

WHAT'S NEW?

PIERER MOBILITY

Analyst:	mark.diethelm@vontobel.com
Bloomberg: PKTM SE	Price: CHF 15.6
Enterprise value (mns)	CHF 2,198
Market cap (mns)	CHF 657
Reporting Currency	EUR

Reduce **PT: CHF 6.00**

Income Stat. (mns)	2023A	2024E	2025E	2026E
Revenues	2662	1905	1899	2024
EBITDA	325	-303	47.7	173
EBIT	161	-816	-26.5	84.1
Net profit	76.8	-861	-150	-42.9
Growth (%)	2023A	2024E	2025E	2026E
Revenues	9.2	-28.5	-0.3	6.6
Net profit	-53.7	-1221	NA	NA
EPS (rep.)	-55.0	-1195	NA	NA
Margin analysis (%)	2023A	2024E	2025E	2026E
Gross margin	25.7	23.8	27.0	26.4
EBITDA margin	12.2	-15.9	2.5	8.6
EBIT margin	6.1	-42.9	-1.4	4.2
Balance sheet (%)	2023A	2024E	2025E	2026E
NWC/Revenues	13.3	35.9	37.8	24.4
Net debt (mns)	776	1746	1696	1539
Equity to tot. assets	30.8	1.8	-3.4	-4.5
Gearing	85.3	3484	-1918	-1322
Net debt/EBITDA	2.4	-5.8	35.6	8.9
CF statement (mns)	2023A	2024E	2025E	2026E
Capex	-313	-278	-121	-106
Operating FCF	-424	-910	50.0	157
Inc(+)/Dec(-) in cash	-19.8	-170	95.0	157
CF analysis (%)	2023A	2024E	2025E	2026E
Op. CF margin	-4.2	-33.2	9.0	13.0
Capex/Revenues	11.8	14.6	6.4	5.3
Capex/Depreciation	191	54.2	163	120
Per-share data (CHF)	2023A	2024E	2025E	2026E
EPS (rep.)	2.20	-24.0	-4.18	-1.20
EPS (adj.)	2.27	-22.9	-4.18	-1.20
Net cash	-22.2	-48.8	-47.4	-43.0
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	-0.9	-3.7	-13.0
P/B	1.77	14.6	-6.22	-4.83
EV/EBITDA	7.2	-7.9	49.2	12.6
FCF yield %	-26.4	-130	7.1	22.4
Dividend yield %	1.0	0.0	0.0	0.0
Profit ratios (%)	2023A	2024E	2025E	2026E
ROIC	7.6	-33.1	-1.1	3.9
ROE	8.5	-181	NA	NA
ROA	2.7	-30.5	-5.7	-1.7
BB Consensus (mns)	2023A	2024E	2025E	2026E
Revenues	2640	2148	2232	2476
EBITDA	325	-93	263	378
EBIT	186	-280	85	183
Net profit	116	-182	30	105
EPS	2.95	-7.68	-0.52	2.15

Conference call/analyst meeting

No conference call or analyst meeting scheduled

Preliminary FY24 key figures show bleak picture - High triple digit negative FCF - Several financing offers received to potentially satisfy minimum debt quota

FACTS & COMMENT:

Weak revenues in 2H24: Ahead of the creditor claims verification meeting today, Pierer today announced preliminary figures. FY24 revenues are expected to be EUR 1.9bn (-29% y/y; VTe: EUR 2.05) with 2H24 revenues EUR <900m (2H23: EUR 1.27bn). Total motorcycle sales amounted to 292,497 units (-21% y/y) with bicycle/e-bicycle units down 32% to 106,311.

Bleak EBITDA and FCF: Pierer Mobility expects a negative FY24 EBITDA of ca. EUR 300 m for FY24, before potential allowances as part of the restructuring process. In addition, PKTM expects substantial write-downs of capitalized R&D and goodwill, impacting EBIT. The FY24 FCF is expected to be high triple digit negative with net debt sequentially up (1H24: EUR 1.47bn).

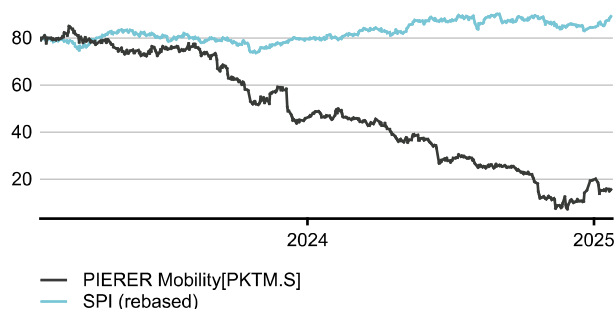
Management change: Stefan Pierer, currently CEO will step back and act as Co-CEO while current Co-CEO Gottfried Neumeister becomes CEO.

Debt restructuring: Several financing offers have been received, which will be available to PKTM and KTM AG. The funds offered should allow to finance the statutory minimum quote of 30% (VTe: EUR >550m) for KTM AG and its insolvent subsidiaries.

OUR CONCLUSION:

The prelims are weak and confirm our prior fear of a potential net loss of up to EUR 900m vs. an equity of EUR 904m end 2023. The high negative FCF and further net debt increase were already indicated when PKTM went into judicial financial restructuring. The financial offers are positive and a 1st step in the financial restructuring - with creditors pressuring for a higher quota - and pave the way for the launch of a convertible bond followed by a major capital increase.

Performance



Source: Bloomberg, Vontobel Equity Research