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14 November 2019

The Manager
Market Announcements Office
Australian Securities Exchange
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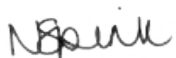
Dear Sir/Madam,

MotorCycle Holdings Limited (ASX: MTO) – Presentations to 2019 Annual General Meeting

Pursuant to Listing Rule 3.13.3 please find attached for presentation to shareholders at the Annual General Meeting commencing at 10am (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,
MotorCycle Holdings Limited



Nicole Spink FCPA FCIS
Company Secretary

MOTORCYCLE HOLDINGS LIMITED
AGM 2019
CHAIRMAN'S ADDRESS

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.

On behalf of the Board and Executive team, I'd like to welcome and thank everyone for attending today's meeting.

Today's AGM provides a good opportunity for you, our shareholders, to gain an understanding of how the business is operating, the key drivers and focus for the coming year and our plans for continuing to deliver growth and value, as well as a chance to ask any questions you might have.

Are there any shareholders that wish to have an apology recorded in the minutes of the meeting?

In addition to those present today, valid proxies have been received from 60 shareholders that represent 41% of the vote.

Firstly this morning I'd like to introduce the Board of MotorCycle Holdings and senior management of the Company here today:

- David Ahmet, the Founder, Managing Director and CEO of MotorCycle Holdings
- Warren Bee, who has been a director of MotorCycle Holdings since 2011 and is currently chair of 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 has been a director since March 2017 and has also been appointed a member of the Audit and Risk Committee and the Nomination and Remuneration Committee
- Rob Cassen, the owner of Cassons who was appointed to the Board in October 2017
- Bob Donovan, our Chief Financial Officer, and
- Nicole Spink, our Company Secretary.

I would also like to welcome Simon Crane, the audit partner of KPMG, the Company's auditors and Lisa Tolhurst, Senior Associate at Clayton Utz, the Company's lawyers.

Today's meeting will proceed in four parts:

1. Firstly, I will provide an overview of the key highlights and achievements for the past financial year
2. Secondly, David Ahmet will review the operational performance and financial results of the Company for the past year, as well as outline our expectations and plans for the coming year
3. Following this, you will be able to ask questions about the Company's financial results, operations and market outlook, which are raised during 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.

I would like to say a few words about the progress of the Company.

Achievements and highlights

It's now widely recognised that the 2018/19 financial year was characterised by very challenging retail and discretionary market conditions, and Motorcycle Holdings has certainly not been immune to the challenges that have been created by those conditions.

However, what has been reinforced by those challenging conditions is the strength and resilience of the company, which is demonstrated most notably by the steady performance we achieved this year.

A crucial factor enabling us to navigate the ongoing challenging market conditions we experienced this year is our diversified revenue streams, which include the 30 dealerships and eight retail accessory stores in Queensland, New South Wales, Victoria and the ACT, along with our Australia-wide wholesale accessory distribution business Cassons', and our servicing, repairs, finance, insurance and warranty services.

This vertical integration is the result of our growth strategy through acquisitions and organic improvements over the past four years.

Our solid performance in this challenging trading environment is also an outcome of the management team's agile response to these market conditions.

With a disciplined focus, we responded quickly to these market conditions by improving operational productivity, lowering our cost base, expanding our offering to drive sales throughout the dealer network and by continuing to grow wholesale sales to the dealer network.

Financial results and growth

MotorCycle Holdings has continued to develop its position as the largest motorcycle dealership and accessories group in Australia.

We remain the market leader in motorcycle retailing in Australia and increased our market share of new motorcycle sales, securing approximately 11 per cent of national new bike sales during the financial year, compared with 10 per cent last year.

While there was an overall decline in motorcycle sales across the industry, we increased sales of new and used motorcycles by 4 per cent to 18,536 units for the year ended 30 June 2019.

The company's revenue increased 9 per cent to \$329.8 million with solid contributions across each business division although impacted by the market conditions and lower new bike sales.

Net profit after tax decreased 2 per cent to \$8.3 million with earnings before interest, tax, depreciation and amortization increasing 7 per cent to \$17.9 million.

Your Directors have decided not to declare a final dividend this year, as we believe it is prudent to continue to lower the business' cost structure and reduce debt to enable the company to take advantage of any further acquisition opportunities that may arise.

Strategic outlook

During the next 12 months, the company will continue to focus on productivity improvements across the dealer network, and increasing sales and performance across all divisions.

While we expect the current trading and retail market conditions to continue for the foreseeable future, we intend to leverage our current network by continuing to improve our motorcycle dealerships' performance and productivity and drive increased used bike sales through the MCA stores.

