

REGISTERED OFFICE

68 Moss Street
Slacks Creek Q 4127
PO Box 654
Springwood Q 4127
Tel | 07 3380 2290

The Manager
Company Announcements Office
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

27 November 2020

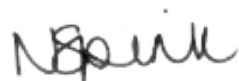
MotorCycle Holdings Limited (ASX: MTO) – Presentations to 2020 Annual General Meeting

Pursuant to listing rule 3.13.3 please find attached the following documents for presentation to shareholders at the Annual General Meeting commencing at 11am (Brisbane time):

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

Yours faithfully

MotorCycle Holdings Limited



Nicole Spink
Company Secretary

Chair's Address to 2020 AGM | 27 November 2020

Welcome

Good morning ladies and gentlemen, my name is David Foster and I am the Chair 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 meeting is being held online via the Lumi platform. This allows shareholders, proxies and guests to attend the meeting virtually. All attendees can listen to a live webcast of the meeting. In addition, shareholders and proxies have the ability to ask questions and submit votes.

Questions can be submitted at any time. To ask a question, press on the speech bubble icon. This will open a new screen. At the bottom of that screen there is a section for you to type your question. Once you have finished typing please hit the arrow symbol to send.

You can submit questions at any time from now on, and I will address them throughout the meeting. Please note that your questions will be moderated by our Company Secretary, Nicole Spink who will read out the question. If we receive multiple questions on one topic, these will be amalgamated. Finally, due to time constraints we may run out of time to answer all questions received. If this happens, we will answer them in due course via email or by posting responses on our website.

Voting today will be conducted by way of a poll on all items of business. In order to provide you with enough time to vote, I will shortly open voting for all resolutions.

Once the voting is opened, if you are eligible to vote at this meeting, a new polling icon will appear. Selecting this icon will bring up a list of resolutions and present you with voting options. To cast your vote, simply select one of the options. There is no need to hit the submit or enter button as the vote is automatically recorded. You do have the ability to change your vote, up until the time I declare voting closed at the end of the meeting.

Should there be a break in our technology, we will work to come back online within 15 minutes however if this is not successful, we will defer this meeting to another date and time to be advised.

The meeting has been called under the Notice of Meeting dated 26 October 2020, the details of which were sent to all shareholders. If there is no objection, I propose to take the notice as read. A copy of the notice can be found on the meeting homepage.

Meeting open and apologies

It is now (present time) and I have been informed by our share registry, Computershare, that a quorum is present, so I formally declare the meeting open.

Are there any shareholders that wish to have an apology recorded in the minutes of the meeting? If so, please submit the member's name as a question and this will be recorded by the Company Secretary.

The polling icon will soon appear, please submit your votes at any time. I will give you a warning before I move to close voting. I now declare the poll open.

In addition to those present today, valid proxies have been received from 52 shareholders that represent 42.79% of the vote.

Board & Senior Executive

Firstly this morning I'd like to introduce the Board of MotorCycle Holdings and Senior Executive Team of the Company:

- **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 and is the Company's representative on the board of the MotorCycle Finance Joint Venture
- **Rob Cassen**, who was appointed to the Board in October 2017 and has also been appointed a member of the Audit and Risk Committee and the Nomination and Remuneration Committee
- **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
- **Stephanie Daveson**, Partner of Clayton Utz, the Company's lawyers, and
- **Kristen Jiear**, a representative from our Share Registry, Computershare.

Agenda

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.

It gives me great pleasure to address you today and outline the progress of your company.

Achievements and highlights

Despite challenging trading conditions during most of the year, the company achieved improved financial and operational results, and we continue to outperform the market and grow our market share.

The strong results were driven by a solid increase in sales for new and used bikes, a lower cost structure, expanded product offering, improved dealer network and COVID-19 government support programs.

All of us are no doubt highly aware of the market volatility that has characterised the 2019/20 financial year, due largely to the global impact of the COVID-19 pandemic.

Despite our initial concerns about the impacts of the COVID-19 pandemic, the company's performance in the last quarter exceeded expectations and was primarily driven by a sales resurgence in recreation and leisure products on the back of COVID-19 restrictions, combined with management's decisive and quick action to cut costs and reduce inventory.

Evidently, the COVID-19 pandemic has changed consumer attitudes towards outdoor leisure activities with a renewed interest in motorcycles across numerous market segments. This has been reinforced post-July this year, as sales continue to be strong as the country moves out of COVID-19 related restrictions.

It's important to recognise the strong results this year are not solely due to the sales increase from COVID-19. Our performance, excluding Job Keeper, exceeded budget and last year's results.

The company's solid performance in this year's challenging environment is an outcome of the management team's agile response to the uncertain market conditions, combined with a disciplined

focus on improving operational productivity and lowering the company's cost structure and driving sales performance across the network.

Financial results and growth

The company's performance in the last financial year exceeded expectations and we have continued to develop our position as the largest motorcycle dealership and accessories group in Australia.

The strong financial results were achieved through expanding the network, reducing costs extensively across the group, and significantly growing our underlying EBITDA and profit after tax for the year.

The company's revenue increased 10.3% to \$363.7 million with solid contributions across each business division.

Net Profit after Tax and before impairment increased 81.8% to \$15.2 million up from \$8.3 million for the previous year.

Importantly, we were able to improve our net debt position considerably and finished the year with \$39.5 million in cash, up from \$9.2 million the previous year.

