



68 Moss Street
Slacks Creek, QLD 4127

24 November 2017

ASX Market Announcements
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

Dear Sir/ Madam

Motorcycle Holdings Limited | Presentations to 2017 Annual General Meeting

Pursuant to Listing Rule 3.13.3, please find attached, for presentation to shareholders at the Annual General Meeting, commencing at 11am (Brisbane time):

- The welcome address by Mr David Foster, the Company's Chairman; and
- The presentation by Mr David Ahmet, the Company's Managing Director.

Yours faithfully

A handwritten signature in blue ink that reads "Lisa Dalton". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Lisa Dalton
Company Secretary

24 November 2017

Motorcycle Holdings Limited | Chairman's Address to 2017 Annual General Meeting

Good morning, Ladies and Gentlemen, my name is David Foster and I am the Chairman of MotorCycle Holdings Limited and I will chair today's Annual General Meeting.

We really appreciate this opportunity to speak with our shareholders and give shareholders the opportunity to ask questions about the business and the recent acquisition of Cassons, a leading, successful wholesaler and retailer of motorcycle accessories.

On behalf of the Board of Directors, I warmly welcome you all to the 2017 MotorCycle Holdings' Annual General Meeting.

Introduction of Directors and Management

I would like to introduce the Board of MotorCycle Holdings and senior management of the Company here today:

- Firstly, David Ahmet, the founding shareholder and Managing Director of MotorCycle Holdings
- Warren Bee, who has been a director since the company listed and who also chairs the Nomination and Remuneration Committee
- Rick Dennis, who joined the Board in 2016 and who also chairs the Audit and Risk Committee
- Peter Henley, who joined the Board in March this year
- Rob Cassen, our newest Director
- John Cassen, who runs the Cassons Retail outlets
- Bob Donovan, our Chief Financial Officer
- Chris Chenoweth, our General Manager
- Lisa Dalton, our Company Secretary and Nicole Spink, Assistant Company Secretary.

I would also like to welcome Simon Crane, the audit partner of KPMG, the Company's auditors and Stephanie Daveson a partner at Corrs Chambers Westgarth, the Company's lawyers.

This Annual General Meeting will proceed in four parts:

1. Firstly, I will provide a short address summarising some key points for the 2017 year
2. Secondly, David Ahmet will review the operational developments of the Company for the past year including the acquisition of Cassons. He will also talk about our expectations and plans for the future
3. Then shareholders will be able to ask questions about the Company, my address or Dave's presentation;
4. This will be followed by the formal business of the meeting, at which time I will take your questions specifically regarding each of the proposed resolutions.

Without pre-empting Dave's presentation, I would like to say a few words about the progress of the Company.

Strategy

At last year's AGM we had been a listed company for a little over 6 months, after 27 years as a successful, privately-owned organisation.

As was always the plan, the transition to public ownership established the organisation base and financial capacity to underpin the next phase of the Company's growth and to play a leading role in the restructuring and consolidation of the motorcycle sales sector and we have seized that opportunity.

In its first full year of operations as a listed company, MotorCycle Holdings Limited has acquired 3 new dealerships taking the Company's dealership network to 27 locations spread across the eastern seaboard.

The Company also achieved record unit sales, record revenues and record profits.

The Board was pleased to be able to reward shareholders with a final dividend of 7.5 cents per share (fully franked), taking the full year dividend to 15 cents per share, underpinned by a net profit of \$9.3 million for the 12 months, up 16% compared with the \$8.0 million pro-forma result for the year to June 2016.

About a month ago, the Company completed the acquisition of Cassons Pty Ltd for a total of \$123.2 million, with consideration of \$98.7 million paid in cash and \$24.5 million in MTO shares (escrowed for two years). The cash component of the acquisition was funded through debt of \$36m and a fully underwritten renounceable Entitlement Offer which raised \$67 million at \$3.85 per share.

We are excited about Cassons joining the MotorCycle Holdings group given it fits our strategy to expand our accessories business and provides opportunities to realise further revenue growth by cross sales of products through expanded distributions networks.

The acquisition is expected to increase MTO's annual revenues by approximately 30% to \$310 million, with EBITDA doubling to approximately \$30 million, before synergies.

MotorCycle Holdings now has a market cap of in excess of \$300 million, not quite in the ASX 200 but close!

