



MotorCycle
Holdings

INVESTOR PRESENTATION

FY23



DISCLAIMER

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This presentation includes non-IFRS information such as underlying EBITDA which MTO considers useful for users of this presentation as these measures reflect the underlying performance of the business.

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A motocross rider in a white and blue suit is captured mid-air, performing a stunt. The rider is wearing a white helmet and goggles. The motorcycle is tilted, with the front wheel pointing upwards and the rear wheel pointing downwards. The background shows a forest of tall, thin trees under a clear sky.

AGENDA

1. SUMMARY HIGHLIGHTS
2. FINANCIAL RESULTS
3. OPERATIONAL PERFORMANCE
4. FY2024 OUTLOOK

SUMMARY HIGHLIGHTS



FINANCIAL HIGHLIGHTS

STATUTORY REVENUE

↑ **25% to**
\$580.2m

LIKE-FOR-LIKE REVENUE ¹

↓ **1% to**
\$452.7m

GROSS PROFIT

↑ **17% to**
\$154.6m

UNDERLYING EBITDA

↑ **13% to**
\$55.3m

NPAT

0% to
\$23.0m

NET ASSETS

↑ **27% to**
\$197.6m

FINAL DIVIDEND PER SHARE

12c | **20c**
fully franked | full year

1. Excludes from both years: Mojo, Forbes and
Davies, TeamMoto Wide Bay, TeamMoto
Townsville and CFMOTO Springwood

OPERATIONAL HIGHLIGHTS

1

Strong topline growth
boosted by recent
acquisitions

2

Industry leadership and strength
of business model confirmed
with increased national market
share to 14.3%

3

Result achieved against
backdrop of rising interest
rates and increasing cost
of living pressures

4

Mojo Group acquisition provides
increased diversification into
agriculture sector and reduces
reliance on discretionary spending

FINANCIAL RESULTS



PROFIT RESULTS

Overview of Results (\$'000)	30-Jun-23	30-Jun-22	Change %
Total income	580,238	462,572	25%
Cost of sales	(425,663)	(330,189)	29%
Gross profit	154,575	132,383	17%
Gross profit margin (%)	27%	29%	(2%)
Employee benefits expense	(69,322)	(62,080)	12%
Occupancy expense	(3,419)	(2,949)	16%
Other expenses	(24,381)	(17,582)	39%
Bailment interest	(2,168)	(638)	340%
Operating expenses	(99,290)	(83,249)	19%
Underlying EBITDA	55,285	49,134	13%
Underlying EBITDA margin (%)	10%	11%	(1%)
Depreciation and interest on ROU assets	(13,870)	(12,131)	14%
Note – Underlying EBITDA as reported last year	41,415	37,003	12%
Acquisition expenses	(1,516)	(276)	549%
Depreciation and amortisation	(5,403)	(3,771)	43%
Net bank interest	(1,926)	(224)	(859%)
Net profit before tax	32,570	32,732	0%
Income tax expense	(9,556)	(9,617)	(1%)
Net profit after tax	23,014	23,115	0%

LIKE-FOR-LIKE RESULTS¹

Overview of Results (\$'000)	30-Jun-23	30-Jun-22	Change %
Total income	452,700	454,654	(1%)
Cost of sales	(329,122)	(324,687)	1%
Gross profit	123,578	129,967	(5%)
Gross profit margin (%) ¹	27%	29%	(2%)
Employee benefits expense	(64,130)	(61,073)	5%
Occupancy expense	(2,997)	(2,852)	5%
Other expenses	(19,028)	(17,276)	10%
Bailment interest	(1,338)	(626)	114%
Operating expenses	(87,493)	(81,827)	7%
Underlying EBITDA	36,085	48,140	(25%)
Underlying EBITDA margin (%)	8%	11%	(3%)
Depreciation and interest on ROU assets	(13,171)	(11,957)	10%
Note – underlying EBITDA as reported last year	22,914	36,183	(37%)

