

# MOTORCYCLE HOLDINGS



Financial Results December 2016

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# Disclaimer

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- This presentation may contain certain unaudited financial information in relation to MotorCycle Holdings Limited (MTO). As such, it has not been subject to an audit or an audit process or otherwise independently verified.
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# Results Highlights



- 1** Record half year profit of \$5.56 million, up 27.3% on Dec 2015 pro forma
- 2** 17.5% growth in total motorcycle unit sales exceeds market growth rate
- 3** Record sales revenues of \$120.7 million, up 14.9%
- 4** Interim dividend of 7.5 cents per share declared
- 5** All growth for the half through existing network
- 6** Two acquisitions announced for the last quarter of FY17

# Market leader in motorcycle retailing



1

Australia's largest motorcycle dealership operator with 28 year history, 34 franchises across 24 dealerships

2

Proven business model with strong OEM relationships and diversified revenue streams

3

Substantial growth opportunities through organic initiatives and acquisitions

4

Experienced senior management led by CEO and 22% shareholder David Ahmet.

5

Consistent earnings growth and operating cash flow and conservative gearing

6

Centralised business process with head office driving dealership performance

MTO share price has doubled since ASX listing in April 2016

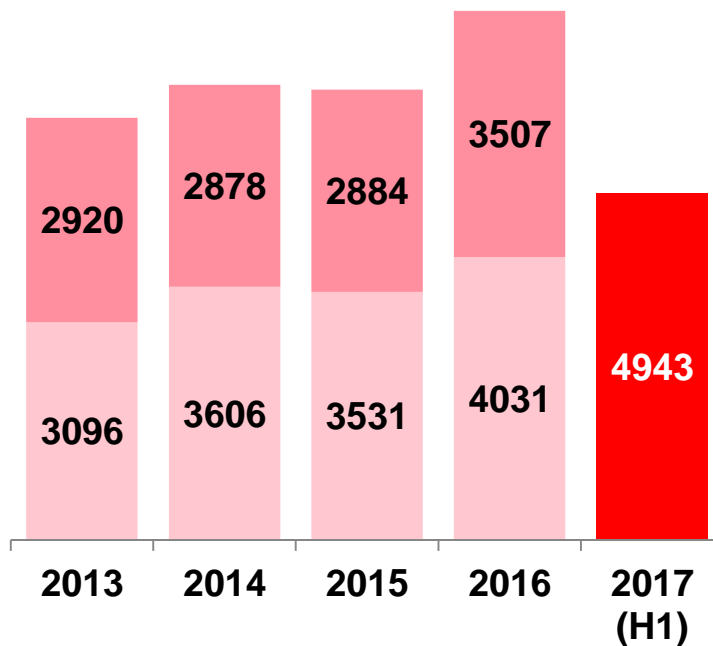


# Record half year sales

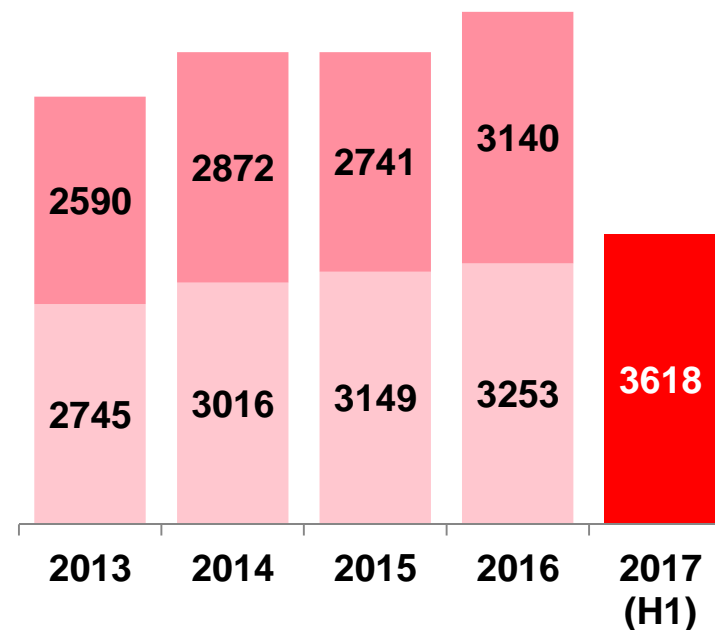
(Unit sales)



