

# ASX Announcement (ASX: MTO)



30 August 2021

## MotorCycle Holdings delivers record results

MotorCycle Holdings Limited (ASX: MTO) today announced a record performance for the year to 30 June 2021, with revenue and profit increases across all divisions driven by increased margins on new and used motorcycles, ongoing sales demand momentum, strong contributions from recent dealerships acquisitions and new product ranges and diversification.

The company continued to capitalise on the heightened demand for recreation and leisure products, with a strategic focus on retaining margins while supply was restricted, which contributed strongly to the performance.

Key features of the result include:

- Revenue increased 19% to \$433.9 million (2020: \$363.7 million)
- Gross profit increased 26% to \$128.5 million (2020: \$102.1 million)
- Underlying EBITDA increased 61% to \$44.5 million (2020: \$27.6 million)
- Net profit after tax increased 86% to \$28.3 million (2020: \$15.2 million before non-cash impairment)

	2021 Actual	2020 Actual	Annual change*
Motorcycle sales (units)	22,694	21,095	+8%
Revenue (\$m)	433.9	363.7	+19%
Underlying EBITDA (\$m) **	44.5	27.6	+61%
Underlying EBITDA margin (%)	10.3	7.6	+36%
NPAT (\$m) ***	28.3	15.2	+86%

\* Rounded figures

\*\* Underlying EBITDA excludes acquisition costs

\*\*\* NPAT for 2020 excludes non-cash impairment

Due to consistently strong trading conditions, the company continued its return to paying dividends with Directors declaring a final dividend of 10 cents per share, fully franked, amounting to \$6.2 million payable on 29 September 2021 with a record date of 8 September 2021, bringing the total dividend for the year to 20 cents per share, fully franked.

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-2-

The company continued to outperform the market with overall motorcycle sales, including both new and used motorcycles, increasing 8% to 22,694 units for the year ended 30 June 2021 (2020: 21,095 units).

New motorcycle unit sales increased 20% to 13,264 units (2020: 11,013 units), compared with the national market increase in new motorcycle sales of approximately 12%. New motorcycle revenue increased 32% to \$170.9 million (2020: \$129.4 million) and improved margins resulted in a 69% increase in gross profit to \$20.6 million (2020: \$12.2 million).

Used motorcycle unit sales decreased 7% to 9,430 units (2020: 10,082 units) due to restricted supply, however significantly improved margins and increased sales prices resulted in an 8% increase in sales revenue of \$102.5 million (2020: \$95.2 million) with gross profit increasing 27% to \$18.2 million (2020: \$14.3 million).

Retail accessories and parts revenue increased 14% to \$86.3 million (2020: \$75.5 million) with gross profit increasing 51% to \$32.4 million (2020: \$21.5 million). Wholesale accessories and parts external revenue increased 16% to \$40.4 million (2020: \$34.8 million) and gross profit increased 30% to \$24.1 million (2020: \$18.5 million).

Servicing and repair revenue increased 19% to \$15.7 million (2020: \$13.2 million) and gross profit increased 13% to \$15.0 million (2020: \$13.3 million). Finance and insurance revenue increased 6% to \$14.1 million (2020: \$13.3 million).

MotorCycle Holdings CEO David Ahmet said the company's growth strategy of expanding the business by adding new product ranges and brands to existing sites without increasing the cost base was delivering sustainable growth and profit.

"The strong result this year was underpinned by improved margins on new and used motorcycles driven by restricted supply," Mr Ahmet said.

"We made a conscious decision to sharpen our focus on the key profit drivers across the business, and we have seen the results of that strategy with significant growth in our underlying EBITDA and profit after tax for the year.

"Our two most recent acquisitions provided strong full-year contributions, Harley-Davidson dealerships continued to produce strong profit results and the Indian Motorcycles and Polaris products added to existing stores contributed strongly with increased sales and ongoing margin growth.

"Product diversification contributed strongly to our improved performance, with both retail and wholesale accessories gross profit increasing significantly (51% and 30% respectively) and gross profit from these divisions representing 44% of total gross profit for the business. In addition, our Finance Joint Venture contributed profit for first time with our 50% share being \$0.9 million NPAT.

.../3

-3-

"The improved trading conditions also enabled us to retire almost all bank debt with \$4.7 million at bank as at June 2021.

Mr Ahmet said he believed the current heightened level of demand would continue in the short to medium term and was optimistic about the forthcoming year.

"The industry as a whole has stabilised, with consistent volumes and new motorcycle sales growth of 12% for the year, which is a good indication that our current performance is sustainable.

"We recorded new motorcycles sales growth of 20% for the year and expect the current elevated profit margins to continue for at least the next 12 months.

"While COVID-19 lockdowns continue to present challenges due to restricted trading conditions and will impact on results while they continue, demand is expected to remain strong in locations where stores are trading without restrictions.

"The company's solid balance sheet provides us with the ability to make strategic acquisitions should opportunities present themselves, and our intention is to continue to expand both our geographical footprint and our diverse product range across all areas of the business."

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

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-4-

## Full Year Results Presentation

MotorCycle Holdings invites investors to participate, via teleconference, in a full year results presentation by Managing Director David Ahmet and Chief Financial Officer Bob Donovan at 9.00am AEST on Tuesday 31 August 2021, after which they will take questions on the results.

