

# Acquisition of Peter Stevens and Harley-Heaven

MANAGEMENT PRESENTATION

1 July 2025



# Strategic Acquisition of Peter Stevens and Harley-Heaven

<b>Transaction Summary</b>	<ul style="list-style-type: none"><li>• MTO has entered into a binding asset sale agreement for select dealership assets from <b>Peter Stevens Motorcycles Pty Ltd and Harley Heaven Pty Ltd</b> (both in administration) (together, the “<b>Acquisition</b>”)</li><li>• Total consideration of \$7 million to \$9 million<sup>1</sup> plus vehicle inventory acquired from bailment financiers</li><li>• Staggered completion dates during July 2025, following execution of sale documentation on 27 June 2025</li></ul>
<b>Strategic Rationale</b>	<ul style="list-style-type: none"><li>• Materially enhances MTO’s national footprint and market leadership position</li><li>• Earnings accretion expected from 1H26, with corresponding EPS uplift</li><li>• Secures high-value assets that would otherwise risk brand dilution through liquidation</li></ul>
<b>MTO Impact</b>	<ul style="list-style-type: none"><li>• Increases national motorcycle market share to 20% (from 16.4%)<sup>2</sup></li><li>• Strengthens competitive positioning and increases enterprise value without additional goodwill on balance sheet</li><li>• Provides continuity of operations, with integration of retained staff and eCommerce capabilities</li><li>• The Acquisition will be funded from existing cash reserves and bailment facilities</li></ul>
<b>Integration</b>	<ul style="list-style-type: none"><li>• A phased ‘isolate and stabilise’ integration model to minimise operational disruption</li><li>• Planned engagement with staff, customers and OEMs to ensure retention and alignment</li><li>• MTO will also acquire the branded assets of the Harley Heaven Western Sydney store with plans to amalgamate into the broader Harley Heaven group network being acquired, and certain assets from Peter Stevens stores that will be closed</li></ul>
<b>Completion</b>	<ul style="list-style-type: none"><li>• Unencumbered title for any assets acquired at completion</li><li>• Staff transfer thresholds to ensure operational continuity as a condition precedent</li><li>• Completion to occur upon obtaining relevant industry licenses in each state</li></ul>
<b>Advisers</b>	<ul style="list-style-type: none"><li>• Clayton Utz acted as legal adviser</li><li>• Ernst &amp; Young acted as financial adviser</li><li>• Morgans Corporate Limited as Corporate adviser</li></ul>

1. Subject to completion adjustments

2. Market share based on FCAI reported new unit sales for the 12 months to 31 March 2025; MTO: 16.4% + Target 3.6% = 20.0% total share

# Strategic Rationale

A pivotal opportunity that will accelerate MTO's growth and strengthen market leadership



**Market  
Growth**



**EPS  
Accretive**

Securing key geographical locations mitigates the risk of market disruption that could arise from the liquidation of business assets and uncontrolled release of inventory.



**Expand  
OEM  
Opportunity**

Expected to increase shareholder value through EPS. Enterprise value also increased without adding additional goodwill reflecting disciplined capital allocation and strategic execution.



**Turnkey  
Profitability**

Opportunity to grow market share and position MTO and strengthen key OEM relationships.

Expected to be earnings accretive 1H26; can operate "as is".

# Peter Stevens and Harley Heaven Operations

- Peter Stevens Motorcycles, founded in 1970 by the Chiodo family, is Australia's second largest motorcycle retail group
- In 2023, Jessica Chiodo-Reidy acquired full ownership of the retail operations—including Harley-Heaven—as part of a family succession plan



## Acquired Dealerships

- ➞ **Harley Heaven**  
Perth, Adelaide, Sydney & Penrith
- ➞ **Peter Stevens Motorcycles**  
Adelaide, Dandenong & Savage Motorcycles Perth
- ➞ **eCommerce**  
Harley Heaven & Peter Stevens eCommerce businesses



# Peter Stevens and Harley Heaven Portfolio of Sites

01

7 Dealerships  
across 4 states

02

Established  
eCommerce  
platforms

03

Select high-performing and  
profitable assets only

Peter Stevens Motorcycles Adelaide



Peter Stevens Motorcycles Dandenong



Savage Motorcycles Perth



Harley Heaven Adelaide



Harley Heaven Sydney



Harley Heaven Penrith



Harley Heaven Perth



# Integration Strategy

The approach of 'isolate and stabilise' emphasises the importance of keeping operations separate initially to minimise disruption to either retail group

## Objectives:

01 **Maintain Performance**

02 **Staff & Customer Stability**

03 **Identify Opportunities & Synergies**

04 **OEM & Stakeholder Continuity**

## Key Audiences:

- ➔ **Employees**
  - Senior management to meet with all staff at settlement, welcome to MTO and stabilise
- ➔ **Customers**
  - Immediate communications to customers regarding acquisition and positive benefits
- ➔ **Shareholders**
  - Synergies and scale benefits provided at full year August results
- ➔ **Public**
  - MTO investing in complimentary scale of operations and expansion across e-commerce landscape

# Acquisition Funded with Existing Cash

Transaction is expected to be immediately EPS accretive<sup>1</sup>

## Opportunity Areas:

- ➞ Increased used:new ratio
- ➞ F&I on additional units
- ➞ CSM on additional units
- ➞ Shared services synergies
- ➞ Integrated financial controls
- ➞ Opportunity to appoint additional CFMOTO dealers
- ➞ Opportunity for additional Cassons' sales

- Acquisition will be funded from existing cash reserves and bailment facilities within existing capital structure.
- Bailment facilities secured with initial interest-free period; no material impact to working capital requirements.
- Post-transaction, MTO will retain a strong balance sheet.

# Financial profile

## MotorCycle Holdings FY24

**\$582.3M**

Revenue

**\$20.0M**

NPBT

The acquisition focuses on the assets of the profitable businesses, providing earnings accretion.

## Acquisitions

(FY24 pro-forma incl. eCommerce)

**\$144.0M**

Revenue

**\$2.5M**

NPBT<sup>1</sup>

1. Pro-forma NPBT less estimated continuing head office costs



# Summary

1

## **Strategic Expansion**

Strengthens national dealership network and captures profitable market share

2

## **Financial Accretion**

EPS accretive while maintaining capital discipline

3

## **Operational Synergy**

Strong opportunity to realise efficiencies post-stabilisation phase

4

## **Investor Confidence**

Demonstrates management's capability to execute and integrate value-accretive transactions.

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