**H1 New Motorcycles units  
up 23%**



**H1 Used Motorcycles units  
up 11%**

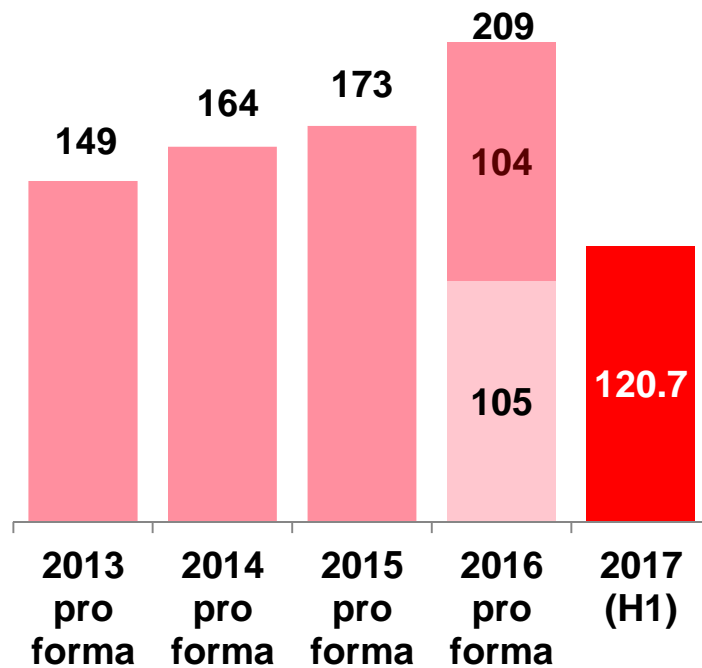


# Record revenue and Net profit

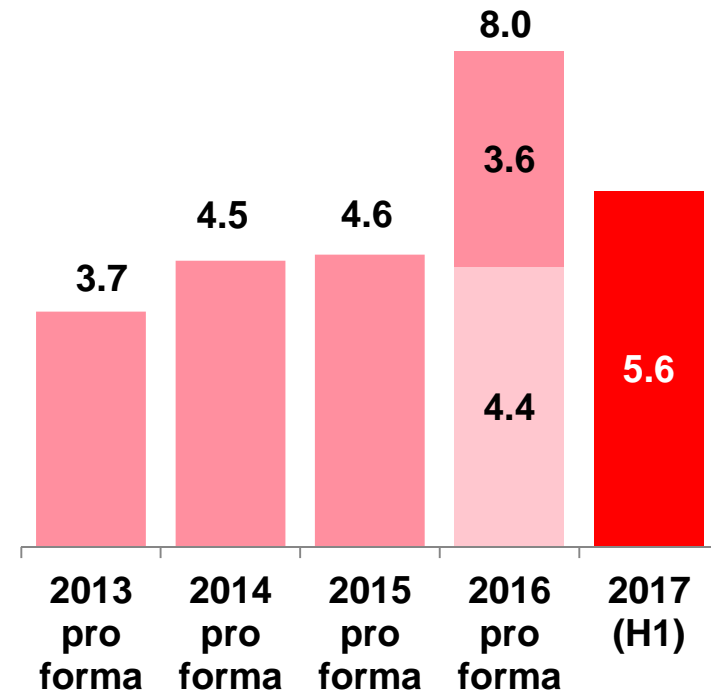


(\$million)\*

H1 Group Revenue up 15%



H1 Group NPAT up 27%

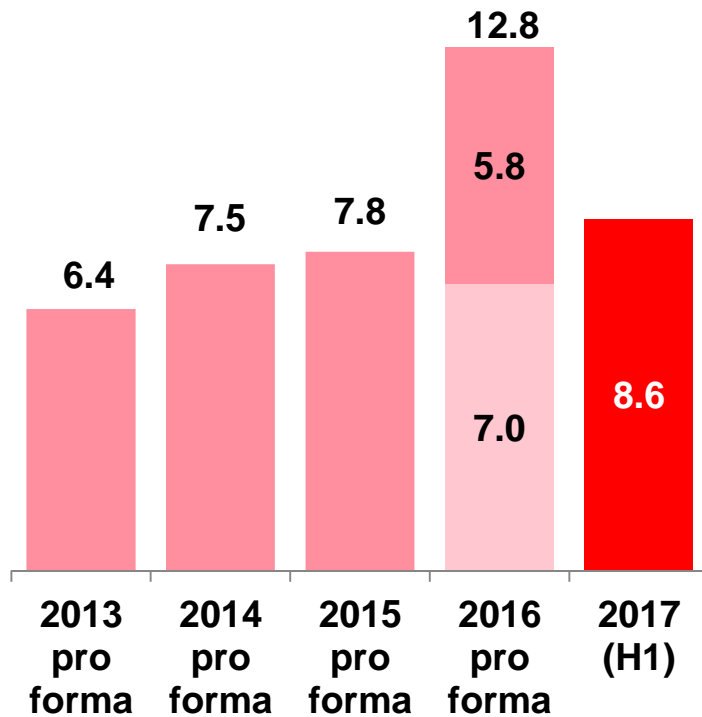


\*2017 numbers are actual statutory. Prior years are pro forma.

