

20 June 2018

MotorCycle Holdings trading update

Leading Australian motorcycle retailing group, MotorCycle Holdings Limited, (ASX:MTO) expects to report earnings before interest, tax and depreciation (EBITDA) of between \$19-21 million in the year to 30 June 2018, driven primarily by the recent acquisition of Cassons and the expansion of its dealership network.

Although this is an increase on the prior year EBITDA of \$14.6 million, it is below the company's expectations, due to difficult trading conditions as previously disclosed.

CEO David Ahmet said "we remain optimistic that sales volumes will recover over the next 18 months, with recent industry-wide sales numbers suggesting the cyclical downturn is moderating".

"MotorCycle Holdings is perfectly placed to benefit from an improvement in industry conditions, with our expanded dealership network now well established and with the integration of Cassons well advanced".

"Our motorcycle finance joint venture with Allied Credit is now operational and will also provide growth into the future".

"The successful implementation of our growth strategy over the past two years has left us with a much more diversified and resilient business, well positioned to deal with the challenging trading conditions being encountered in the market" he said.

Six dealerships have been added to the MTO network over the past 18 months, taking the total network to 30 motorcycle dealership locations, and confirming the company as the largest motorcycle dealership operator in Australia.

The Cassons acquisition has further enhanced the company's business footprint, adding wholesale distribution of motorcycle accessories as well as expanding retail sales through the Cassons network of eight Motorcycle Accessories Supermarkets (MCA) in New South Wales, Victoria and on-line.

Further detail will be provided in the company's full year profit report, to be released in August.

For further information, please contact:

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