As well, we intend to continue to play a role in restructuring and consolidating the fragmented motorcycle sales industry and take advantage of these weak trading conditions to investigate and pursue potential acquisitions with the goal of further strengthening our operational and geographical footprint.

Already this year we've taken the opportunity to acquire two additional dealerships - one in Canberra and one in Melbourne - which Dave will provide more detail on later. The acquisition of both dealerships is

expected to be completed this month and will strengthen and extend our geographical and market footprint.

We expect to see further benefits of our cost reduction program flow through to this current financial year's performance.

In addition, our new joint venture with motorcycle industry finance company Allied Credit formed last year is performing to expectations and we expect this business to contribute to our profit result in this forthcoming financial year.

We have every confidence the strength of the company's growth strategy and diversified revenue streams provide us with an excellent platform to take advantage of improved trading conditions when they return.

Staff

Throughout the year we employed more than 700 staff nationally who have been instrumental in navigating the challenging trading environment. I would like to sincerely thank the company's management team and employees for their ongoing dedication and contribution.

Directors

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

Shareholders

Finally, to our shareholders, thank you for your ongoing support of the business. We very much value your trust and we remain committed to meeting our responsibilities to you, our investors.

I'd now like to invite David Ahmet to provide an update on the operational developments and financial results of the company for the past year, as well as the outlook for the future for the company.

Motorcycle Holdings Limited

2019 Annual
General Meeting

Managing Director's
Address

14 November 2019



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.
- This presentation includes non-IFRS information such as Underlying EBITDA which MotorCycle Holdings considers useful for users of this presentation as these measures reflect the underlying performance of the business. Non-IFRS information has not been subject to audit or review in accordance with Australian Auditing Standards.

Results overview



MotorCycle
Holdings

Results Overview

1

Sales revenue of \$330 million, up 9%

2

Underlying EBITDA* decreased to \$18.0 million, down 4%

3

4% growth in total motorcycles sales to 18,536 units

4

Used bike units up 11%

5

New bike units down 1%, like for like down 9%

6

Market share increased from 9.5% to 10.6%

* Underlying EBITDA excludes acquisition expenses

Results Overview

7

Total industry units down 11%, following 10% drop in 2017/18
Road bike market down 16%

8

Used bikes sold in 5 MCA stores

9

AASB15 adoption resulted in restatement downwards of FY2018 results by \$1.0M
and reduced 2019 results by \$0.7M

10

Focused on cost control and operational efficiency in very tough trading conditions

11

No final dividend declared. Cash preserved to fund recently announced acquisitions

Dealership divisional summary

New Motorcycles



- Revenue down 4%
- Gross profit down 16%



Used Motorcycles



- Revenue up 16%
- Gross profit up 17%



Retail accessories and parts



- Revenue up 12%
- Gross profit up 13%



Servicing and repair



- Revenue up 8%
- Gross profit up 7%



Finance, insurance and warranty



- Income down 9%



Operational review



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Market leader in motorcycle retailing

- 1 Australia's largest motorcycle dealership group - 32 dealerships and 9 MCA accessory stores
- 2 Resilient business model with strong OEM relationships sell 13 top motorcycle brands
- 3 Comprehensive operating footprint across business units and geographically
- 4 Australia wide wholesale distribution of accessories
- 5 Substantial growth opportunities through organic initiatives and acquisitions in fragmented industry

Dealerships

1

Continue to grow used bike sales across all brands

2

Cost savings program implemented

3

Acquisition opportunities in current challenging market

4

Two dealerships acquired (post July)
Canberra Motorcycle Centre
Northside Harley-Davidson, Melbourne

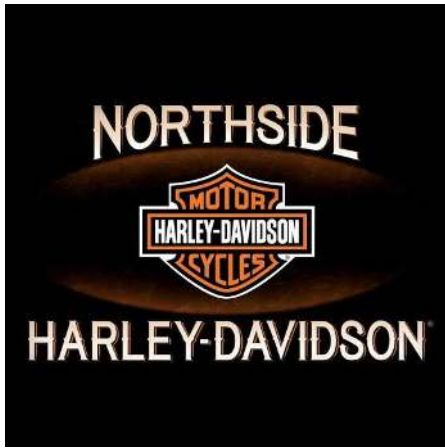
Canberra Motorcycle Centre



- Turnover \$22 million
- Currently retailing 1,376 motorcycles per annum
- Acquisition completed

