



PIERCE GROUP

18/09/2026, 06:30 UTC

This is a translated version of the Swedish report, published on 18/09/2026

EQUITY BRIEF

Equity Brief: Pierce Group

18/09/2026

Automatic translation: Originally published in Swedish 18/09/2026, 06:30 GMT. Give feedback here.

1. The company in brief

Pierce Group is a pan-European e-commerce retailer selling equipment, parts, and accessories for motorcycles and snowmobiles directly to end consumers (B2C). The operations are run through locally tailored websites under three niche brands (24MX for Offroad, XLMOTO for Onroad, and Sledstore for snowmobiles).

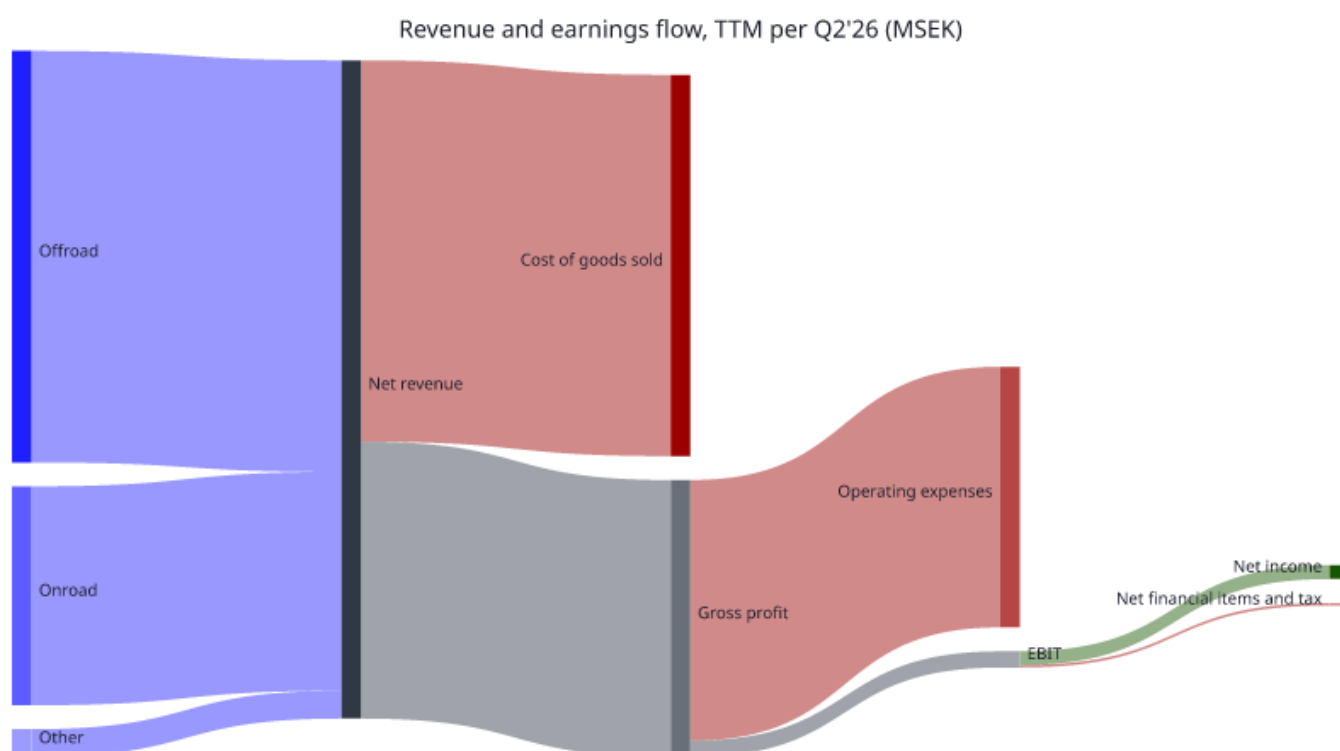
The company has its roots in a garage in 2008, where two MX and enduro enthusiasts tired of searching for parts and equipment in a jungle of brands and suppliers began warehousing for themselves and other riders. Pierce was founded in 2009 and the offroad store 24MX was launched. The onroad brand XLMOTO was launched in 2013 (the same year as the snowmobile site Sledstore), but was scaled up internationally outside the Nordics only from 2018, making the company a European challenger even in the largest category. The group has been built further through several niche e-commerce brands on a shared platform. The headquarters are located in Stockholm, the central warehouse in Szczecin (Poland), and a customer service function in Barcelona. Since March 26, 2021, the share has been traded on Nasdaq Stockholm under the ticker PIERCE. The main shareholder is the private equity firm Verdane Capital (20.6%), followed by Siba Invest (10.9%).