We decided to take a non-cash impairment of \$24.3 million against the carrying value of the wholesale segment's intangible assets, principally goodwill from the Cassons acquisition. There is no impact on the company's debt facilities or compliance with our banking covenants as an outcome of this impairment.

Due to the improved trading conditions, your Directors decided to declare a special dividend of 5 cents per share amounting to \$3.1 million, paid on 30 September 2020.

The Board fully appreciates that shareholders would like the company to return to paying regular dividends and this is under consideration in view of the company's performance, lowering the business' cost structure and reducing debt, while ensuring the company remains able to take advantage of any future growth opportunities.

Reducing debt has been a major priority throughout the year and the company's strong cash position enabled us to reduce debt by \$20 million. We also paid out \$5 million bailment on all bikes incurring interest and are involved in discussions to repay our remaining bank debt, and maintain a facility of \$20 million. Net debt will remain under \$10 million as used bike and accessory stock is replenished over the year.

Strategic outlook

Your Directors are cautiously optimistic about the forthcoming year due to the renewed interest in motorcycles as a great leisure product however the current heightened sales demand momentum is expected to temper particularly if there are future shutdowns driven by the COVID-19 pandemic.

While we expect the current market volatility to continue into 2021, the business is well prepared to respond quickly as conditions change in the uncertain trading environment.

The financial strength of the company, driven by our diversified revenue streams, puts us in a strong position to both manage future market volatility and to take advantage of future growth opportunities.

The heightened sales demand momentum can be expected to temper, particularly if there are future COVID-19 shutdowns. In Victoria, where six stores were unable to open during lockdown, there are expectations of pent-up demand as stores reopen.

Our strategic approach over the coming year will be to continue our focus on driving operational improvements across all business units, as well as continuing to broaden both our product offering and geographical footprint in new locations.

This will ensure we can continue the upward growth trajectory of sales in both new and used motorcycles and retail and wholesale accessories, as well as maintaining our program of reducing overheads and lowering our cost structure.

With reduced debt, strong cash reserves and a resilient business model, MotorCycle Holdings is well positioned to continue to achieve solid growth and strong results.

Management Team

I would like to sincerely thank the company's management team and employees for their ongoing dedication and contribution.

The strong results this year are a credit to them and are due in no small part to the management team's agile response in the early stages of the COVID-19 pandemic that created unprecedented conditions in 2020.

Their commitment and considerable efforts ensured the successful delivery of the company's strategy of improving operational productivity, lowering the company's cost structure and driving increased sales.

There were some hard decisions needed to be made earlier in the year and while other businesses were consolidating, MotorCycle Holdings was able to expand our product offering, increase sales and continue implementing and delivering on planned growth opportunities, which is a credit to our team.

Staff

We employ more than 700 staff nationally and I would like to express the board's appreciation for their contribution in delivering this strong performance, in what was a very challenging year. With significant upheavals to many of our operations our staff demonstrated resilience and their ongoing commitment to a high level of quality customer service.

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 loyal support of the business. We remain strongly committed to meeting our responsibilities to you, our investors.

I'd now like to invite David Ahmet to provide an update on the operational performance of the company for the past year, trading for the first quarter this financial year, as well as the outlook for the future for the company.

Managing Director's Address to 2020 AGM | 27 November 2020

Introduction

Good morning shareholders and welcome to the MotorCycle Holdings AGM.

This morning I would like to talk about our performance in the financial year 2020, the initiatives taken to improve our results, how the COVID-19 virus impacted our business and the measures we took to protect the business.

I will touch on the acquisitions that were executed during the year and I'll run through other initiatives taken to expand the business.

I will provide an update on how we have performed this financial year so far, and touch on how the motorcycle market has changed since COVID.

I'll explain why we remain optimistic for the future, given that we are in a period of volatility and new challenges.

Slide 10

For most of the 2020 financial year the market was flat, which was certainly expected based on the market across the past several years.

We were very conscious of the need to improve operational performance in order to achieve improved results over the previous year.

We went into the year with a clear and definite plan to reduce operating expenses and to expand our footprint and we made strong progress in both of these areas.

There were significant savings made in our dealerships in the first half, and two acquisitions were completed in November 2019.

In the second half our focus turned to our wholesale/distribution business Cassons. Again, significant savings were made in Cassons and we went into the COVID-19 crisis in great shape.

Slide 11

1. We maintained our position as the market leader in motorcycle retailing and in fact we grew our market share to 11.1%, up from 10.6%.
2. After initial concerns around the impact of the virus in March and April, we have experienced a surge in demand since May of this year.
3. & 4. As mentioned, we purchased two additional dealerships during the year, Northside Harley Davidson in Melbourne and Canberra Motorcycle Centre in Canberra. This took our group to 41 retail sites with 39 being franchised dealerships and nine incorporating our MCAS accessory mega stores.
5. Despite the challenges and initial concerns around COVID we continued to expand our product offering by adding additional brands to our existing dealerships.
6. We also continued to grow sales in our wholesale business Cassons and importantly reduced operating expenses.

Slide 12

1. We went into this financial year well positioned to take advantage of the improved trading conditions. Overheads had been significantly reduced, sales were increasing, and our margins continued to improve.

We had two new dealerships and we added 10 new franchises to existing businesses.

The increased product offering was only activated towards the end of the year so financial year 2020 received very little benefit from the investments.

2. As our chairman mentioned we were able to increase our underlying EBITDA by 53% for the year to \$27.6 million. Net Profit after tax increased 81% to \$15.2 million (excluding wholesale impairment) and by June 30 we had improved our cash on hand by \$30.3 million to \$39.5 million.

