

29 August 2022

MotorCycle Holdings delivers resilient performance in challenging market

MotorCycle Holdings (ASX:MTO) has delivered a resilient performance in challenging market conditions and against strong prior year comparatives — testament to the Company's focused strategy, scale and diversified earnings streams.

Key features of the result include:

- Revenue increased 7% to \$462.6 million (2021: \$433.9 million)
- Gross profit increased 3% to \$132.4 million (2021: \$128.5 million)
- Underlying EBITDA decreased 4% to \$37 million (2021: \$38.7 million)
- Net profit after tax decreased 18% to \$23.1 million (2021: \$28.3 million including JobKeeper payment of \$5.8 million)
- Recent acquisitions progressing well and contributed to earnings.

	2022 Actual	2021 Actual	Change
Motorcycle sales (units)	24,413	22,730	+7%
Revenue (\$m)	462.6	433.9	+7%
Underlying EBITDA (\$m)	37.0	38.7	-4%
Underlying EBITDA margin (%)	8.0	9.0	-11%
NPAT	23.1	28.3*	-18%

*** Includes JobKeeper payment of \$5.8 million**

Given the Company's solid profit performance, Directors declared a final dividend of 8 cents per share, fully franked, amounting to \$4.9 million payable on 4 October 2022 with a record date of 13 September 2022, bringing the total dividend for the year to 20 cents per share, fully franked.

The Company continued to perform well in terms of overall motorcycle sales increasing 7% to 24,413 units in FY22.

New motorcycle unit sales increased 6% to 14,039 units in FY22, compared to a national market increase of approximately 4%. New motorcycle revenue increased 7% to \$182.7 million and gross profit also increased 6% to \$21.9 million.

ASX Announcement (ASX: MTO)



The Company has worked hard to improve used motorcycle stock supply, and sales increased 10% to 10,374 units in FY22. The trend of higher sales prices and high margins continued with 20% growth in revenue to \$123.3 million and a 9% gross profit increase to \$19.9 million.

Retail Accessories and Parts revenue decreased 9% to \$78.3 million, with the large accessory stores in NSW and ACT subject to restricted trading in the first half of the year. However, there was a significant turnaround in second half trading.

Wholesale accessory external sales increased 7% to \$43.2 million (FY21: \$40.4 million) with demand remaining high in both halves.

Servicing and Repair revenue decreased 3% to \$15.2 million, and Retail Finance, Insurance and Mechanical Protection Plans income increased 1% to \$14.2 million.

The Finance joint venture delivered \$1.3 million Net Profit After Tax — an increase of 44% for the year, with that contribution expected to continue to grow as the portfolio matures.

The company secured approximately 12% of national new motorcycle sales during the year, which is slightly ahead of the 11.9% share of the previous year.

Commenting on the full year performance, Managing Director and CEO David Ahmet said: “Our full year performance demonstrated the strength of our geographic scale and diversity which enabled us to capitalise on market demand across the regions where we operate, and mitigate the impacts of localised COVID-19 government lockdowns and flooding in NSW and Queensland.

“Strong demand for new and used motorcycles continued throughout the period, driven by favourable economic conditions and changes in consumer behaviour because of the pandemic.

“Our national pre-owned motorcycle strategy has also continued to deliver profit growth.

“The Company’s performance also highlighted the benefits of our growth strategy with the finalisation of the acquisition of Forbes and Davies in New Zealand and Wide Bay Motorcycles in early 2022. Both have contributed to earnings in FY22.”

Outlook

Mr Ahmet said: “Australia’s underlying motorcycle market conditions remain positive at present, and we still have a large order book of presold motorcycles.”

“While the cost of living for consumers is rising, employment and the labour market remain strong, and household savings built up over the COVID-19 period are providing a buffer.

ASX Announcement (ASX: MTO)



He said that in a period of rising fuel costs and increased congestion, motorcycles and scooters present a means of transport which helps lower the cost of living and reduce the amount of time road users spend in traffic.

“While supply chain challenges are ongoing, particularly for new motorcycles, we are hopeful that supply will improve over the next 12 months.

“The Company remains confident in the resilience of our business model.

“In FY23, we will see Forbes and Davies, and Wide Bay Motorcycles contribute their first full year of earnings. We will also see a contribution from our acquisition of Future Sport Townsville (rebranded TeamMoto Townsville),” Mr Ahmet said.

He said the Company continued to review a solid pipeline of dealership acquisition opportunities and is also investigating expansion into industry segments in which it does not currently operate.

MotorCycle Holdings will also continue to seek opportunities to further diversify its product range.

“While we remain positive about the coming year, we are preparing for more subdued trading conditions as consumer demand moderates due to cost of living pressures,” he said.

ASX Announcement (ASX: MTO)



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 3PM AEST on Monday 29 August 2022, after which they will take questions on the results.

Full details of the teleconference are below:

Date	Monday 29 August 2022
Time	3 PM AEST
Dial in details	Investors can register for the call by clicking here . Enter your name and organization, and you will be given the dial in number or called back. Alternatively, copy and paste this link: https://redback.events/ir-3e934e

The presentation is available for download from the ASX announcements platform and the company's website www.mcholdings.com.au

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

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

Media enquiries

Mr Bruce Ruddy
Group Account Director
Rowland
Phone: 07 3229 4499 or 0418 730 339
Email: bruce.ruddy@rowland.com.au