

1 February 2021

MotorCycle Holdings Half Year 2021 Profit Guidance

MotorCycle Holdings Limited (ASX: MTO) ('the Company') today provides an update to shareholders on the trading and financial position of the Company for the six months ending 31 December 2020.

The Company expects to report underlying earnings before interest, tax, depreciation and amortisation ('Underlying EBITDA') between \$26.0 million and \$27.0 million for the period, subject to audit.

Underlying EBITDA includes interest and amortisation on leased properties as an expense to enable comparison to prior periods when lease expense was included.

Strong sales growth, improved gross margins, and disciplined cost control continued throughout the half resulting in improved financial performance across all business divisions.

The Company has continued to trade strongly with sales momentum driven by the addition of new franchises to existing sites and increased customer demand in all departments. Online sales saw significant growth.

JobKeeper of \$5.8M was received during the period, mitigating the effects of store closures in Victoria.

Given the exceptional trading circumstances due to COVID-19, and continued uncertainty, care should be taken using this half year's results as a guide for future performance.

Gross margins are currently strong due to demand exceeding supply of new and used motorcycles, and wholesale accessories. As stock supply increases margins are expected to move towards normal levels.

The Company will release its half year statutory results on Thursday 25 February 2021, with an investor conference call to be held at 9.30AM Brisbane time on Friday 26 February 2021.

ENDS

This announcement was authorised for release by MotorCycle Holdings' Board of Directors.

For further information please contact:

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