3 and 4. Our strong cash position at June 30 meant that we could retire \$20M of corporate debt in August; pay out any interest-bearing bikes to eliminate floorplan costs; pay a special dividend and put aside \$10 million in cash for any stock increases.

5. We have continued to trade strongly into this financial year's first half and we have maintained a very strong cash position.

Slide 13

New motorcycle sales across the industry reversed the trend of the last four years and posted an 11% gain for the year. MotorCycle Holdings' new motorcycle units increased 16% for the same period.

If you look closely at the graph provided you will see that in fact the industry was down after the first half. So, all the gain was in the second half and almost all of that in May and June.

If we look at the first half results over the previous four years you will see that new bike sales fall every year right up until December 2019. By contrast, MotorCycle Holdings posted a gain in new bike volume each year over the same period. While the market contracted 24.2% over that time, MotorCycle Holdings increased volume by 6%.

In the most recent period being the second half 2020 the industry put on an extra 20% in sales while MotorCycle Holdings grew by 35%.

Slide 14

This graph highlights our focus on used bikes. The past five years has seen compound growth of 10% per annum.

It is this focus that sets us apart from most dealers and what has helped us to achieve excellent results this year.

We went into the COVID crisis with 2000 used bikes in stock, the most that we have ever had. Since then values have increased due to strong demand and margins that were already improving grew even more. Last year for every 100 new bikes sold, we sold 91 used bikes, the year before the figure was 96.

The immediate challenge with used bikes is the acute shortage of available stock and while this is restricting volume growth it has been very good for margins.

Slide 15

This graph shows the revenue drivers of the business and where we saw the biggest gains during the 2020 financial year. New and used bikes have seen the biggest increase in gross.

So far this year all divisions have had considerable increases in gross profit, except for finance and insurance. Finance revenue remains flat as we struggle to maintain previous penetration rates.

All other areas posted large gains with wholesale accessories and new bikes nothing short of outstanding.

Slide 16

Part of the growth in new motorcycle sales was driven by our recent dealership acquisitions.

The two new dealerships are on track to return investment capital in under two years. Both will make a considerable contribution to the group's profit this year, even with one of them being closed for three months in Melbourne and having to be relocated directly before that.

Slide 17

The 2020 financial year didn't receive the full benefit of the substantial increase in franchises obtained as those agreements didn't commence until very late in the year.

Six new Indian franchises were granted to MotorCycle Holdings just before the COVID-19 virus was taking hold in Australia. There was little time or opportunity to launch the new brand, but we started retailing the brand in most locations by May and June.

Indian Motorcycles, owned by Polaris Industries are a tremendous company. They have been great to work with and we believe the partnership will help drive our profitability this year.

Further to that, on June 30, we entered into an agreement with Polaris to establish two new Polaris dealerships in Western Sydney and again, these will go into existing locations.

Slide 18

Yamaha wave runners and Stihl power tools were added to the Cairns dealership in September 2020

Stihl is a world class and industry leading German manufacturer of chainsaws and power equipment

CFMOTO products, which is a well-established manufacturer of high quality ATVs from Taiwan, were added into the Ipswich dealership.

We also added Royal Enfield Motorcycles and Benelli Motorcycles to 2 dealerships towards the end of the financial year. Both are relatively low volume brands but they do expand our range of entry level

motorcycles. Collectively all of these new additions to our business are helping us to grow sales, which will help to offset any potential slowdown in the broader market in the second half

Slide 19

The expansion of our product offering to now include 16 top selling global motorbike brands generated increased sales and our expanded range for entry level bikes generated new business and customers, which we expect will contribute to sales opportunities in future years.

Slide 20

1. As I touched on earlier, Cassons maintained profitability despite the market and while there was pressure on margins, this business' performance improved in the second half with external sales up 7% for the year.
2. There was a reduction in margins, which was due to adverse exchange rates and old stock clearance.
3. While good progress was made in reducing operating expenses and excess accessory stock throughout the year, we have decided to book a non-cash stock obsolescence charge of \$591,000 against excess inventory.
- 4 and 5. We also reduced Cassons stock by \$2.7 million and the wholesale business continued to trade strongly during the COVID-19 pandemic.

Slide 21

1. Looking at current trading since July this year, industry-wide units increased 31% in the first quarter, with road bike unit sales up 30%, despite being flat last financial year.
- 2 and 3. Used bike demand continues to be very strong, however there is limited stock availability. While the limited supply of stock is having an impact on sales, we are seeing increased margins on new and used bikes as a result.
4. Cassons sales increased 25% on the same period in financial year 2020 and retail accessories increased a similar amount, except for Victoria.

5. Importantly, our overheads remain tightly controlled, although commissions have increased due to higher profits.

6. In addition, our Motorcycle Finance joint venture is performing in line with budget so far this financial year.

Slide 22

1. It will come as no surprise to learn our Victoria operations were the most heavily impacted by the COVID-19 pandemic and associated lockdowns.

Six of our Victorian stores were unable to open during the lockdowns, although we did continue sales by phone and online.

2, 3, 4. Initially we forecast potential losses of our normal monthly sales of \$6 million (\$9 million over a 6-week expected shutdown), but sales were maintained at 50% of normal trading level. Now that stores are reopening we expect to see pent-up demand translate into increased sales.