Full details of the teleconference are below:

<b>Date</b>	Tuesday 31 August 2021																																																																
<b>Time</b>	9.00am (AEST)																																																																
<b>Participants Dial-in Details</b>	<p>All participants will be asked for their full name and Conference ID when joining the call.</p> <p><b>Conference ID:</b> <b>7488292</b></p> <p><b>Australian Local Dial-In Number:</b> +61 283733507  <b>International Dial-In Number:</b> +61 283733550</p> <p><b>ITFS Dial-In Numbers:</b></p> <table> <tr><td>Argentina</td><td>08004444844</td></tr> <tr><td>Australia</td><td>1800175864</td></tr> <tr><td>Australia, MOBILE</td><td>1300212365</td></tr> <tr><td>Bulgaria</td><td>008001201107</td></tr> <tr><td>Canada</td><td>18552771647</td></tr> <tr><td>Chile</td><td>12300201228</td></tr> <tr><td>Denmark</td><td>80251312</td></tr> <tr><td>Germany</td><td>08001860810</td></tr> <tr><td>Hong Kong</td><td>800963435</td></tr> <tr><td>India</td><td>0008001008657</td></tr> <tr><td>India</td><td>18002666833</td></tr> <tr><td>Indonesia, PT Indosat access</td><td>0018030204844</td></tr> <tr><td>Indonesia, PT Telkom access</td><td>0078030204844</td></tr> <tr><td>Israel</td><td>1809450461</td></tr> <tr><td>Japan, Mobile Domestic</td><td>0120994106</td></tr> <tr><td>Korea (South), Domestic</td><td>0808520292</td></tr> <tr><td>Malaysia</td><td>1800816793</td></tr> <tr><td>New Zealand</td><td>0800444845</td></tr> <tr><td>Norway</td><td>80010865</td></tr> <tr><td>Peru</td><td>080055429</td></tr> <tr><td>Philippines</td><td>180016120169</td></tr> <tr><td>Poland</td><td>008006411208</td></tr> <tr><td>Singapore</td><td>8006162312</td></tr> <tr><td>Taiwan, Mobile</td><td>0809066683</td></tr> <tr><td>Thailand</td><td>0018006121037</td></tr> <tr><td>United Arab Emirates</td><td>800035703563</td></tr> <tr><td>United Kingdom</td><td>08082341368</td></tr> <tr><td>United States</td><td>18558230291</td></tr> <tr><td>Vietnam</td><td>18004820</td></tr> </table> <p><b>Local Dial-In Numbers:</b></p> <table> <tr><td>Austria, All Cities</td><td>+43 720815841</td></tr> <tr><td>Belgium, Brussels</td><td>+32 28948387</td></tr> <tr><td>Canada, Toronto</td><td>+1 6474269741</td></tr> </table>	Argentina	08004444844	Australia	1800175864	Australia, MOBILE	1300212365	Bulgaria	008001201107	Canada	18552771647	Chile	12300201228	Denmark	80251312	Germany	08001860810	Hong Kong	800963435	India	0008001008657	India	18002666833	Indonesia, PT Indosat access	0018030204844	Indonesia, PT Telkom access	0078030204844	Israel	1809450461	Japan, Mobile Domestic	0120994106	Korea (South), Domestic	0808520292	Malaysia	1800816793	New Zealand	0800444845	Norway	80010865	Peru	080055429	Philippines	180016120169	Poland	008006411208	Singapore	8006162312	Taiwan, Mobile	0809066683	Thailand	0018006121037	United Arab Emirates	800035703563	United Kingdom	08082341368	United States	18558230291	Vietnam	18004820	Austria, All Cities	+43 720815841	Belgium, Brussels	+32 28948387	Canada, Toronto	+1 6474269741
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China	8008202087
China, Domestic	4001203169
Czech Republic, Prague	+420 234147049
Denmark, Copenhagen	+45 32727796
Finland, Helsinki	+358 923170511
France, Paris	+33 170950564
Germany, Frankfurt	+49 6925739843
Hong Kong, Hong Kong	+852 30082033
Hungary, Budapest	+36 15779991
India, Mumbai	+91 2230985881
Ireland, Dublin	+353 15269744
Japan, Tokyo Mobile	+81 363271460
Korea (South), Seoul	+82 232753957
Macau	+853 62625243
Malaysia, Kuala Lumpur Mobile	+60 320544056
Netherlands, Amsterdam	+31 207946787
New Zealand, Auckland	+64 92805280
Singapore, Singapore	+65 31580666
Spain, Barcelona	+34 935452850
Sweden, Stockholm	+46 850507874
Switzerland, Geneva	+41 225181518
Taiwan, Taipei Mobile	+886 255723899
United Kingdom, London	+44 2036514875
United States, New York	+1 4696669932
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The presentation is available for download from the ASX announcements platform and the company's website [www.mcholdings.com.au](http://www.mcholdings.com.au)

For further information please contact:

**Investor enquiries**

Mr David Ahmet  
Managing Director  
MotorCycle Holdings Limited  
Phone: 0403 333 048  
Email: [dave.ahmet@mcholdings.com.au](mailto:dave.ahmet@mcholdings.com.au)

**Media enquiries**

Mr Andrew Buckley  
Manager - Corporate  
Phillips Group  
Phone: 07 3230 5000 / 0402 009 704  
Email: [spaul@phillipsgroup.com.au](mailto:spaul@phillipsgroup.com.au)

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