Board Changes

During the year, there have been some changes to the Board.

Scott Greck, from the Growth Fund retired from the Board in April this year, a year after the listing of the Company.

On behalf of the Board, I would like to sincerely thank Scott for his contribution to MotorCycle Holdings and seeing it transition to a successful publicly listed Company.

We have also welcomed two new directors to the Board this year.

Firstly, Peter Henley joined the Board in March this year. Peter has a long and distinguished career in financial services and in particular consumer and commercial finance.

He previously held senior management positions at AGC Limited, CEO of Nissan Finance Corp Ltd and CEO of GE Money in Australia and in South East Asia.

Since retiring from executive roles in October 2006, Mr. Henley has been an Independent Non-Executive Director of Adtrans Group Ltd, MTA Insurance Ltd, Thorn Group Ltd and more recently AP Eagers Ltd where he has served on the Audit and Risk committees since 2006.

Secondly, as part of the acquisition of Cassons Pty Ltd, we have welcomed Rob Cassen to the Board as an Executive Director and in fact today is his first Board meeting and his first AGM.

Rob heads up the sales, marketing, admin and logistics teams at Cassons. Rob has 33 years' experience in the motorcycle industry.

He successfully built one of Australia's largest motorcycle and bicycle clothing and accessory distribution companies. Rob Cassen has developed strong supplier relationships with major international and world leading brands and manufacturers and has created one of the market leading private label brands in Australia.

Staff

Throughout the year we employed over 500 staff nationally, who have achieved great results for the Company while integrating our new dealerships into the business.

I would like to publicly express the board's appreciation for their sustained contributions over the year.

Now, with Cassons as part of our business, we are joined by in excess of 200 members of the Casson's team and I sincerely welcome the staff of Cassons as part of the MotorCycle Holdings team.

Directors

I acknowledge and thank my fellow directors for their contributions during the year – Warren Bee, Rick Dennis, Peter Henley and our Managing Director, David Ahmet.

We bring a variety of experience and skills to the company and share a sense of excitement and responsibility about MotorCycle Holding's future potential.

Shareholders

Finally, thank you, our shareholders, for your ongoing support. We are very conscious of our responsibilities to our investors and we value your loyalty and trust.

I will now hand over to Dave

For further information, please contact:

MotorCycle Holdings Limited

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MOTORCYCLE HOLDINGS

Annual General Meeting | 24 November 2017



MANAGING DIRECTOR'S ADDRESS



Disclaimer

Disclaimer and Important Information



- This presentation may contain certain unaudited financial information in relation to MotorCycle Holdings Limited (MTO). As such, it has not been subject to an audit or an audit process or otherwise independently verified.
- This presentation may contain certain forward looking statements. Such statements are inherently subject to uncertainties in that they may be affected by a variety of known and unknown risks, variables and other factors which could cause actual values or results, performance or achievements to differ materially from anticipated results, implied values, performance or achievements expressed, projected or implied in the statements. MTO gives no assurance that the anticipated results, performance or achievements expressed or implied in those forward-looking statements will be achieved.
- Neither the company nor any of its Directors or any other party associated with the preparation of this presentation guarantee that any specific objective of the company will be achieved or that any particular performance of the company or of its shares will be achieved.
- The information in this presentation does not take into account the objectives, financial situation or particular needs of any person. Nothing contained in this presentation constitutes investment, legal, tax or other advice.

Results Highlights



1

Record full year profit of \$9.3 million, up 16% from June 2016, EPS growth 16%

2

Final dividend of 7.5 cents per share, fully franked

3

Record sales revenues of \$235.3 million, up 12%

4

17% growth in total motorcycle sales

5

Network expanded through acquisitions and organic growth

6

Outlook remains positive in a challenging market

Market Leader in Motorcycle Retailing



- 1 Australia's largest motorcycle dealership operator with 28 year history, 45 franchises across 27 locations
- 2 Proven business model with strong OEM relationships and diversified revenue streams
- 3 Substantial growth opportunities through organic initiatives and acquisitions
- 4 Experienced senior management led by CEO and 18% shareholder David Ahmet
- 5 Consistent earnings growth, operating cash flow and conservative gearing
- 6 Centralised business process with head office driving dealership performance