HEADQUARTERS	FOUNDED	MARKET CAPITALIZATION	EMPLOYEES
Stockholm	2009	~710 MSEK AS OF SEP 2026	295 Q2'26 (AVG)

Business model – how the company makes money

Pierce procures goods from external brand suppliers and distributors, and also has its own brands (private label) manufactured by external factories, selling them on via its own locally adapted websites. Revenue comes from two main categories. Offroad (motocross and enduro) is the largest, accounting for just over 60% of revenue, and in this category Pierce is the European online leader. Onroad (street riding) is the second category, where the company is the Nordic leader and a European challenger. A smaller "Other" category includes snowmobiles, which have the opposite seasonality, as well as new verticals such as mountain biking and scooters/mopeds.

The model is capital-light in the sense that the company neither manufactures its products itself nor operates physical stores. The manufacturing of private label products is outsourced, logistics are managed from a single central warehouse in Szczecin, and distribution takes place digitally. What ties up capital is primarily the inventory and, in recent years, investments in a new IT and e-commerce platform. A high share of private label products, which carry a higher gross margin than purchased branded goods, is a key profitability driver, and the gross margin is around 42–43%. The business is clearly seasonal. The second quarter (spring/summer) is the strongest for motorcycle riding, while the fourth quarter is lifted by the Black Week and Christmas campaign periods, and snowmobile sales balance out the winter half-year.



3. Latest report – financial and operational overview

NET REVENUE 537 MSEK +3% Y/Y (Q2'25)	ADJUSTED EBIT 34 MSEK 6.4% MARGIN	NET CASH 315 MSEK AS OF JUN 30, 2026
--	---	--

During Q2'26 (April–June), net revenue increased 3% to 537 MSEK (523 in Q2'25), or 2% in local currencies, which was the highest quarterly revenue ever. Offroad rose by around 5% and Other by around 9%, while Onroad decreased slightly. EBIT was 32 MSEK (26 in Q2'25), corresponding to an operating margin of 6.0% (4.9%), and adjusted EBIT 34 MSEK (32) with a margin of 6.4% (6.2%). The gross margin was 43.1% (43.7%), where price adjustments to

support commercial initiatives and higher outgoing freight costs were mitigated by more efficient marketing. Profit for the period was 35 MSEK (23) and earnings per share 0.44 SEK (0.29).

The quarter was characterized by the company commissioning its new warehouse management system (WMS) at the central warehouse in June. The transition was carried out largely according to plan, but temporarily paused order picking and resulted in lower warehouse productivity during the ramp-up phase. This created a delivery backlog corresponding to approximately two days of sales, which was carried over to the third quarter. Management states that normal productivity and normal costs are expected to return by the end of Q3'26. Transformation costs, which cannot be capitalized and are expensed directly, amounted to 6 MSEK (8).

Cash flow for the period was 40 MSEK (13) and free cash flow 44 MSEK (19). At the end of the period, the group had a net cash position of 315 MSEK as of June 30, 2026 (188 in Q2'25) and cash and cash equivalents of 319 MSEK, without utilizing the unused credit facility of up to 150 MSEK. Solvency was 56.6%. Looking ahead, management reiterates that the Pierce 2.0 program is expected to deliver an additional approximately 20–30 MSEK in annual EBIT improvement as transformation costs phase out, and that the migration of larger markets to the new e-commerce platform is being carried out with caution ahead of the autumn and winter trading. No significant events occurred after the end of the reporting period.