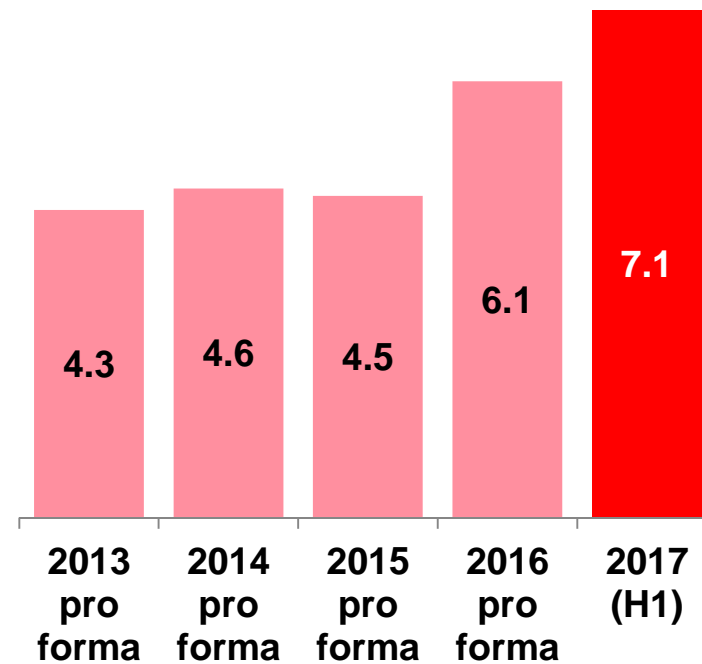
# Record EBITDA and Margin



**H1 EBITDA up 22%  
(\$million)**



**EBITDA Margin at record  
(%)**



\*2017 numbers are actual statutory. Prior years are pro-forma.

# Pro forma results - half by half <sup>1</sup>



\$m	Notes	Dec 15 Pro Forma	Jun 16 Pro Forma	Dec 16 Statutory	% Change Dec 16 vs Dec 15
<b>Revenue</b>	<b>2</b>	<b>105.0</b>	<b>104.3</b>	<b>120.7</b>	<b>14.9%</b>
<b>Cost of sales</b>		(77.1)	(77.7)	(88.4)	14.7%
<b>Gross Profit</b>		<b>27.9</b>	<b>26.6</b>	<b>32.3</b>	<b>15.8%</b>
<b>GP %</b>		<b>26.6%</b>	<b>25.5%</b>	<b>26.8%</b>	
<b>Employee benefits expense</b>		(15.1)	(14.5)	(17.4)	15.2%
<b>Occupancy expenses</b>		(2.6)	(2.6)	(2.8)	7.7%
<b>Other expenses</b>		(3.0)	(3.5)	(3.4)	13.3%
<b>Bailment interest</b>		(0.2)	(0.2)	(0.1)	(50.0)%
<b>Operating expenses</b>		<b>(20.9)</b>	<b>(20.8)</b>	<b>(23.7)</b>	<b>13.4%</b>
<b>EBITDA</b>		<b>7.0</b>	<b>5.8</b>	<b>8.6</b>	<b>22.9%</b>
<b>EBITDA %</b>		<b>6.7%</b>	<b>5.6%</b>	<b>7.1%</b>	
<b>Depreciation and amortisation</b>		(0.4)	(0.4)	(0.4)	0%
<b>EBIT</b>		<b>6.6</b>	<b>5.4</b>	<b>8.2</b>	<b>24.2%</b>
<b>Net interest (excluding bailment finance facilities)</b>		(0.2)	(0.3)	(0.2)	0%
<b>Profit Before Tax</b>		<b>6.4</b>	<b>5.1</b>	<b>8.0</b>	<b>25.0%</b>
<b>Tax expense</b>		(2.0)	(1.5)	(2.4)	20.0%
<b>Net Profit After Tax</b>		<b>4.4</b>	<b>3.6</b>	<b>5.6</b>	<b>27.3%</b>

1. Proforma numbers were published in the prospectus and the 2016 annual report.
2. Prospectus revenue numbers were restated in an ASX announcement released on 4 August 2016.