1. Excludes from both years: Mojo, Forbes and Davies, TeamMoto Wide Bay, TeamMoto Townsville, and CFMOTO Springwood

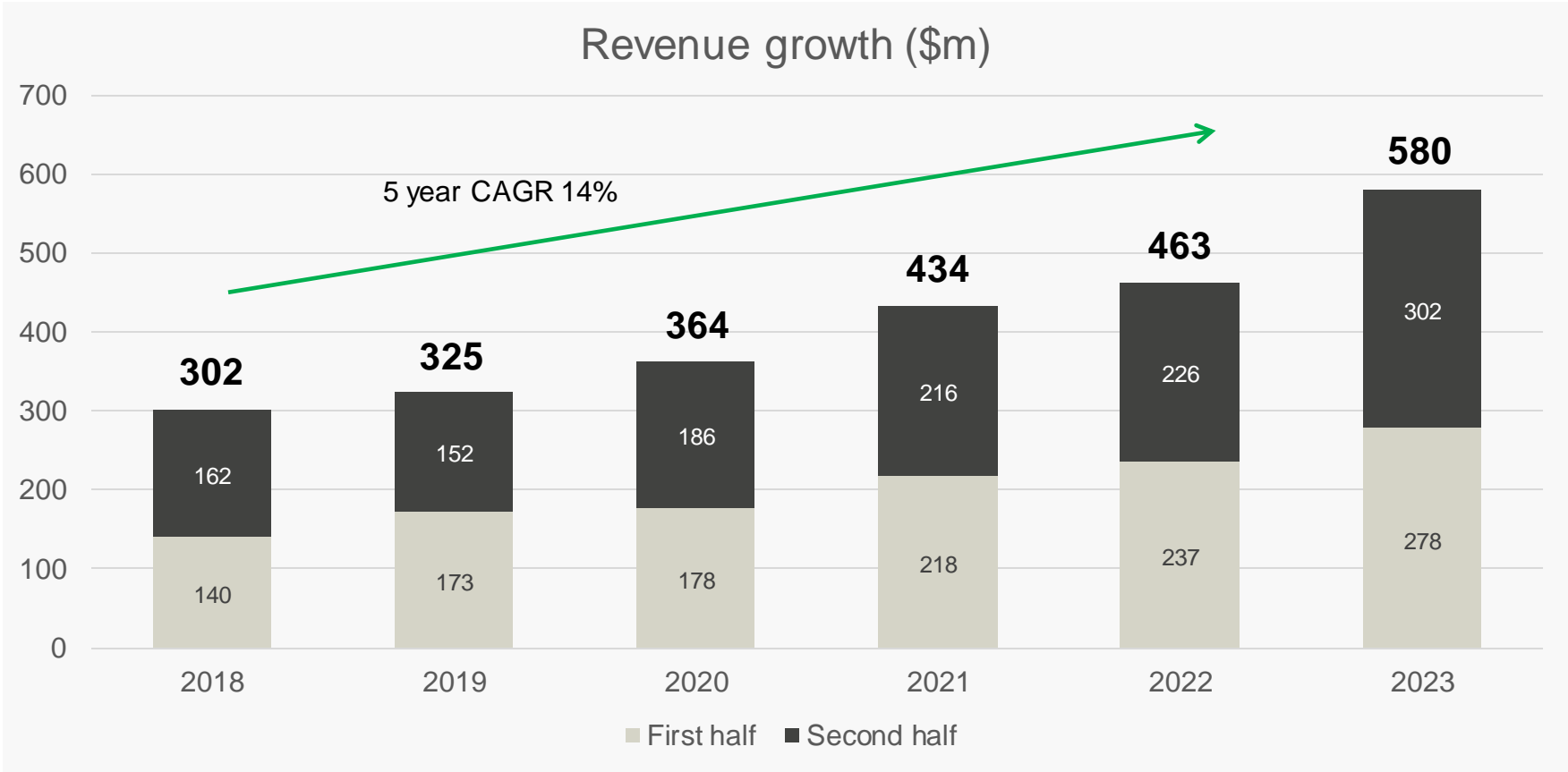
BALANCE SHEET

(\$m) as at	30-Jun-23	30-Jun-22	Change %
Cash and cash equivalents	24.7	3.9	533%
Trade and other receivables	12.1	7.1	70%
Inventories	155.8	107.6	45%
Plant and equipment	13.4	11.8	14%
Lease right of use assets	48.2	45.8	5%
Goodwill and intangibles	147.5	94.8	56%
Investments	6.8	6.4	(6%)
Other assets	1.6	2.5	(36%)
Total assets	410.1	279.9	46%
Trade and other payables	39.7	15.4	158%
Bank loan	50.0	20.0	250%
Bailment finance	48.5	24.9	195%
Lease liabilities	51.2	48.4	6%
Provisions	17.8	16.2	10%
Tax liabilities	5.3	—	100%
Total liabilities	212.5	124.9	70%
Net assets	197.6	155.0	27%