5. In relation to JobKeeper, the payments have reduced potential lost revenue in Victoria, and MotorCycle Holdings is now ineligible for further payments.

Slide 23 – Title Slide

Slide 24

1. Looking forward to the remainder of the 2021 financial year, our focus will be to continue to improve our cost structure, improve margins and maintain reduced overheads.

2. We will also be focused on improving the efficiency of new dealerships and showrooms and improve the performance in all of our dealerships.

We are planning on lower capex requirements in this current year as the majority of all dealership refurbishments have been completed and no major acquisitions are planned.

3 and 4. The product expansion will continue through the strategic acquisition of additional product, including refreshing the wholesale distribution division through the addition of new brands and suppliers; and by leveraging the expanded customer base achieved this past year.

The goal here is to continue expanding our product range and increasing revenue without increasing our cost base.

5. In relation to plans for further acquisitions, the current buoyant industry conditions limit dealership acquisition opportunities, so we will continue to take a prudent approach to dealership acquisition opportunities in 2021.

Slide 25

1. We are cautiously optimistic about the forthcoming year due to the renewed interest in motorcycles as a great leisure product and we believe our expanded product offering is helping to underpin the current sales momentum.

We do expect the domestic interest and demand in motorcycles that has ramped up since COVID-19 to continue, although should there be future shutdowns driven by the COVID-19 pandemic the current heightened sales demand momentum could be expected to slow.

2. The supply shortages across all new bike brands remains a challenge for the business, however we are confident that with the strength in forward orders the current volume is sustainable. Slow or delayed supply remains the biggest threat to volume.

3. In terms of financial results, for the first half 2021 we expect Underlying EBITDA to range between \$23 and \$25 million.

4. Our eligibility for JobKeeper ended in September, but those payments will offset wages of \$6 million in the first half of 2021.

5. The short-term stock shortages are ongoing, but margins are increasing as stock becomes harder to acquire.

In closing I would like to say we have every confidence that the strength of the company's growth strategy implemented over the past three years has provided us with an excellent platform to take advantage of both the current improved trading conditions, as well as opportunities for future growth as they arise.

Slide 26

I'd now like to open the floor to questions.

Motorcycle Holdings Limited 2020 Annual General Meeting



27 November 2020
Brisbane Australia



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.
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- ▶ 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.

Board and Senior Executive Team



David Foster
Board Chair



David Ahmet
Managing Director,
CEO



Rick Dennis
Non Executive Director,
Chair of Audit &
Risk Committee



Warren Bee
Non Executive Director,
Chair of Nomination and
Remuneration Committee



Peter Henley
Non Executive Director,
Company Representative
for MCF



Rob Cassen
Non Executive Director



Bob Donovan
Chief Financial Officer



Nicole Spink
Company Secretary

Agenda

1>

Chair's Address

2>

Managing Director's Address

3>

Questions

4>

Formal Business





Chair's Address



Results Overview

1>

- ▶ Revenue increased 10% to \$363.7 million

2>

- ▶ Underlying EBITDA increased 53% to \$27.6 million

3>

- ▶ NPAT before non cash impairment increased 81% to \$15.2 million

4>

- ▶ Cash increased by \$30.3 million to \$39.5 million

5>

- ▶ Special dividend of 5 cents per share declared amounting to \$3.1 million

6>

- ▶ Non cash impairment of \$24.3 million recognised on goodwill from Cassons acquisition

Debt reduction

1>

- ▶ Fully drawn facility of \$48 million as at 30 June, offset by \$39 million of cash

2>

- ▶ Subsequently reduced facility by \$20 million

3>

- ▶ Paid out bailment on all bikes incurring interest - \$5 million total

4>

- ▶ Commenced discussions to reduce remaining bank debt, and maintain a facility of \$20 million

5>

- ▶ Net debt to remain under \$10 million as used bike and accessory stock is replenished over the year

Strategic outlook

1>

- ▶ Directors are cautiously optimistic about the forthcoming year due to the renewed interest in motorcycles as a great leisure product

2>

- ▶ Market volatility expected to continue - prepared to respond quickly as conditions change in uncertain trading environment

3>

- ▶ Heightened sales demand momentum expected to temper particularly if there are future COVID-19 shutdowns

4>

- ▶ Continue to drive operational improvements across business units and look for additional products and locations to expand

5>

- ▶ Future dividend payments under review with policy at 50% to 70% of NPAT

27

Managing Director's Address

MotorCycle
Holdings



2>

Managing Director's Address - Operational Performance

MotorCycle
Holdings



Strengthened our market position

1>

- ▶ Market leader in Australian motorcycle retailing, growing market share to 11.1% of national new bike sales (2019:10.6%)

2>

- ▶ Surge in demand since May 2020, despite initial concern about impacts of COVID-19 pandemic

3>

- ▶ Continued to expand network with 2 acquisitions; Canberra Motorcycle Centre and Northside Harley Davidson

4>

- ▶ 41 retail sites comprising 39 franchise dealerships incorporating nine MotorCycle Accessories (MCA) stores

5>

- ▶ Expanded product offering to include 16 top selling global motorbike brands, expanded range for entry level bikes and ATVs

6>

- ▶ Strong growth in Cassons wholesale sales

Achieving strong results

1>

- ▶ Significantly reduced overheads, increased sales and improved margins

2>

- ▶ Underlying EBITDA increased 53% to \$27.6 million
- ▶ NPAT before non cash impairment increased 81% to \$15.2 million
- ▶ Cash increased by \$30.3 million to \$39.5 million