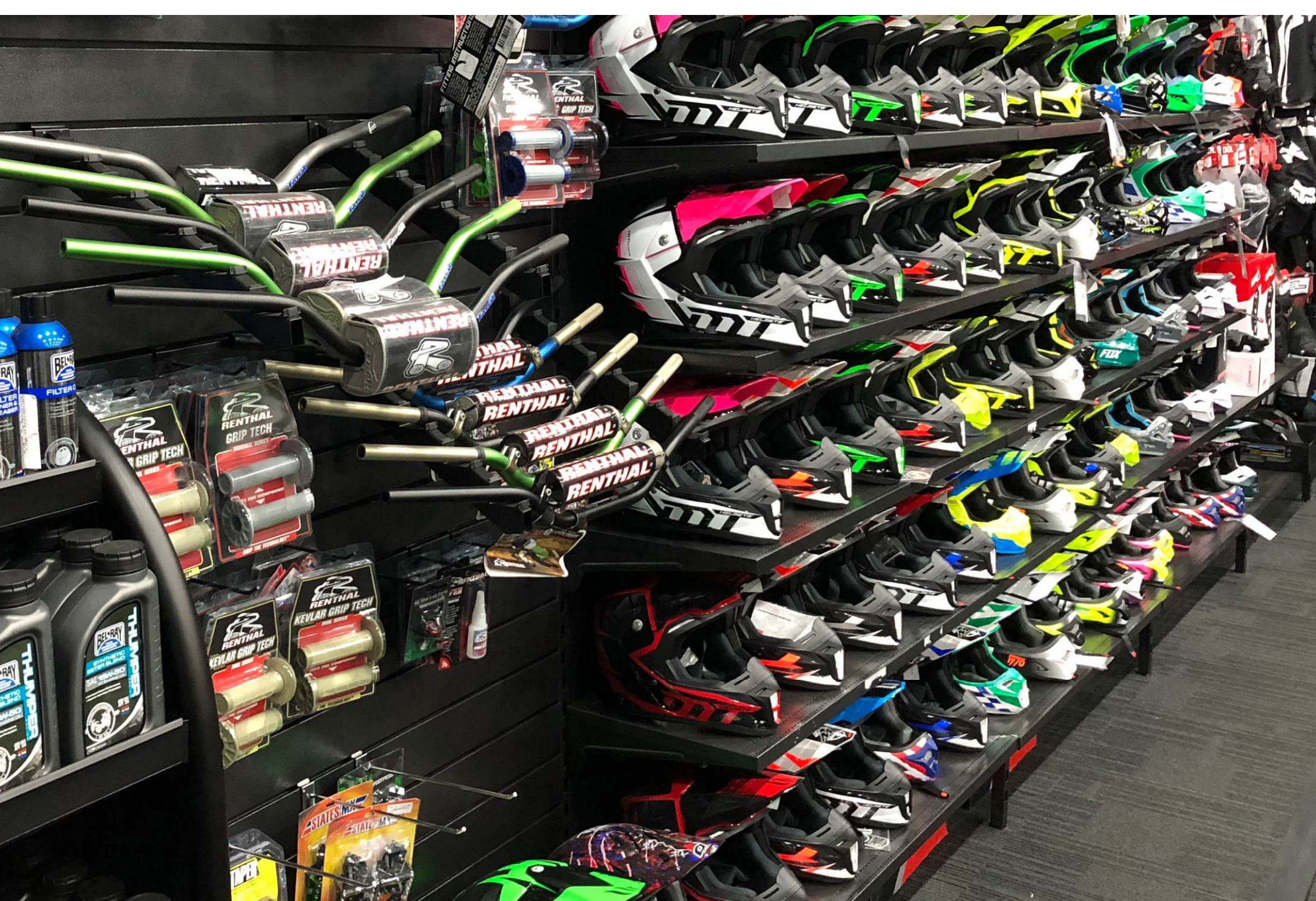


Northside Harley Davidson



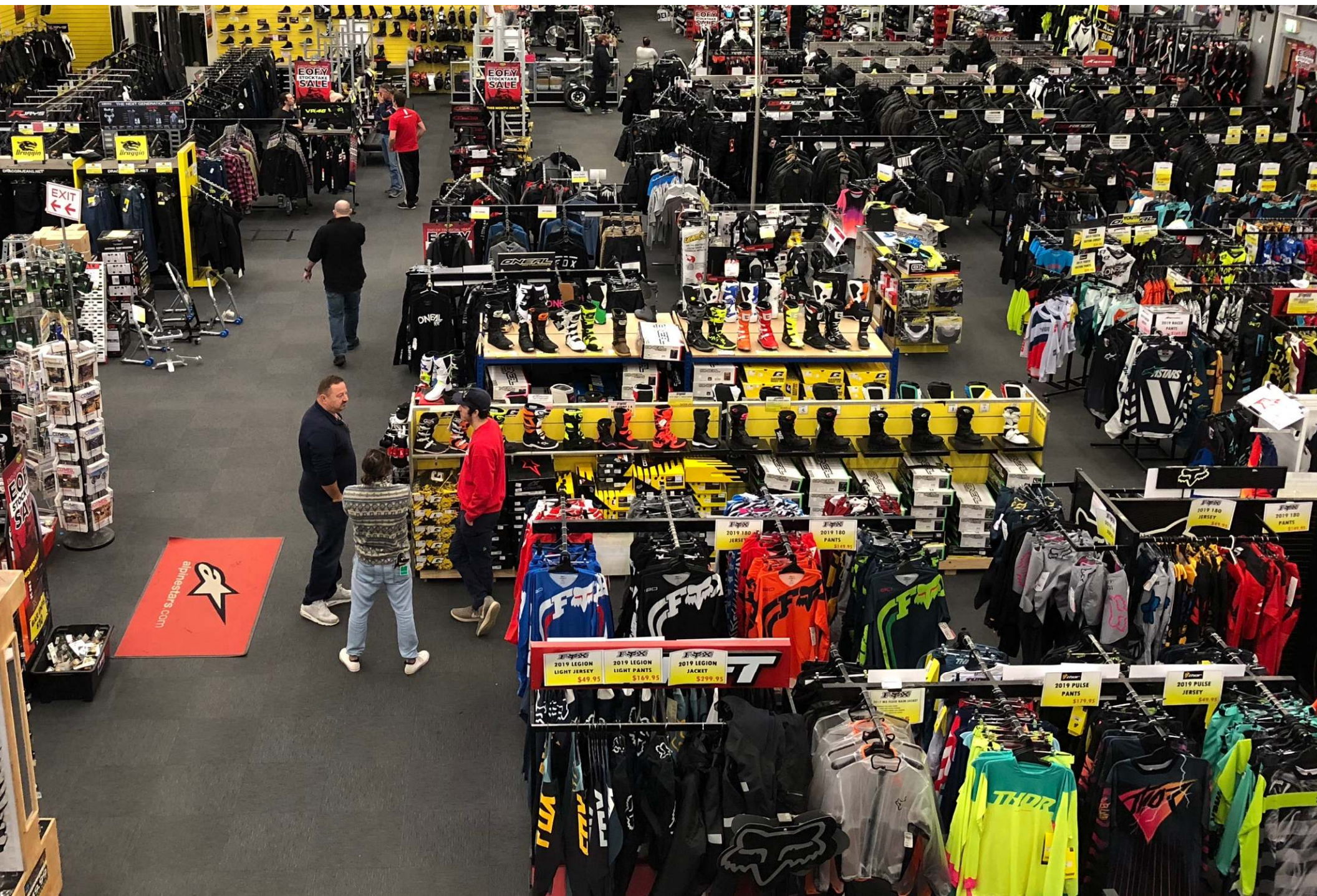
- Turnover \$9 million
- Currently retailing 226 motorcycles per annum
- Located in Brunswick, Melbourne
- Extends HD network to Brisbane, Sydney, Canberra, Melbourne
- Acquisition completed





Cassons – wholesale accessories distribution

- 1 | Inventory management improved, excess stock being cleared, impacted margins
- 2 | More aggressive approach to driving and maintaining sales in challenging market
- 3 | Management strengthened
- 4 | Broadened customer base
- 5 | Falling \$AUD against \$USD impacted margins.



MCAS Accessory Stores



1

Used bikes now sold through 5 MCA stores

2

Improved staffing management

3

Increased profit despite reduction in accessory sales

4

Online store to be upgraded.

Finance JV – MCF



- 1** | Formed finance JV with Allied Credit, a major industry company in motorcycle finance
- 2** | Business performing in line with budget and expectations
- 3** | Profits forecast for FY20 and increasing in subsequent years
- 4** | Provides support and additional profit

Focus and Outlook



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2019/20 Focus to address market conditions

1

Leverage the current network

- *Improve dealership performance*
- *Increase used bike sales*

2

Grow

- *Continue to review acquisition opportunities in a weak market*
- *Increase used motorcycle sales through MCA stores*
- *Add new range of products to wholesale distribution business of Cassons*
- *Improve online sales offering to grow sales*
- *Improve inhouse brands through product range renewal and redesign*
- *Add an additional MCA store to network*

3

Consolidate and costs out

- *Continue to lower debt levels*
- *Cost reduction program to deliver benefits in FY20 exceeding \$1M*

Outlook

- 1 Dealership opportunities available at appropriate value
- 2 Expected uplift in used bike sales through MCA retail store expansion
- 3 Costs out and management changes yielding improved performance
- 4 Profit contribution from MCF finance JV
- 5 New motorcycle market remains challenging
- 6 Major investment planned for ecommerce platform

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Thank you

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