MARKET VALUE

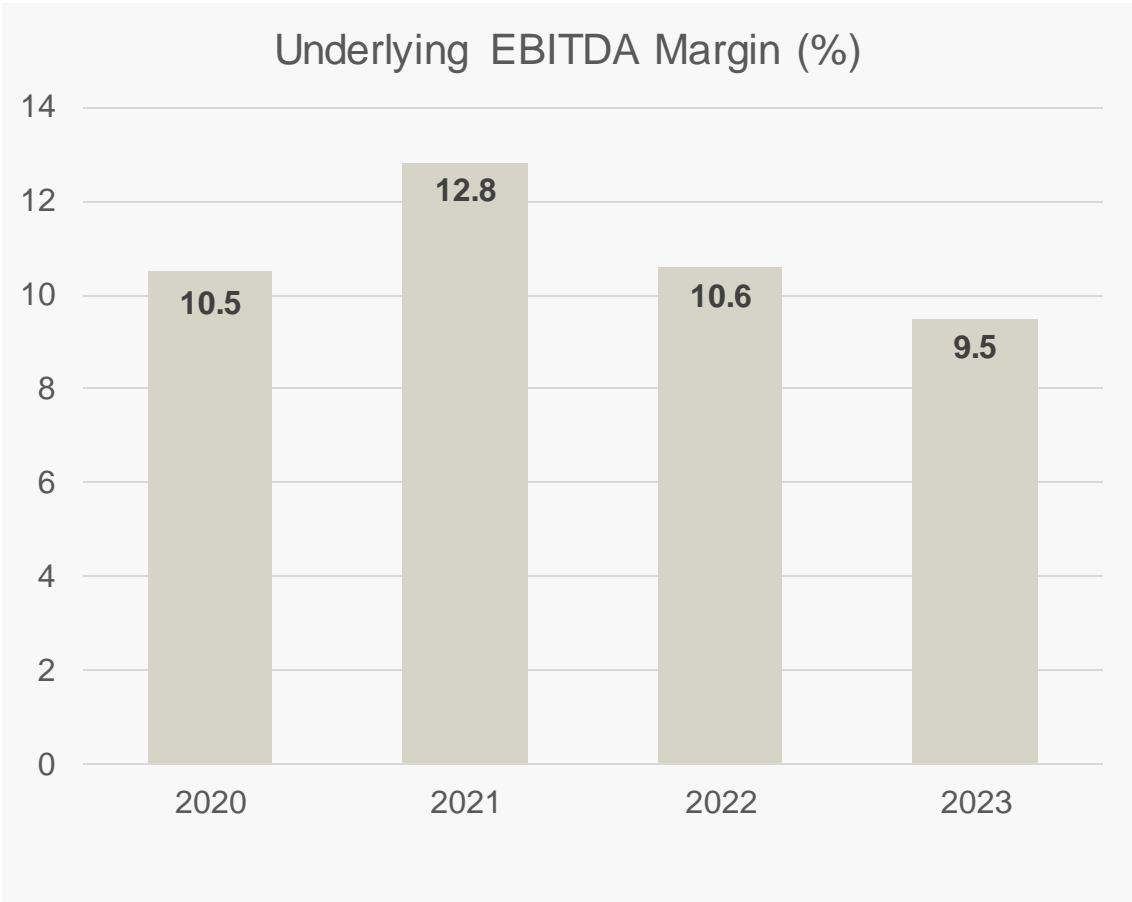
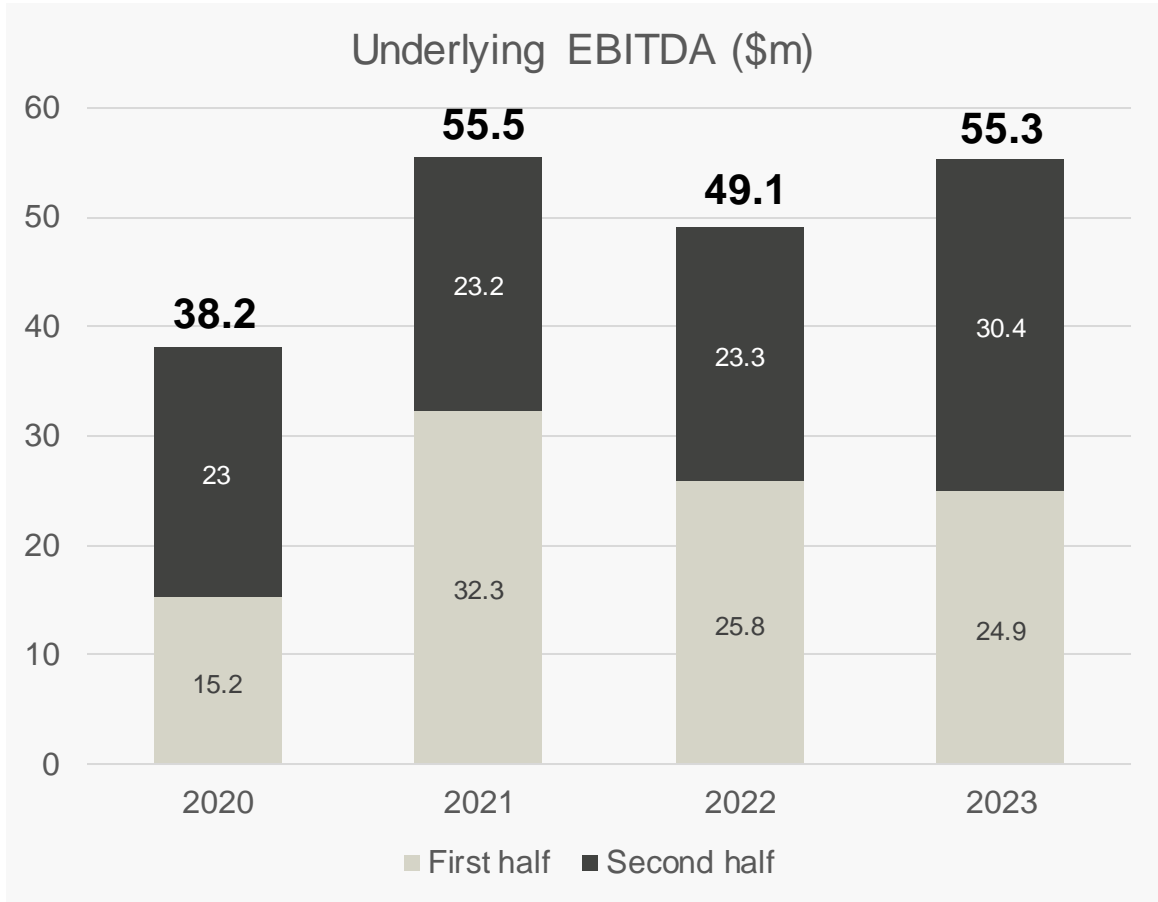
Results for the year ended	30-Jun-23	30-Jun-22	Change %
Closing share price (\$)	1.45	2.08	(30%)
Shares on issue (number)	73,677,259	61,706,710	19%
Dividends per share LTM	20	20	—
Basic earnings per share	33.1	37.5	(12%)
Price to earnings ratio LTM	4.4	5.6	(21%)
Dividend yield	13.80%	9.60%	44%
Franking	100%	100%	—

