

27 November 2024

CHAIR'S ADDRESS

FY24 FINANCIAL RESULTS

Our financial performance was resilient in a challenging market. Although I acknowledge that the Company's 2024 profitability did not meet the levels achieved in 2023 – it was pleasing to note the strength of our business meant the Company increased its market share in the sale of new motorcycles during the year from 14.3% to 15.5%, and continued to do so in the last quarter.

In response to the challenging economic landscape, MotorCycle Holdings strengthened its operational efficiency and set in place plans for future improvement, particularly for operating margins. The initiatives that were taken included the upgrade to Cassons' operating systems, consolidating our New Zealand operations with Forbes & Davies now acting as the wholesale distributor for the Mojo brands in New Zealand as well as continuing to distribute our existing brands of motorcycle and bicycle accessories, and the reduction of the geographical footprint at three retail sites – one in Queensland, one in Victoria, and one in the ACT.

Our FY24 performance reflected the strength of our business model and consolidates our market-leading position. As I previously mentioned, the retail segment gained market share, with an increase in new retail unit sales of 5% ahead of a 3% industry decline. We also achieved growth in used retail unit sales and maintained margins despite external pressures. There was a 183% increase in our online parts and accessories sales from the previous financial year. Increasing online sales remains a focus for the Company in FY2025. Wholesale vehicles outperformed the market in the off-highway vehicles segment, and the CFMOTO brand is continuing to gain traction in the road motorcycle segment with sales exceeding expectations. Finally, our wholesale parts and accessories business returned a satisfactory result despite operational interruptions.

From a financial perspective, the company delivered a Statutory Net Profit After Tax of \$14.1 million and Underlying EBITDA of \$45.2 million.

SHAREHOLDER RETURNS

Directors were pleased to continue providing shareholders with returns, declaring a fully franked final dividend of 7 cents per ordinary share, bringing the full year dividend to 10 cents per share fully franked.

This dividend reflects our commitment to delivering returns to shareholders and the resilience of the Company's business model despite a challenging external environment.

IMPROVING PERFORMANCE

We are now almost 5 months through the 2025 financial year. We have seen promising signs with sales trending higher.

Interest rates and cost of living pressures impacted sales from late 2023, however sales have started to rebound.

Cost management and efficiencies remain a key focus for the Company.

Growth in market share demonstrates MotorCycle Holdings' industry leadership and the strength of our business model.

The Board remains focused on our strategic objectives, confident that these will drive the Group to reach its full potential for the benefit of customers and shareholders.

Dave will comment more on this shortly.

Our balance sheet and financial position remain robust. This provides MotorCycle Holdings a solid foundation to support our growth strategy and ensures the Company is well-positioned to take advantage of industry opportunities as they arise.

NEW APPOINTMENTS

I acknowledge the retirement of Chief Financial Officer Bob Donovan during FY24. Mr Donovan made a significant contribution to the Company during his tenure and we wish him all the best.

I am delighted to welcome Nicole Spink as our new Chief Financial Officer, who brings extensive experience and deep understanding of our business to the role. Nicole has been with MotorCycle Holdings for a total of 16 years, during which time she has made significant contributions across various financial roles and as Joint Company Secretary.

Non-Executive Director, Katie McNamara resigned in July 2024 to take up a global executive role which impacted her time commitments. I extend thanks and appreciation to Katie for the significant contributions she made to the Company since her appointment in 2022.

As announced to ASX on 27 September, I congratulate Michael Poynton who has been appointed as Chief Operating Officer of the company. Michael joined us in 2022 following the acquisition of Mojo Motorcycles and brings over 20 years' experience in the motorcycle industry. As COO, Michael will be responsible for leading the operations of the group and will continue to lead the Mojo business.

Finally - Dave Ahmet is stepping down as CEO and Managing Director of MotorCycle Holdings on 2 December after many years at the helm. David founded MotorCycle Holdings in 1989 as a single location and has succeeded in building the company to be the leading and most successful motorcycle and accessories company in Australia. We congratulate Dave on his achievements and thank him for his outstanding commitment to the company.

Dave will remain on the company's board as a non-executive director and we look forward to his continuing involvement and guidance over the years to come.

We welcome Matthew Wiesner as the new CEO, coming on board on 2nd December. Matthew brings more than 20 years of senior leadership experience in both the wholesale and retail automotive industries and has an extensive background in original equipment manufacturing. Matthew's expertise, vision, and strategic acumen will be invaluable as the Company strengthens its position in the market and pursues new opportunities for growth and I am looking forward to working with Matthew in the coming months and years.

I would like to extend my thanks to Dave and the management team for their ongoing drive and commitment over the past year.

I would also like to thank my fellow Directors for their advice and counsel over the past 12 months.

Finally, thank you to all our shareholders for your ongoing support.

We are excited about the year ahead and look forward to continuing to deliver for shareholders over the long term.

CEO'S ADDRESS

OPERATING ENVIRONMENT

The market environment for motorcycles remains dynamic.

Cost-of-living pressures, including higher inflation, saw a dampening of demand for motorcycles in the second and third quarters of the last financial year, but I am pleased to report demand has rebounded since the start of 2024.

More importantly MotorCycle Holdings was able to grow sales whilst the market was falling and increased our market share. 2024 the motorcycle market was down 3% for new bike sales nationally whilst MotorCycle Holdings finished the year up 5%. This led to a strong finish to the financial year which I'm happy to say has continued into the 2025 financial year.