"

We expect Pierce 2.0 to deliver an additional annual EBIT improvement of approximately 20–30 MSEK, part of which has already been realized through lower depreciation and amortization, with the remainder following as transformation costs decrease.

Göran Dahlin
— CEO, Pierce Group AB (publ) · Q2'26 report

4. Market and trends

Pierce operates in the European market for motorcycle equipment, parts, and accessories, a market the company estimated at over 101 BNSEK in 2021 and which is still dominated by small local stores. The single most important structural force is the shift from physical retail to e-commerce. The online share was around 19% in 2021, and as the market environment normalizes, the online market is expected to grow by around 10% per year, clearly faster than the 3–4% of the total market. The products (helmets, protective gear, wear parts such as tires and filters, as well as

accessories) are well suited for e-commerce and are purchased by engaged customers with high wear and tear and recurring purchase patterns, which has historically given the market relative resilience against economic downturns. The category is fragmented, and competition comes both from local specialist stores and broad marketplaces such as Amazon, eBay, and Temu, as well as from European niche e-commerce retailers often backed by financial owners. Pierce's position is geographically particularly strong in Offroad, where online penetration is higher and the company reports an online market share of around 28% in Europe; in the significantly larger Onroad segment, the share is small (around 3%), which represents both a position of strength and a growth reserve. The most important markets outside the Nordics are Italy, Germany, and Spain.

- **Online shift:** Structural transition from physical stores to e-commerce, where the online market is expected to grow by ~10% per year from time to time.
- **Fragmentation and consolidation:** Many small players and economies of scale make the market ripe for consolidation.
- **Economies of scale and private labels:** Volume and a high share of private label products strengthen procurement, margin, and synergy potential.
- **Competition from marketplaces:** Increased focus from Amazon, eBay, and Temu on the category.
- **Electrification:** Increased interest in electric motorcycles, particularly within Offroad, as a long-term potential.