All divisions performed well



New Motorcycles



- Revenue up 20%
- Gross profit up 24%



Used Motorcycles



- Revenue up 7%
- Gross profit up 9%



Accessories
and parts



- Revenue up 8%
- Gross profit up 13%



Servicing
and repair



- Revenue up 7%
- Gross profit up 15%



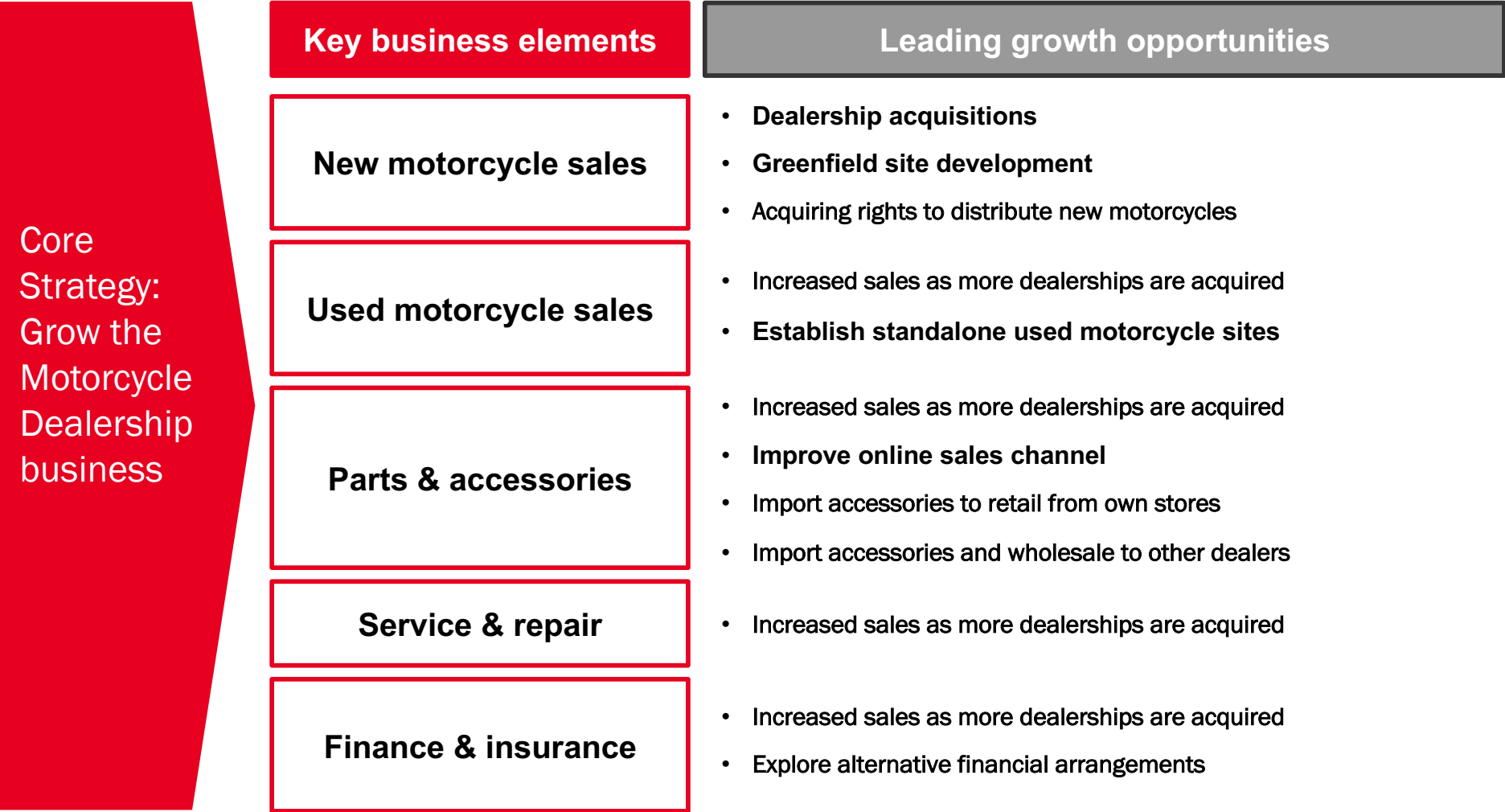
Finance, insurance
and warranty



- Income up 20%



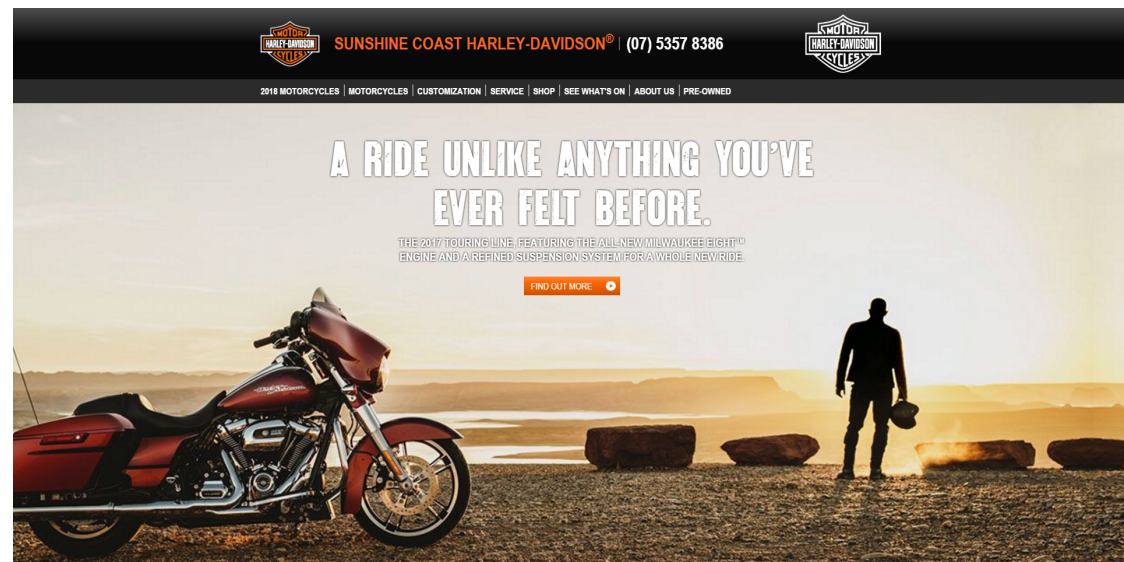
Strong growth opportunities



Three dealerships acquired in FY17



- Evolution Motorcycles, Epping, Victoria acquired March 2017
- Action Motorcycles, Nerang acquired March 2017
- Sunshine Coast Harley-Davidson, Kunda Park acquired May 2017
- All acquired for cash
- Full benefits to be felt in FY18



Cassons acquisition now complete



1

Acquisition of Cassons, a leading, successful wholesaler and retailer of motorcycle accessories with FY17 \$76.5 million in annual turnover and pro forma FY17 EBITDA of \$16.7 million

2

Adds scale to MTO's retail accessory business, lifts margins and expands distribution network

3

Lifts MTO revenues by more than 30% to approximately \$310 million. EBITDA doubles to \$30 million*

4

Acquisition price of \$123.2** million represents an earnings multiple of 7.4 times Cassons' pro forma FY17 EBITDA and will increase MTO EPS by 26% on a proforma basis, before synergies and amortisation*

5

Attractive earnings growth of combined group to be enhanced via synergies and revenue opportunities across each organisation's distribution network

6

Casson CEO Rob Cassen joined MTO board. Cassen family will emerge as a 10% shareholder of MTO, receiving 20% of the sale consideration as MTO shares (escrowed for 2 years)

Note: *Based on FY17 Proforma consolidated. **\$2m is being paid to Rob and John Cassen in consideration for their 5 year restraint.