3>

- ▶ Reduced debt facility by \$20 million
- ▶ Paid out interest-bearing bikes to eliminate floorplan costs
- ▶ Paid a special dividend of 5 cents per share amounting to \$3.1 million

4>

- ▶ Allocated \$10 million in cash to replenish used bike and accessory stock this year

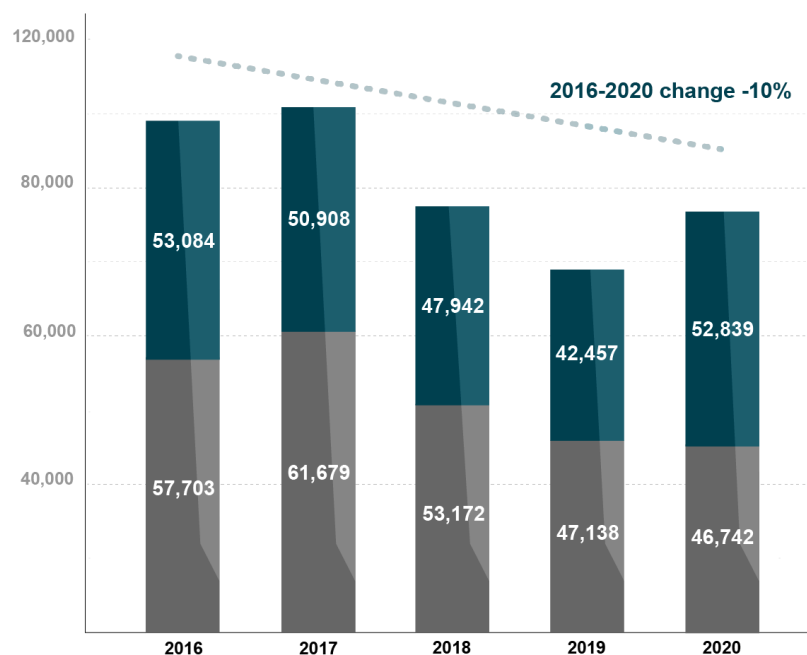
5>

- ▶ Continue to trade strongly and maintain very strong cash position

New bike sales driven by changing sentiment

Industry new motorcycle units up 11%

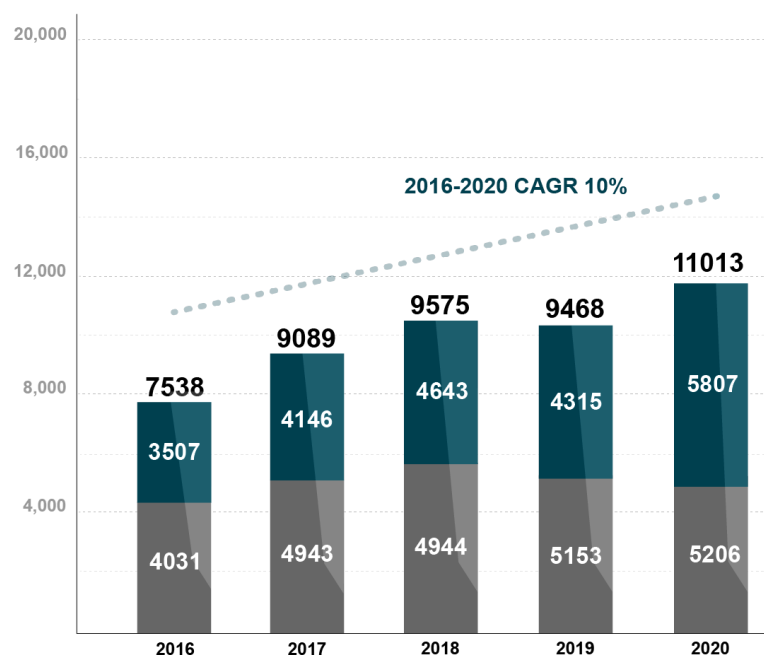
■ Second half ■ First half



*New motorcycle sales includes registered and un-registered

MTO new motorcycles units up 16%

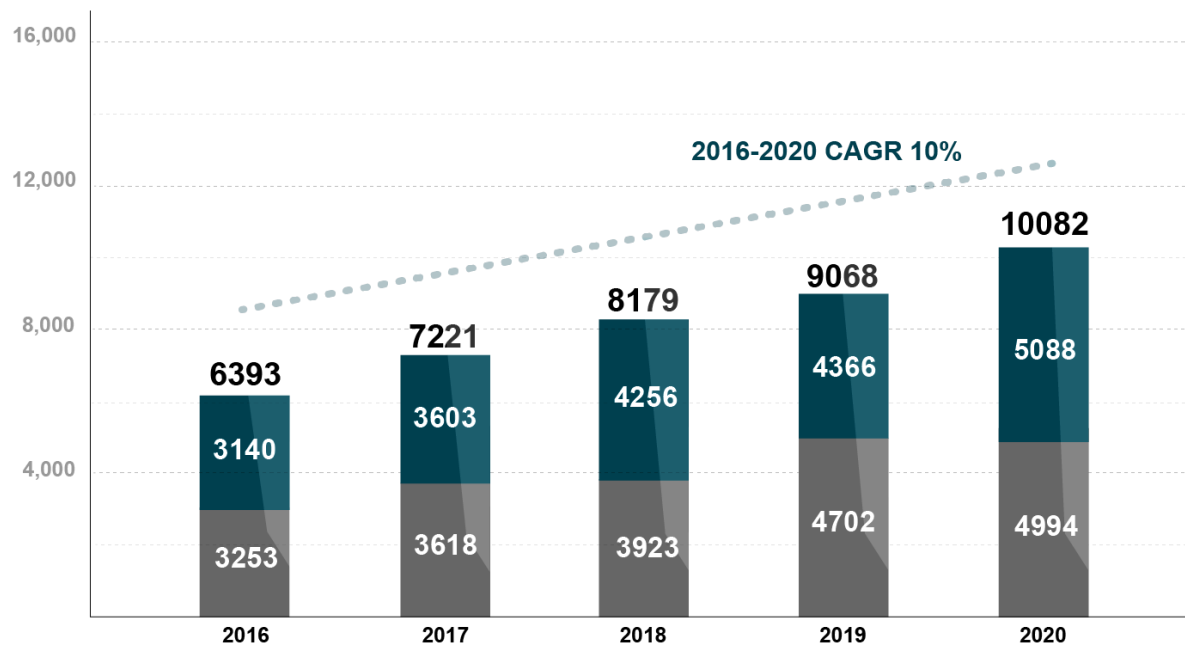
■ Second half ■ First half



Used motorcycles maintain growth trajectory

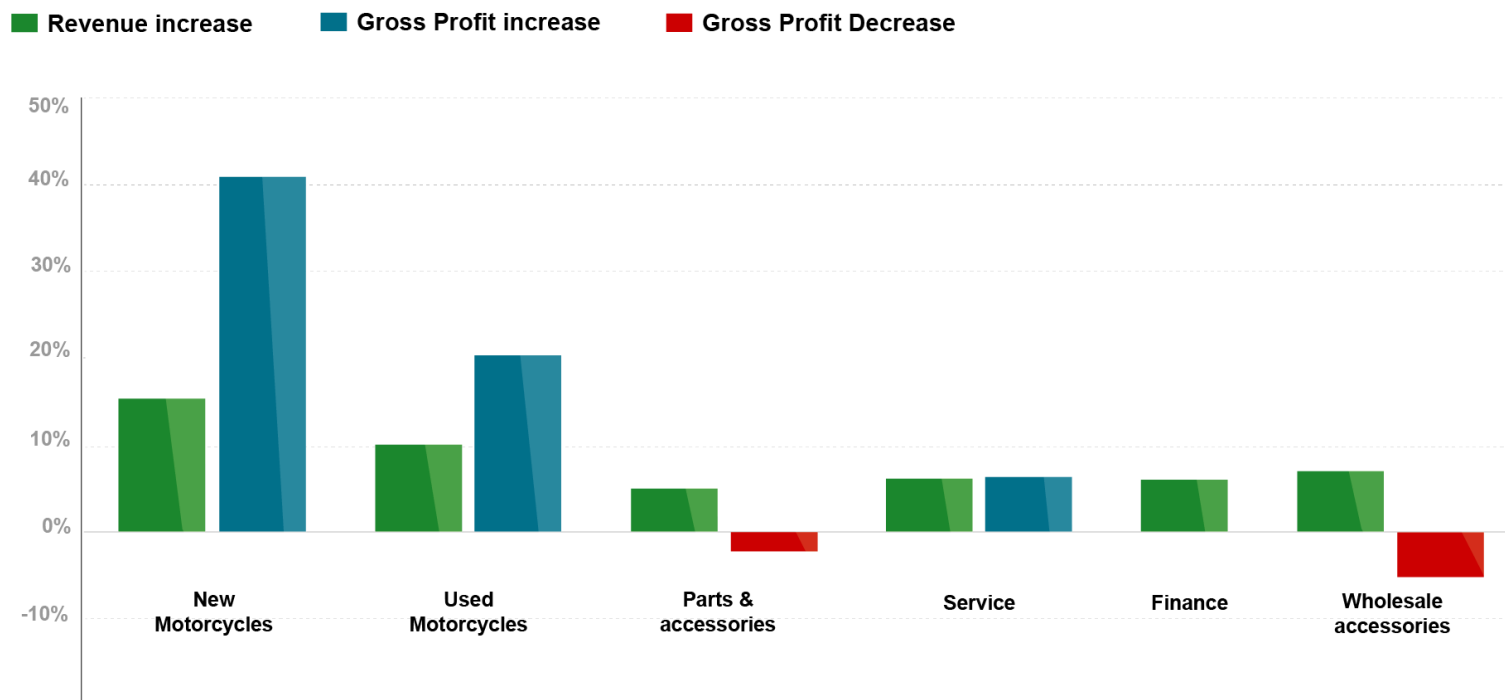
Used motorcycles units up 11%

■ Second half ■ First half



Diversified revenue drivers

Revenue and Gross Profit change by division



Dealership growth



- ▶ Acquired blue chip strategic dealerships trading well, exceeding expectations
- ▶ Further benefits to flow through to current financial year's performance from the addition of these dealerships
- ▶ On track to return investment capital in 2 years
- ▶ Melbourne Harley dealership relocated to larger more suitable location, new showroom fit-out completed and renamed Morgan & Wacker Epping

Product expansion



















- ▶ Appointed dealers for Indian Motorcycles in 6 existing stores
- ▶ Appointed dealers for Polaris in 2 additional stores
- ▶ Polaris is the Number 1 all-terrain vehicle in the Australian agriculture and recreation market
- ▶ MCA accessory warehouses to be added within 2 dealerships in Melbourne, at Epping and Frankston, using existing space