5. Growth drivers and risks

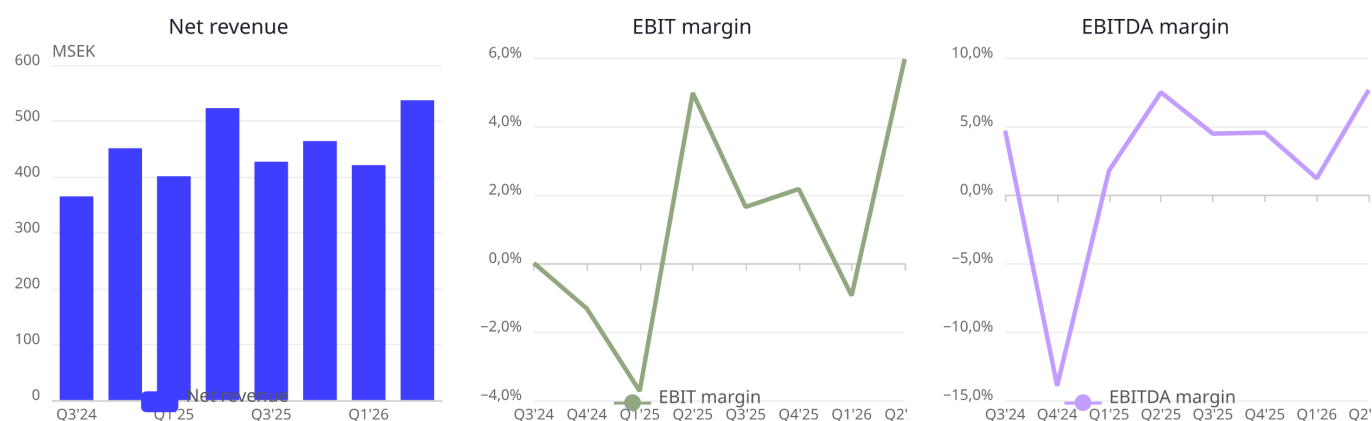
Growth drivers

- **Geographical expansion:** New localized markets (13 new ones ready in June, another nine launched in July) with local language, payment, and delivery.
- **New verticals:** Mountain biking and scooters/mopeds that utilize the existing platform and customer base for cross-selling.
- **New technology platform:** Scalable e-commerce and IT platform enabling growth geographically and in new categories.
- **Private labels:** Consolidated portfolio towards fewer brands to lift gross margin and loyalty.
- **Consolidation:** Acquisitions in a fragmented market with a net cash position of 315 MSEK as financial capacity.

Risks

- **Economic cycle and demand:** The products are discretionary purchases that normally decrease when household purchasing power is squeezed.
- **Execution of the platform change:** Migration to the new e-commerce platform has resulted in temporary sales drops (Belgium, Spain) and has been delayed.
- **Competition:** Marketplaces (Amazon, eBay, Temu) and financially backed European competitors may intensify price competition.
- **Currency and freight:** Purchases are made partly in USD and from Asia, while sales are primarily in EUR, creating a transaction risk against the gross margin, which is amplified by volatile ocean freight prices.
- **Supplier and inventory dependency:** Dependence on external suppliers (incl. China), a single central warehouse, and a tax-free "bonded warehouse" license in Poland.

6. Financial development – KPIs



The charts show reported quarterly figures and illustrate both the seasonal pattern – with strong second quarters – and the profitability turnaround since 2024. The EBITDA margin for Q4'24 was burdened by write-downs.

Financial targets

- **Revenue growth (long-term target, 3–5 years):** Organically grow faster than the European online market for motorcycle equipment. On track, revenue increased 12% for the full year 2025 and 6% LTM as of Q2'26 (9% in local currencies).
- **Adjusted EBIT margin (long-term target, 3–5 years):** 5–8%. Not yet achieved on a full-year basis, at 2.5% for the full year 2025 and 3.3% LTM as of Q2'26, but within the range in seasonally strong quarters (6.4% in Q2'26).
- **Capital structure (target):** Net debt/EBITDA of at most 2.0x, with temporary flexibility for strategic initiatives. Fulfilled, the company had a net cash position of 315 MSEK as of June 30, 2026.
- **Dividend policy:** Over the next few years, free cash flow will be used for the continued development of the company rather than being distributed as a dividend.

8. Potential triggers (next 6–12 months)

- **The Q3'26 report on November 13, 2026:** The focus will be on whether inventory returns to normal productivity and normal costs by the end of Q3 as management has signaled, how the delivery backlog of ~two days of sales has been worked through, and whether Belgium and Spain recover following the platform migration.
- **Rollout of the e-commerce platform:** The pace of migrating larger established markets ahead of Q4 trading. A faster, disruption-free rollout would support growth, while a slower one defers the benefits.
- **Completion of Pierce 2.0:** The promised additional 20–30 MSEK in annual EBIT improvement will be realized as transformation costs phase out.
- **New markets and verticals:** Commercial traction in the 13+9 newly launched local markets, as well as in mountain biking and scooters/mopeds.
- **Q4 trading (Black Week and Christmas):** Seasonally the most important sales period, which largely determines the full-year outcome.
- **Potential acquisitions:** Management has expressed an ambition to take an active role in market consolidation, with a net cash position of 315 MSEK as capacity.

Frequently asked questions from investors

What does the optimist say? / What does the pessimist say?

What does the optimist say?

Pierce operates in a structurally growing niche where retail is shifting online, and is the only pan-European player with a leading position in Offroad, a position that smaller local stores find difficult to match.

The Pierce 2.0 transformation program has streamlined the business model. The white-collar workforce has decreased by approximately 40%, while LTM revenue has grown and LTM adjusted EBIT has improved from -47 to 61 MSEK, with an additional 20–30 MSEK in sight.