Overview of Cassons Group



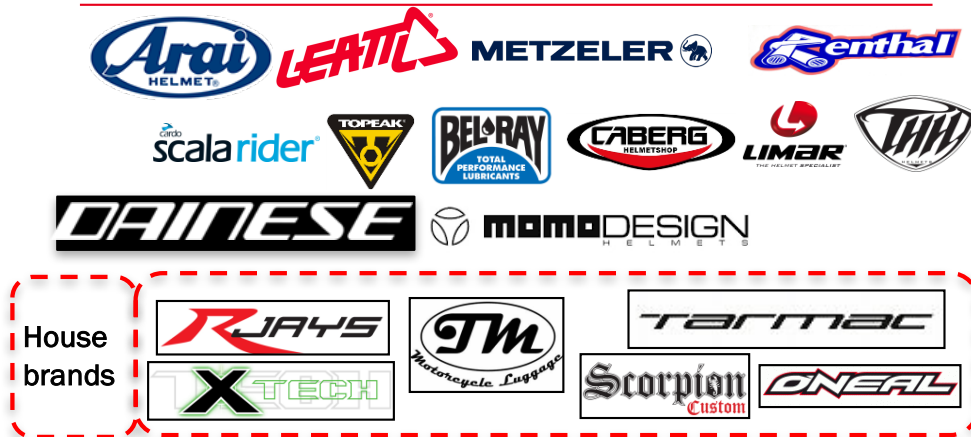
CASSONS

- CPL commenced as a wholesaler in 1988 and imports and distributes motorcycle, bicycle and kart products, apparel and accessories direct to retailers
- Products include helmets, jackets, pants, gloves, boots, mechanical and electrical parts, lubricants and fashion accessories
- CPL also distributes a range of bicycle accessories

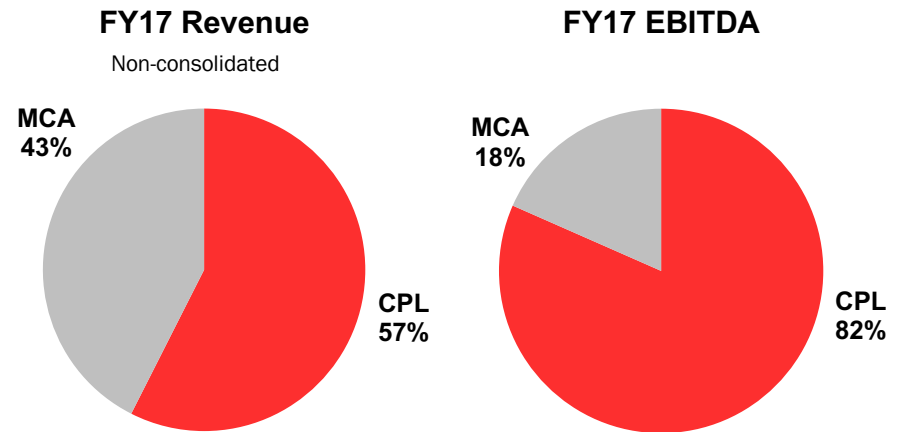


- MCA was established in 1973, and is a retailer selling primarily motorcycle related product, apparel and accessories and customised services direct to end consumers via a retail footprint and an online presence
- MCA currently operates 8* retail stores, five in New South Wales and three in Victoria (Keilor opening end of CY17)

Exclusive Cassons Brands



Operational segments



Notes: *Keilor, VIC is under construction and expected to open end of calendar year 2017

Three dealerships coming soon



- Frankston Yamaha and Freestyle Honda being acquired and co-located
- Yamaha Sunshine Coast appointed as a Dealer for a greenfield site
- Central Coast Harley-Davidson under contract subject to OEM approval
- Acquisitions will be funded from cash and from existing debt facilities



Finance Joint Venture (JV)



- Establishing a 50:50 JV with Allied Credit, a leading motorcycle industry finance company, to provide secured loans to MTO customers requiring funding to acquire a motorcycle
- The JV will provide:
 - A new earnings stream for existing MTO loan origination activities
 - An ability to leverage and customise retail funding to secure motorcycle sales
 - Additional customer data to support new sales and retention activities
 - Surety over provision of a competitive retail funding product through MTO network
- The JV is expected to deliver a growing and material earnings stream as the portfolio matures over a three year horizon
- Negotiation of the JV is significantly advanced. Operations are expected to commence in January 2018

Current market conditions



- Weak market conditions
- FCAI September Quarter:
 - Bike sales down 15.4%
 - Road bikes down 19.2%
- MTO Year to date*:
 - New bikes down 5.4%
 - Used bikes up 14.1%
- PCP best 6 months in last 5 years

* Including new stores

Outlook



- 1H18 result will reflect the market conditions in the motorcycle stores, with profits from Cassons offset by associated acquisition costs
- Notwithstanding 1H weakness, outlook remains positive
- Finance and Insurance changes
 - Reduced insurance commissions commenced October
 - Finance JV planned to commence early in 2018
- Cassons integration ongoing
- Acquisition opportunities for dealerships remain strong