# All divisions performing well



## New Motorcycles



- Revenue up 22%
- Gross profit up 15%



## Used Motorcycles



- Revenue up 8%
- Gross profit up 8%



## Accessories and parts



- Revenue up 8%
- Gross profit up 15%



## Servicing and repair



- Revenue up 10%
- Gross profit up 22%



## Finance, insurance and warranty



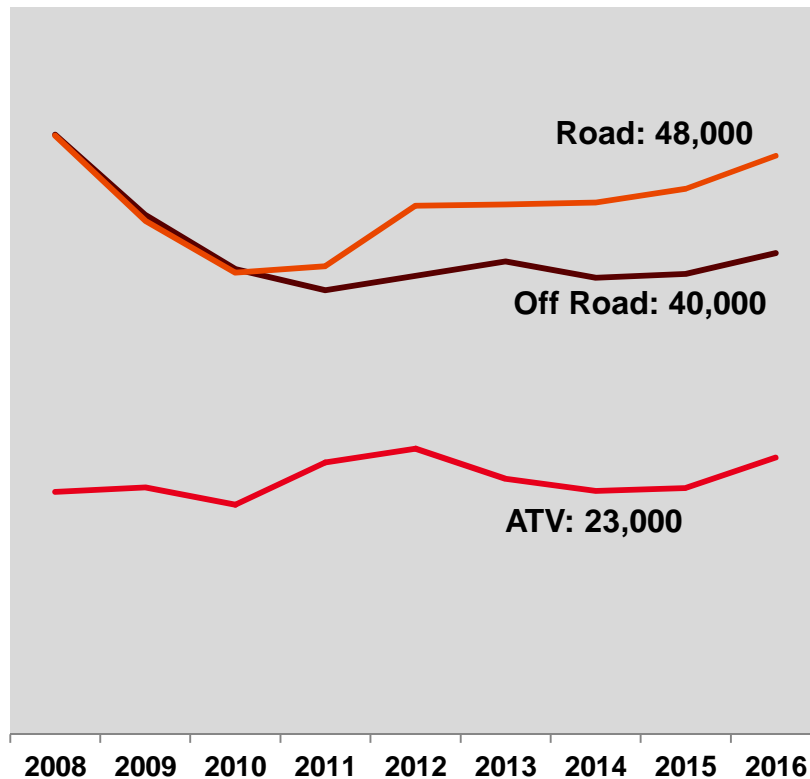
- Income up 21%



# Industry conditions best since 2008-9

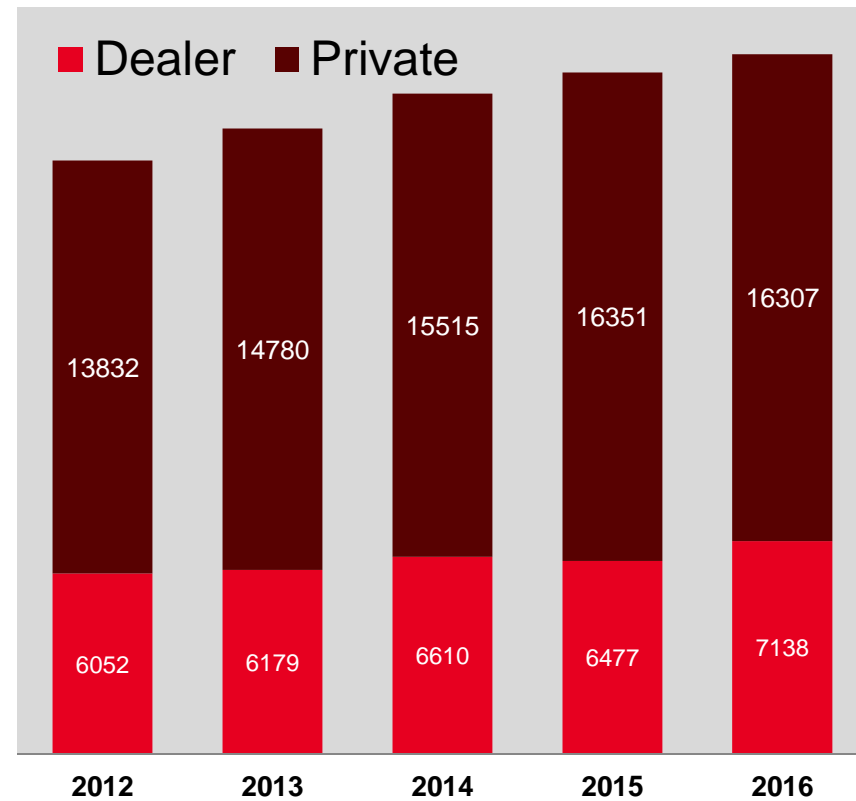


**New motorcycle sales by type (2004-15)\***  
Thousands of motorcycles



\*New motorcycle sales includes registered and un-registered

**Qld Used Bike sales, Dealer to Dealer and Dealer to Private**



QLD used motorcycles registered

# Two dealership acquisitions announced



- Evolution Motorcycles, Epping, provides first expansion into Victoria
- Action Motorcycles Nerang cements leading position in growing Gold Coast market
- Confirms MotorCycle Holdings position as Australia's #1 motorcycle dealership operator
- Acquisitions funded from cash reserves
- To settle in current financial year



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# Outlook



- Trading conditions buoyant. Outlook remains positive
- Dealership acquisitions to drive additional growth in second half
- Continued growth available in existing network
- Expect to see continued earnings growth