REVENUE GROWTH

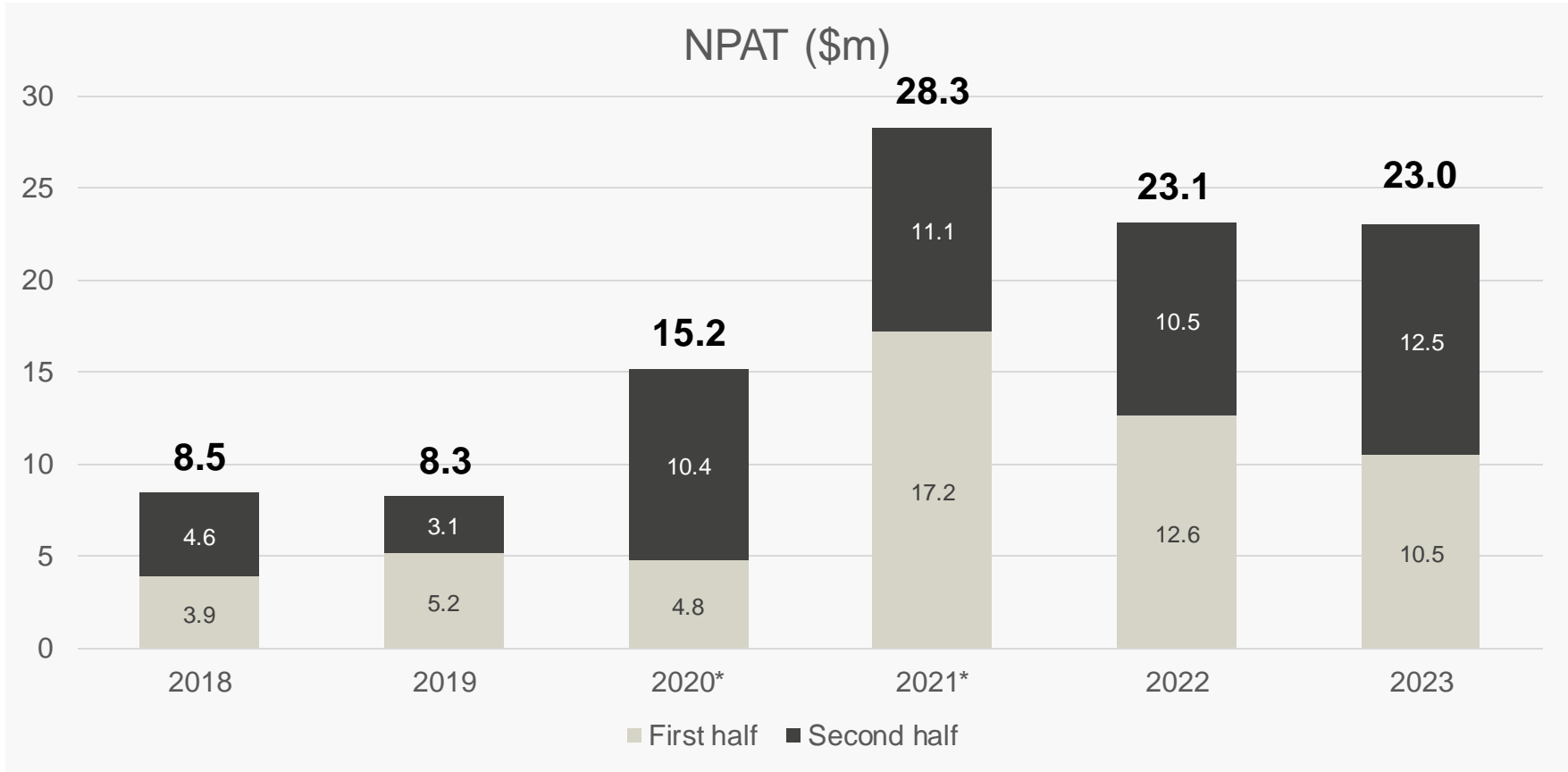


UNDERLYING EBITDA AND MARGIN

AASB16 EBITDA before acquisition expenses and depreciation and interest on ROU assets



