measures to prevent potential or, if unavoidable, to disclose existing conflicts of interest. For more details on handling conflicts of interest and maintaining the independence of financial analysis as well as other disclosures relating to the recommendations of Bank Vontobel AG, see www.vontobel.com.

Unless otherwise indicated, the source of the data presented in the tables/graphs of the reports is "Vontobel Equity Research". "Company data" refers to company-specific sources of information such as annual/interim reports or press releases.

8. Country-specific guidelines and information

Vontobel research report may not be distributed to persons whose nationality or domicile do not permit the distribution of the report or where a special license is required, unless the producer or distributor already has such a license. With the exception of the special distribution channels listed below, the reports are distributed by the company listed on the front page.

Information for US clients

Vontobel research reports are not intended for distribution within the US or to US persons. Any receipt of such report must be communicated to Bank Vontobel AG and the report must be destroyed.

Information for clients in Germany

Bank Vontobel Europe AG, Alter Hof 5, D-80331 München is responsible for distribution within the meaning of § 85 the German Securities Trading Act (WpHG), § Art. 8 Delegated Regulation (EU) 2016/958. Bank Vontobel Europe AG is authorized and regulated by the Federal Financial Supervisory Authority (BaFin), Graurheindorfer Strasse 108, D-53117 Bonn. The Vontobel employees responsible for the distribution of investment research are subject to the respective valid legally and regulatorily required compliance regulations. In particular, measures have been implemented to prevent conflicts of interest (e.g., regulating the exchange of information with other employees, ensuring the independence of remuneration of relevant employees, preventing undue influence on these employees, ensuring compliance with guidelines for employee transactions etc.). Adherence to the respective compliance regulations and organizational instructions is monitored by Compliance offices.

Information for clients in Italy

Vontobel Wealth Management SIM S.p.A, Corso Giacomo Matteotti 1, IT-20121 Milan is responsible for distribution within the meaning of the Delegated Regulation (EU) 2016/958. Vontobel Wealth Management SIM S.p.A is authorized and regulated by the Commissione Nazionale per le Società e la Borsa (Consob), via Giovanni Battista Martini 3, IT-00198 Rome.