

## FINANCIAL MODEL UPDATE

## PIERER MOBILITY

Analyst:	mark.dietheim@vontobel.com
Bloomberg: PKTM SE	Price: CHF 7.7
Enterprise value (mns)	CHF 1,665
Market cap (mns)	CHF 259
Reporting Currency	EUR

**Reduce (NEW) PT: CHF 6.00 (NEW)**

Income Stat. (mns)	2023A	2024E	2025E	2026E
Revenues	2662	2053	2017	2149
EBITDA	325	-27.7	234	286
EBIT	161	-268	57.3	115
Net profit	76.8	-331	-73.9	-16.9
Growth (%)	2023A	2024E	2025E	2026E
Revenues	9.2	-22.9	-1.7	6.5
Net profit	-53.7	-531	NA	NA
EPS (rep.)	-55.0	-521	NA	NA
Margin analysis (%)	2023A	2024E	2025E	2026E
Gross margin	25.7	23.8	25.4	26.4
EBITDA margin	12.2	-1.4	11.6	13.3
EBIT margin	6.1	-13.1	2.8	5.4
Balance sheet (%)	2023A	2024E	2025E	2026E
NWC/Revenues	13.3	34.9	38.1	24.4
Net debt (mns)	776	1555	1407	1226
Equity to tot. assets	30.8	18.2	16.6	17.9
Gearing	85.3	268	272	237
Net debt/EBITDA	2.4	-56.0	6.0	4.3
CF statement (mns)	2023A	2024E	2025E	2026E
Capex	-313	-278	-231	-205
Operating FCF	-424	-718	147	181
Inc(+)/Dec(-) in cash	-19.8	-78.6	192	-69.1
CF analysis (%)	2023A	2024E	2025E	2026E
Op. CF margin	-4.2	-21.4	18.8	17.9
Capex/Revenues	11.8	13.5	11.5	9.5
Capex/Depreciation	191	116	131	120
Per-share data (CHF)	2023A	2024E	2025E	2026E
EPS (rep.)	2.20	-9.24	-2.06	-0.47
EPS (adj.)	2.27	-8.09	-2.06	-0.47
Net cash	-22.2	-43.4	-39.3	-34.2
Dividend	0.48	0.00	0.00	0.00
Payout ratio (%)	21.9	0.0	0.0	0.0
Valuation (X)	2023A	2024E	2025E	2026E
P/E	20.9	NM	NM	NM
P/E (adj.)	20.1	-1.0	-3.7	-16.3
P/B	1.77	0.48	0.53	0.53
EV/EBITDA	7.2	-64.0	7.0	5.1
FCF yield %	-26.4	-261	53.4	65.6
Dividend yield %	1.0	0.0	0.0	0.0
Profit ratios (%)	2023A	2024E	2025E	2026E
ROIC	7.6	-10.0	2.0	4.5
ROE	8.5	-44.7	-13.5	-3.3
ROA	2.7	-10.9	-2.4	-0.6
BB Consensus (mns)	2023A	2024E	2025E	2026E
Revenues	2640	2121	2215	2410
EBITDA	325	16	255	366
EBIT	186	-218	73	160
Net profit	116	-244	-27	54
EPS	2.95	-5.48	-0.52	1.58

## Conference call/analyst meeting

No conference call or analyst meeting scheduled

### Further (cash-effective) restructuring carried out with unclear future group setup - Refinancing at the expense of equity a potential risk - Uncertainty too high, down to Reduce (Under Review)

## FACTS &amp; COMMENT:

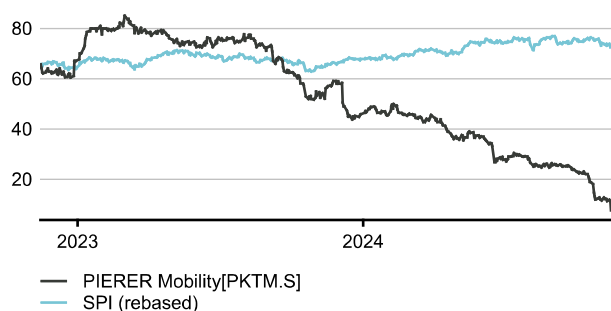
**Balance sheet to further deteriorate:** Financial support for PKTM's dealers and high inventories have become a serious financial issue. A demand recovery has not materialized and unit sales continue to decline, particularly in North America, inventories at both its dealers and at KTM remain at an uncomfortable high level. With no near-term improvement, NWC intensity will not abate quickly and thus a bridge financing is needed. Balance sheet ratios will likely further deteriorate in 1H25 with an uncertain development in FY25 as Pierer is carrying out a further substantial restructuring to downsize production and reduce costs.

**Refinancing :** With the liquidity issue implying unchanged high NWC intensity & the additional restructuring being cash-effective, FCF generation in 1H25 will likely be weak. Even though we assume a positive FY25 FCF due to 2H25 NWC reduction, it will not materially change the very stretched balance sheet. As such, the risk as to whether the bridge loan or other outstanding debt could be swapped to equity, with shareholders facing material dilution, remains high.

## OUR CONCLUSION:

Given the announced downsizing, we further reduced our estimates, which are subject to considerable uncertainty as the future group setup is unclear. Amid more restructuring and higher interest charges, FCF will likely remain weak and net debt only gradually decline. As debt restructuring could lead to significant dilution and balance sheet uncertainties remain concerning, risks have become too high to be invested. We thus downgrade our rating to Reduce with a new PT of CHF 6 (16).

## Performance



Source: Bloomberg, Vontobel Equity Research

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GAM[GAMH.S] was last changed from NA to Hold on 05-10-09

PIERER Mobility[PKTM.S] was last changed from Hold to Under Review on 13-11-24

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

Swiss Life[SLHN.S] was last changed from Buy to Hold on 26-02-24

Swiss Re[SRENH.S] was last changed from Hold to Buy on 02-11-21

Kühne + Nagel[KNIN.S] was last changed from Hold to Buy on 09-02-23

### 4. Global rating breakdown

	VT Research universe	VT Research universe	Share of Bank VT clients in rating category
	No.	As %	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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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.

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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
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)
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