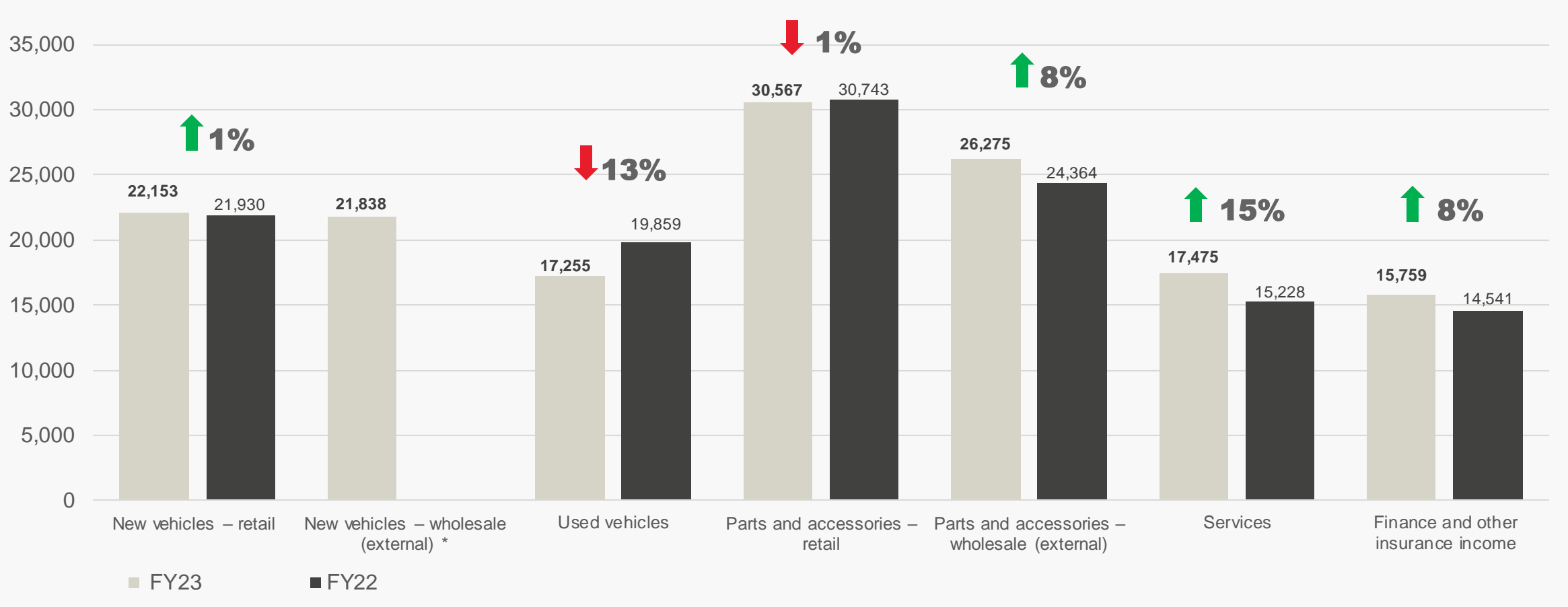
NPAT RESULTS



* includes JobKeeper payment

DIVERSIFIED EARNINGS

Gross Profit by Department (\$'000)



* New vehicles – wholesale in a new department with the Mojo acquisition so there were no sales in FY22

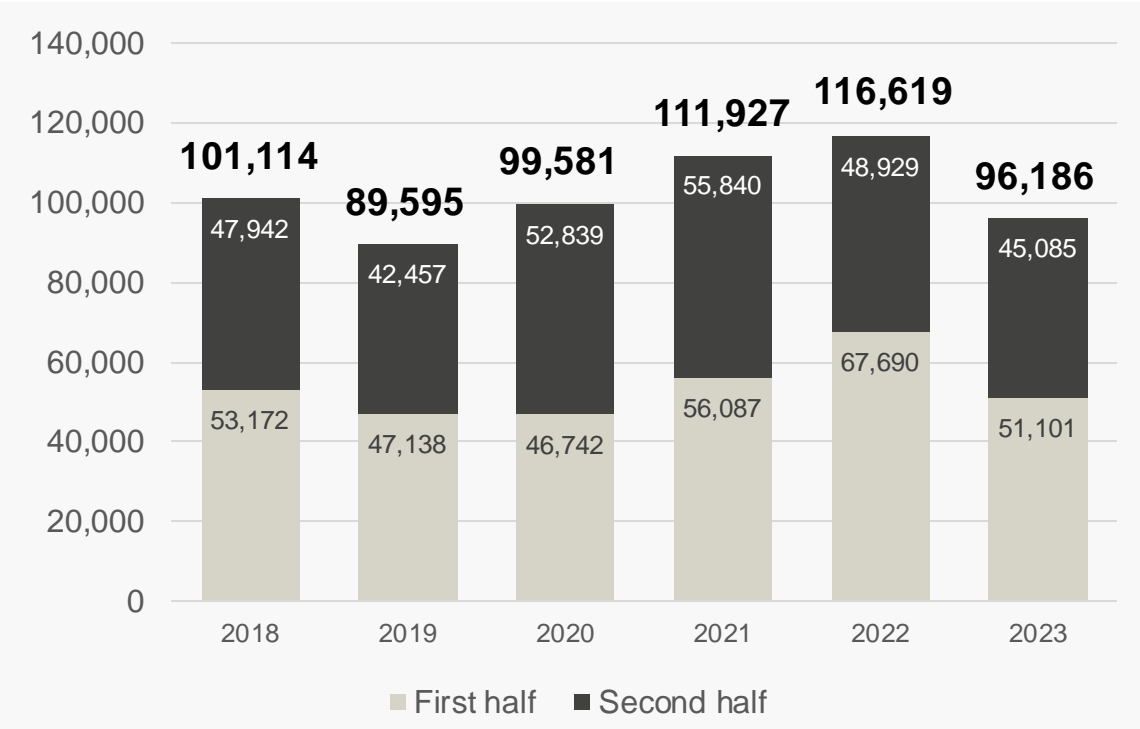
A full-page background image showing a BMW R1250GS motorcycle rider in a forest. The rider is wearing a black and white protective suit and a helmet, positioned on the left side of the frame. The motorcycle is white with blue and black accents, featuring the 'R1250GS' badge. The scene is set in a forest with tall, thin trees. The lighting is warm and golden, suggesting sunset or sunrise, with light rays filtering through the trees. In the background, to the right, another rider is visible, slightly out of focus, riding away. The overall mood is adventurous and dynamic.