Product expansion



- ▶ Yamaha wave runners and Stihl power tools added to Cairns dealership in September 2020
- ▶ Stihl is a world class and industry leading German manufacturer of chainsaws and power equipment
- ▶ CFMOTO products added into Ipswich dealership
- ▶ CFMOTO is a well established manufacturer of high quality ATVs from Taiwan

World-leading motorcycle brands

| | | | |
|--|--|--|---|
|  <p>6 Dealerships</p> |  <p>9 Dealerships</p> |  <p>9 Dealerships</p> |  <p>2 Dealerships</p> |
|  <p>7 Dealerships</p> |  <p>7 Dealerships</p> |  <p>4 Dealerships</p> |  <p>5 Dealerships</p> |
|  <p>4 Dealerships</p> |  <p>1 Dealership</p> |  <p>2 Dealerships</p> |  <p>6 Dealerships</p> |
|  <p>4 Dealerships</p> |  <p>2 Dealerships</p> |  <p>1 Dealership</p> |  <p>4 Dealerships</p> |

Wholesale Growth

1>

- ▶ Cassons external sales increased 7%

2>

- ▶ Adverse exchange rates and old stock clearance reduced margins

3>

- ▶ Non cash stock obsolescence charge of \$600,000 against excess inventory during COVID-19 shutdowns

4>

- ▶ Reduced stock by \$2.7 million

5>

- ▶ Traded strongly during COVID-19 pandemic

Current trading

1>

- ▶ Industry-wide units increased 31% in first quarter - road bike unit sales up 30%, despite being flat in FY20

2>

- ▶ Used bike demand has been strong, but sales limited by stock availability

3>

- ▶ Increased margins on new and used bikes due to limited supply of stock

4>

- ▶ Cassons sales increased 25% on FY20. Retail accessories (excluding Victoria) increased a similar amount

5>

- ▶ Overheads remain tightly controlled – however commissions increased due to higher profits

6>

- ▶ Motorcycle Finance joint venture performing in line with budget

Victoria trading

1>

- ▶ Six Victorian stores were unable to open - sales have continued by phone and internet with contactless delivery

2>

- ▶ Despite being closed for 12 weeks, sales maintained at 50% of normal trading level

3>

- ▶ Expectations of pent-up demand as stores reopen

4>

- ▶ JobKeeper payments have reduced potential lost revenue in Victoria - Motorcycle Holdings ineligible for further payments

2>

Managing Director's Address - FY2021 Focus & Outlook



FY2021 Focus

1>

- ▶ Focus on improving margins and maintaining reduced overheads

2>

- ▶ Improve efficiency of new dealerships and showrooms

3>

- ▶ Strategic acquisition of additional product, e.g. Cassons always looking for new products

4>

- ▶ Continue expanding product range and increasing revenue without increasing cost base

5>

- ▶ Buoyant industry conditions limit dealership acquisition opportunities at present - prudent approach to dealership acquisition opportunities in 2021

FY2021 Outlook

1>

- ▶ Domestic interest in motorcycles has ramped up since COVID-19 and demand is expected to continue

2>

- ▶ Supply shortages across all new bike brands remains challenging – strength in forward orders and current volume is sustainable

3>

- ▶ First half 2021 underlying EBITDA expected to range \$23 - \$25 million

4>

- ▶ JobKeeper ended in September, but will offset wages of \$6 million in the first half of 2021

5>

- ▶ Short-term stock shortages ongoing, but margins increasing as stock becomes harder to acquire



Questions



4>

Formal Business

MotorCycle
Holdings



4>

Financial Statements

MotorCycle
Holdings



Ordinary Business

Resolution 1: Remuneration Report

To consider and, if thought fit, pass the following as a resolution in accordance with s 250R (2) Corporations Act:

- ▶ “That the Remuneration Report for the year ended 30 June 2020 (as set out in the Directors’ Report), be adopted.”

Note: A voting exclusion statement applies to Resolution 1. Further details of this exclusion are set out in the Explanatory Notes for the Resolution.

Resolution 1: Remuneration Report

Resolution 1: Remuneration Report – Proxy Results

| Vote type | Voted | % | % of all securities |
|---------------|------------|-------|---------------------|
| For | 25,245,432 | 95.62 | 40.91 |
| Against | 1,079,017 | 4.08 | 1.75 |
| Open-Usable | 79,333 | 0.3 | 0.13 |
| Board | 69,333 | 0.26 | 0.11 |
| Non-Board | 10,000 | 0.04 | 0.02 |
| Open-Cond | 0 | 0 | 0 |
| Open Unusable | 0 | N/A | 0 |
| Abstain | 0 | N/A | 0 |
| Excluded | 18,605,725 | N/A | 30.15 |

Ordinary Business

Resolution 2: Re-election of Peter Henley as a Director

To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

- ▶ “That Peter Henley, who retires in accordance with Rule 10.3 of the Constitution, and being eligible, be re-elected as a Director of the Company”.