A high share of private label products and economies of scale provide a foundation for better margins and synergies.

A net cash position of 315 MSEK provides the capacity to lead the consolidation of a fragmented market and expand into new markets and verticals.

What does the pessimist say?

Demand is discretionary and sensitive to economic cycles, and the underlying market only grows in the low single digits when the shift to online is excluded.

The company is in the middle of a comprehensive platform replacement with execution risk. The migration has resulted in temporary sales drops in Belgium and Spain and has been delayed, and the WMS transition disrupted deliveries.

Competition may intensify from marketplaces such as Amazon, eBay, and Temu, as well as from financially backed European competitors.

Currency and freight exposure (purchases in USD and from Asia vs. sales in EUR, plus variable ocean freight prices) can squeeze the gross margin, and the 5–8% profitability target has not yet been reached on a full-year basis.

Glossary – abbreviations and concepts

- **Gross margin:** Gross profit as a percentage of net revenue. For Pierce, it reflects the product mix between purchased branded goods and high-margin private label products, as well as freight costs.
- **EBIT:** Operating result after depreciation and amortization. Shows how much core operations earn before financial items and tax.
- **EBITDA:** Operating result before depreciation and amortization. Used to assess underlying cash generation independently of investment write-downs.
- **EPS:** Earnings per share. Profit for the period divided by the number of shares, representing what each share earned.
-

Free cash flow: Cash flow from operating activities and investing activities. Shows how much cash is left over for, for example, acquisitions or debt amortization.

- **Adjusted EBIT:** EBIT adjusted for items affecting comparability. The company's main metric for underlying profitability and linked to its margin target.
- **Net cash/net debt:** Interest-bearing liabilities less cash and cash equivalents (excl. IFRS 16). Pierce has a net cash position, i.e., more cash than liabilities, acting as a financial buffer.
- **Net debt/EBITDA:** Indebtedness in relation to earnings generation. Used in the company's capital structure target (at most 2.0x).
- **Organic growth:** Growth from existing operations, excluding acquisitions. Pierce's growth target is explicitly organic.
- **Pierce 2.0:** The company's transformation program since 2023 for increased efficiency and scalability, featuring a new IT platform and a decreased white-collar workforce.
- **Private label (own brands):** Products under the company's own brands, manufactured by external factories. Carry a higher margin than purchased branded goods.
- **LTM:** Rolling twelve months. Summarizes the past four quarters and smooths out seasonal effects.
- **Solvency:** Equity as a percentage of total assets. A measure of financial resilience; Pierce had 56.6% as of Q2'26.
- **WMS (Warehouse Management System):** Warehouse management system. Pierce's new WMS was commissioned in June 2026 and is designed to increase inventory efficiency and traceability from time to time.

Sources

- Pierce Group AB (publ), Interim report January–June 2026 (Q2'26), published August 21, 2026. <https://www.piercgroup.com/en/reports-presentations/>
- Pierce Group AB (publ), Annual Report 2025, published March 20, 2026. <https://www.piercgroup.com/en/reports-presentations/>
- Pierce Group AB (publ), press release “Pierce Group accelerates its expansion in Europe: Launches local websites in an additional nine markets”, July 1, 2026. <https://www.piercgroup.com>



CONNECTING INVESTORS AND COMPANIES

Inderes democratizes financial information by connecting investors and listed companies. For investors, we are an investing community and a trusted source of financial information and equity research. For listed companies, we are a partner in delivering high-quality investor relations. Over 500 listed companies in Europe use our investor relations products and equity research services to provide better investor communications to their shareholders.

Our goal is to be the most investor-minded company in finance. Inderes was founded in 2009 by investors, for investors. As a Nasdaq First North-listed company, we understand the day-to-day reality of our customers.

Inderes Oyj
Porkkalankatu 5
00180 Helsinki
+358 10 219 4690

inderes.fi

Inderes Ab
Vattugatan 17, 5tr
Stockholm
+46 8 411 43 80

inderes.se

**inde
res.**