OPERATIONAL PERFORMANCE

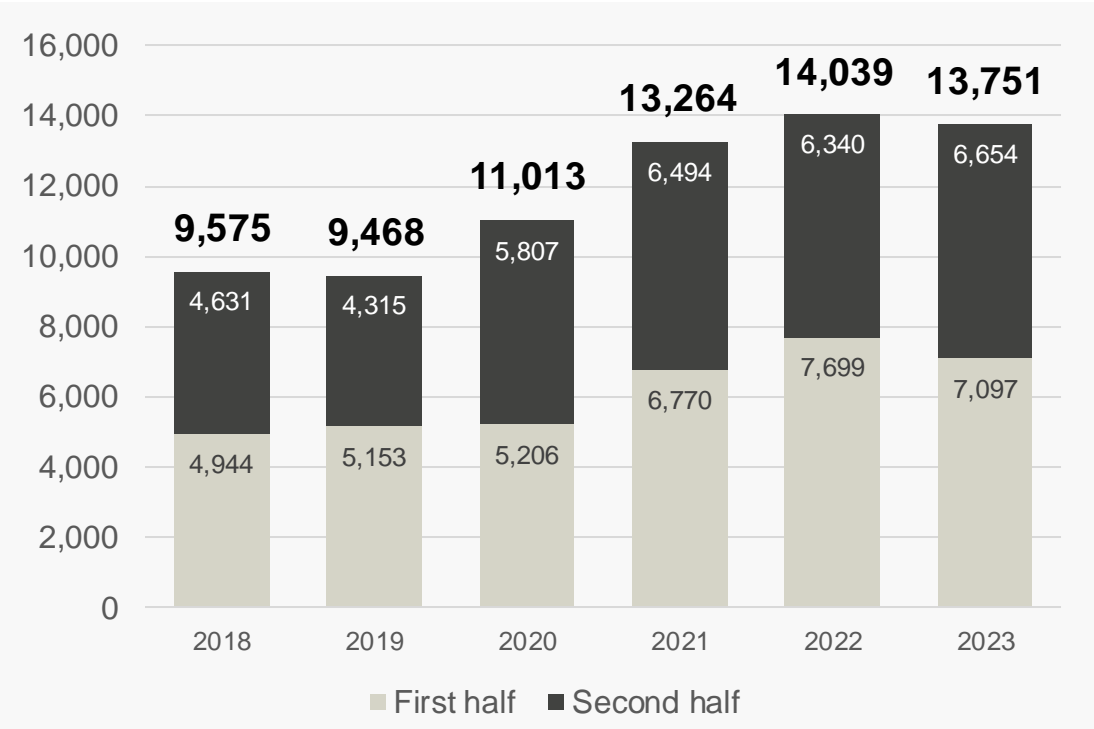
NEW MOTORCYCLE SALE UNITS

Strong MTO sales performance vs industry

Industry: decreased 17% in FY23

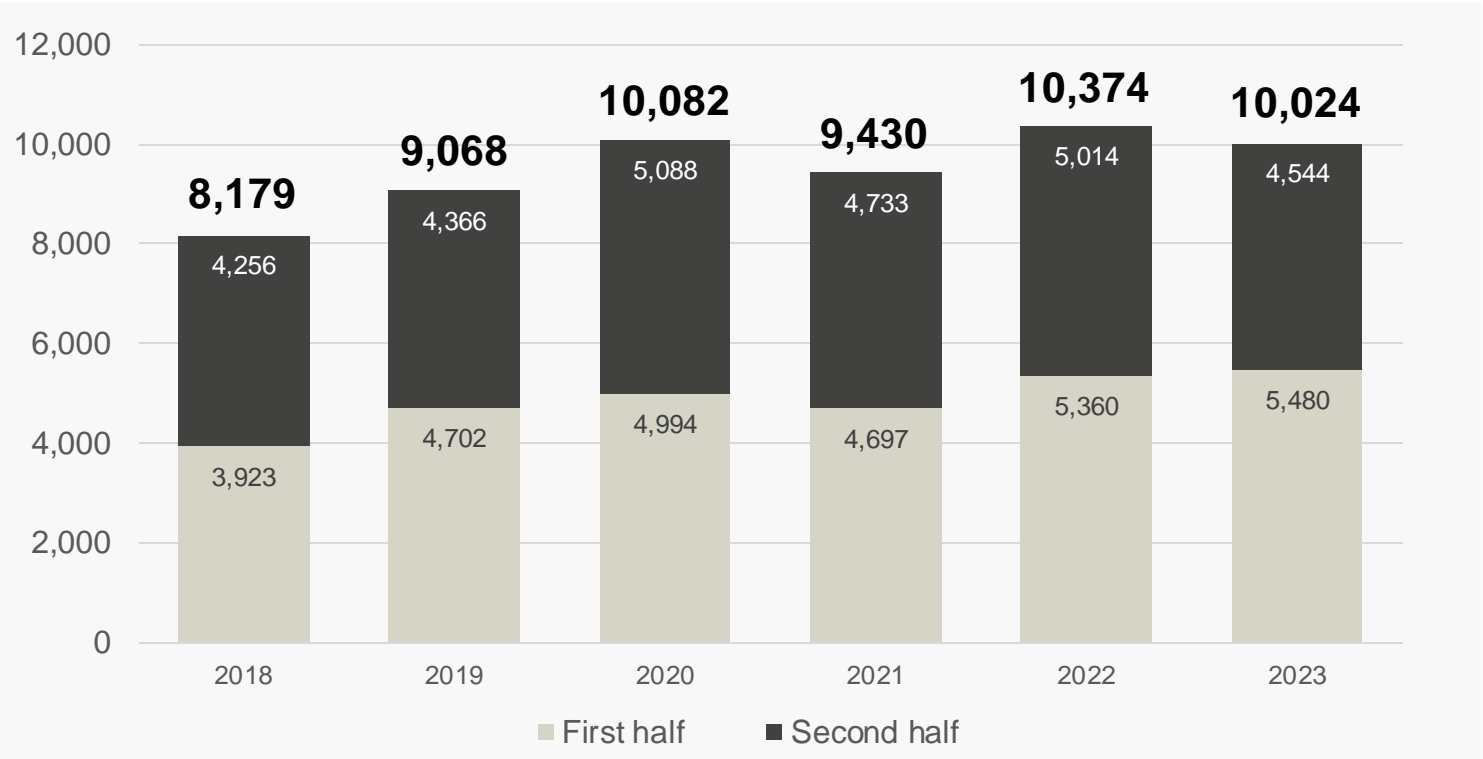


MTO: decreased 2% in FY23



USED MOTORCYCLE SALE UNITS

MTO: decreased 3% in FY23



RETAIL



- Overall solid performance despite macro-economic headwinds.
- Moderating demand for new and used motorcycles continuing feature of second half.
- Retail parts and accessories sales remained stable.

MOJO GROUP ACQUISITION UPDATE



- MTO management took operational control of Mojo Group on 31 October 2022.
- The integration of Mojo has been performing ahead of management's expectations.
- Synergies between Mojo and our retail network are being pursued.
- Mojo has been taking advantage of market conditions, including current ATV market dynamics, new models, and strong supply.

THE MOJO ADVANTAGE



- Increased scale of the MTO business
 - Revenue increased 25% largely due to the acquisition.
- Increased geographic footprint and diversification
 - Mojo is a national wholesaler and distributor.
 - Diversification to motorcycle importation and distribution.
 - Greater opportunities as electric vehicles come to market.
 - Increased opportunity to distribute new brands.
 - CFMOTO planning new ICE and EV model releases.
 - Increased exposure to agricultural and scooter markets.
- More resilient business mix
 - Opportunity to source new products to distribute for Mojo due to scale and access to capital.
 - Opportunity to retail electric motorcycles through MTO network.

WHOLESALE ACCESSORIES

