

ASX Announcement (ASX: MTO)



3 November 2021

MotorCycle Holdings enters into contract to acquire wholesale accessory distributor in New Zealand

MotorCycle Holdings Limited (ASX: MTO), Australia's leading motorcycle dealership and accessories group, will expand its operations into New Zealand through the proposed acquisition of Forbes and Davies.

Forbes and Davies is one of New Zealand's leading importers and wholesalers of motorcycle tyres, ATV tyres, ride apparel, helmets and accessories. It wholesales motorcycle and powersport industry supplies directly to more than 200 retailers.

The business had an annual turnover of approximately NZD \$6 million in 2021 and currently employs 15 staff.

The transaction is subject to satisfactory due diligence, lease documentation and supplier approval and is expected to settle in November 2021. Land and buildings are not included in the transaction which is being executed as an asset deal.

The acquisition is expected to be earnings accretive in FY22.

MotorCycle Holdings' Chief Executive Officer, Mr David Ahmet, said he was delighted the company was able to acquire, subject to the conditions outlined above, such a key wholesale business in New Zealand.

"Forbes and Davies is a well-established business with a strong reputation in New Zealand and this acquisition provides further geographical diversification for the company," Mr Ahmet said.

"For Forbes and Davies' customers and staff, MotorCycle Holdings brings stability and financial strength, as well as the support required to continue to deliver quality customer experience and excellent after sales service support.

"The acquisition enables us to expand our geographical footprint. Adding many products that we already hold distribution rights for in New Zealand gives Forbes and Davies an opportunity to enhance and broaden the range of motorcycle, bicycle and kart products that it offers to the dealer network.

"MotorCycle Holdings is in a strong financial position, and we are actively seeking strategic acquisition opportunities." Mr Ahmet said.

ENDS

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

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