The market has stabilised in 2025 and is flat year to date. MotorCycle Holdings continues to out perform with new bike sales up 3.3% so far and used bikes up significantly with 13% growth.

There is no doubt that we found conditions challenging last year but are excited with the growth that we are seeing this year.

Despite the challenges and uncertain environment MotorCycle Holdings expects to deliver a better result this year.

FINANCIAL HIGHLIGHTS

The company delivered a Statutory net profit after tax of \$14.1 million and an Underlying EBITDA of \$45.2 million, down 18% from the previous year. However we have reversed this trend and have seen growth in all business segments so far this year.

NEW MOTORCYCLE SALES

While the Federal Chamber of Automotive Industries (FCAI) industry data for the full year indicated a 3% industry decline for FY2024, MTO outperformed the industry with a strong 5% increase in new motorcycle retail unit sales to 14,491 units. This trend has continued into 2025 with the market holding ground and flat for the year so far, and again MotorCycle Holdings outperforming the market with an increase in sales of 3%.

The Group showed the ongoing strength of its business model increasing its market share from approximately 14.3% in FY23 to 15.5% in FY24, and now 16.6% in FY2025.

USED MOTORCYCLE SALES

Our used motorcycle unit sales have improved significantly since the first half of last year. You can see in this graph that the first half sales were down by about 8%, then in the second half we were able to reverse the trend and achieve just over 10% growth.

Despite the decrease in sales in the first half we were able to turn our performance around and finish 1% up for the full year with 10,113 units for the year.

Importantly this trend has continued into FY2025 with sales increasing a further 13% so far whilst maintaining the same strong margins.

STRATEGIC PROGRESS

Over the course of 2024 several measures were undertaken to build a better business for the future. Some were quite disruptive but it has better positioned the business for the future. Importantly we are starting to see the benefits of having invested in the future.

Mojo Motorcycles was integrated effectively and delivered its first full year result in FY24. We couldn't be happier with the acquisition and the business exceeded our expectations for its first year. Market conditions were especially challenging for our core product but CFMOTO's expansion into the two-wheel market delivered substantial growth.

CFMOTO's 2024 retail sales exceeded expectations. This shows the brand is continuing to gain traction in the motorcycle segment as we start the roll-out of new road bike models. The popular new models have helped to diversify the business and underpin results.

The decision to combine the logistics and management of our two New Zealand businesses, Forbes and Davies, and Mojo Motorcycles New Zealand has proven to be the right one. Both businesses were integrated into a new warehouse facility and business unit back in March 2024.

Whilst quite disruptive to both businesses at the time we now have a more effective business that offers our customer base a better service. We are achieving good sales growth in what is a fairly depressed market.

The investment and upgrade in our Cassons wholesale business in FY24 was completed last year and is delivering better results in FY25. A significant investment was made in the operating systems to increase our productivity as well as bringing additional products to market. Year to date sales for Cassons in FY25 are 5% up on last year.

In March 2024 we also executed the acquisition of Frasers Harley Davidson in Sydney. This business was immediately relocated into a new site and I'm happy to say is already profitable.

MotorCycle Holdings' strategy aims to position the company as a leading motorcycle industry player, well positioned to capitalise on the ongoing changes in the retail industry.

As we continue to execute our strategy, we expect to grow returns for our shareholders.

CURRENT TRADING CONDITIONS

As mentioned previously MTO continues to outperform the market in the current financial year.

In the four months to the end of October we are showing growth across all segments including:

- Total sales revenue of \$217 million up 8%
- Operating expenses up 5%
- New retail bike units up 3%
- Used bike units up 13%
- Retail parts and accessories up 6%
- Service and repair up 8%
- Finance and insurance commissions up 5%
- Wholesale parts and accessories up 5%
- Wholesale new vehicles up 6%

OUTLOOK

Looking ahead, we expect that cost-of-living pressures will continue to impact demand. However, encouraging signs of recovery began to emerge toward the end of the 2024 financial year and have carried into the early months of the 2025 financial year, with positive sentiment steadily gaining momentum.

Whilst the market remains flat we have proven that we are still able to deliver growth in a subdued market. Early tracking suggests growth will strengthen as the 2025 financial year continues.

The cost of doing business remains a challenge and is very difficult to reduce whilst sales are growing but will remain a high priority.

CLOSING

In conclusion, I want to extend my thanks to every member of our team—your dedication and commitment has been essential to our continued success. A special thank you to my management team who have gone above and beyond to deliver the above growth. Their commitment to the business has been exceptional.

My thanks also go to the Board and Chairman, Rick Dennis, for their confidence and support. They have always been willing to support my strategic directions and offered assistance when needed. I would also like to acknowledge the valuable support I received from our previous chairman, David Foster, a pleasure to work with.

Lastly, a sincere thank you to our shareholders for your trust and confidence in our company. We look forward to maintaining strong engagement with each of you in the year ahead, but more importantly rewarding your confidence in our business.

We remain optimistic about the future of MotorCycle Holdings and will continue striving to deliver value to our shareholders. I believe there are many opportunities for us to explore. Our position is somewhat unique in the motorcycle market worldwide and has gained us international attention. I am confident that this will lead to more opportunities for growth in the future.

Finally, I just want to add my welcome to our new CEO – Michael Wiesner, and new Chief Operating Officer Michael Poynton. I'm confident that I'm handing the business over in good shape and poised to continue our growth into the future. While I am sad to be standing down, I have every confidence in the management team and look forward to continue working with them into the future.

Thank you.

-ENDS-

This announcement was authorised for release by the Board.

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