A close-up photograph of a person's hands working on a motorcycle brake disc. The person is using a cloth to clean the disc. On the workbench, there are various motorcycle parts and tools, including a can of brake fluid, a small container, and some brake pads. The background is blurred, showing more of the workshop.

- Wholesale parts and accessories produced satisfactory performance.
- Supply chain delays have moderated and inventory normalised.
- Management continue to focus on disciplined cost management. Operating efficiencies expected with new Warehouse Management System.
- B2B digital upgrade being implemented to streamline customer experience and drive additional sales.
- Freight expenses were significantly up over the year but recently container rates have fallen dramatically.
- New product lines obtained with the opportunity to increase sales.



FINANCE JV

- 50% share contributed profit of \$1.0m, down 19% on pcp.
- Increased cost of borrowing leading to margin pressure.
- Delinquencies satisfactory.



FY2024 OUTLOOK

FY24 OUTLOOK

Rising interest rates and cost of living pressures expected to continue to impact trading

Higher cost of doing business will continue to be a feature of current market dynamics, with cost control a major focus

Focus on existing business improvement with opportunities in used bikes, WMS implementation, and simplifying the IT landscape

New acquisitions including full year contribution from Mojo Group will help insulate the Group from more challenging trading conditions

Continued investment in ecommerce to support growing channel, in retail and in B2B

Continuing to consider acquisition opportunities



Thank you

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