Resolution 2: Re-election of Peter Henley as a Director

Resolution 2: Re-election of Peter Henley as a Director – Proxy Results

| Vote type | Voted | % | % of all securities |
|---------------|------------|-------|---------------------|
| For | 44,788,700 | 99.63 | 72.58 |
| Against | 44,407 | 0.1 | 0.07 |
| Open-Usable | 121,891 | 0.27 | 0.2 |
| Board | 108,291 | 0.24 | 0.18 |
| Non-Board | 13,600 | 0.03 | 0.02 |
| Open-Cond | 0 | 0 | 0 |
| Open Unusable | 0 | N/A | 0 |
| Abstain | 0 | N/A | 0 |
| Excluded | 54,509 | N/A | 0.09 |

Ordinary Business

Resolution 3: Re-election of Rob Cassen as a Director

To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

- ▶ “That Rob Cassen, who retires in accordance with Rule 10.3 of the Constitution, and being eligible, be re-elected as a Director of the Company”.

Resolution 3: Re-election of Rob Cassen as a Director

Resolution 3: Re-election of Rob Cassen as a Director – Proxy Results

| Vote type | Voted | % | % of all securities |
|---------------|------------|------|---------------------|
| For | 41,479,376 | 99.6 | 67.22 |
| Against | 48,007 | 0.12 | 0.08 |
| Open-Usable | 118,291 | 0.28 | 0.19 |
| Board | 108,291 | 0.26 | 0.18 |
| Non-Board | 10,000 | 0.02 | 0.02 |
| Open-Cond | 0 | 0 | 0 |
| Open Unusable | 0 | N/A | 0 |
| Abstain | 0 | N/A | 0 |
| Excluded | 3,363,833 | N/A | 5.45 |

Long-Term Incentive Plan

Resolution 4: Approval of Long-Term Incentive Plan

To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

- ▶ “That the Company’s Long-Term Incentive Plan (the terms of which are summarised in the Explanatory Notes accompanying this Notice of Annual General Meeting), the grant of Performance Rights under the Long-Term Incentive Plan and the resulting issue of shares under the Long-Term Incentive Plan, be approved for the purposes of ASX Listing Rule 7.2 (exception 13) and for all other purposes”.

Note: A voting exclusion statement applies to Resolution 4. Further details of this exclusion are set out in the Explanatory Notes for the Resolution.

Resolution 4: Approval of Long-Term Incentive Plan

Resolution 4: Approval of Long-Term Incentive Plan – Proxy Results

| Vote type | Voted | % | % of all securities |
|---------------|------------|-------|---------------------|
| For | 25,225,594 | 95.56 | 40.88 |
| Against | 1,089,455 | 4.13 | 1.77 |
| Open-Usable | 82,933 | 0.31 | 0.13 |
| Board | 69,333 | 0.26 | 0.11 |
| Non-Board | 13,600 | 0.05 | 0.02 |
| Open-Cond | 0 | 0 | 0 |
| Open Unusable | 0 | N/A | 0 |
| Abstain | 5,800 | N/A | 0.01 |
| Excluded | 18,605,725 | N/A | 30.15 |

Long-Term Incentive Plan

Resolution 5: Approval of Potential Termination Benefits Under Long-Term Incentive Plan

To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

- ▶ “That approval be given for all purposes (including Part 2D.2 of the Corporations Act and ASX Listing Rule 10.19) for the giving of benefits to any current or future person holding a managerial or executive office in the Company or a related body corporate in connection with the person ceasing to hold that managerial or executive office”.

Note: A voting exclusion statement applies to Resolution 5. Further details of this exclusion are set out in the Explanatory Notes for the Resolution.

Resolution 5: Approval of Potential Termination Benefits Under Long-Term Incentive Plan

Resolution 5: Approval of Potential Termination Benefits Under Long-Term Incentive Plan – Proxy Results

| Vote type | Voted | % | % of all securities |
|---------------|------------|-------|---------------------|
| For | 23,612,893 | 95.26 | 38.27 |
| Against | 1,094,445 | 4.41 | 1.77 |
| Open-Usable | 82,933 | 0.33 | 0.13 |
| Board | 69,333 | 0.28 | 0.11 |
| Non-Board | 13,600 | 0.05 | 0.02 |
| Open-Cond | 0 | 0 | 0 |
| Open Unusable | 0 | N/A | 0 |
| Abstain | 1,553,511 | N/A | 2.52 |
| Excluded | 18,665,725 | N/A | 30.25 |

Long-Term Incentive Plan

Resolution 6: Approval of Participation of David Ahmet in Long-Term Incentive Plan

To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

- ▶ “That for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to grant 192,105 Performance Rights to Mr David Ahmet, and to issue or transfer ordinary shares in the Company to Mr Ahmet on the terms and conditions set out in the Company’s Long-Term Incentive Plan and the Explanatory Notes attached to this Notice of Annual General Meeting”.

Note: A voting exclusion statement applies to Resolution 6. Further details of this exclusion are set out in the Explanatory Notes for the Resolution.

Resolution 6: Approval of Participation of David Ahmet in Long-Term Incentive Plan

Resolution 6: Approval of Participation of David Ahmet in Long-Term Incentive Plan

| Vote type | Voted | % | % of all securities |
|---------------|------------|-------|---------------------|
| For | 25,231,394 | 95.56 | 40.89 |
| Against | 1,093,055 | 4.14 | 1.77 |
| Open-Usable | 79,333 | 0.3 | 0.13 |
| Board | 69,333 | 0.26 | 0.11 |
| Non-Board | 10,000 | 0.04 | 0.02 |
| Open-Cond | 0 | 0 | 0 |
| Open Unusable | 0 | N/A | 0 |
| Abstain | 11,274,243 | N/A | 18.27 |
| Excluded | 7,331,482 | N/A | 11.88 |

Questions



Motorcycle Holdings Limited

Thank you

