

ASX Announcement
(ASX: MTO)



6 October 2020

Morgans conference presentation

MotorCycle Holdings Limited (ASX:MTO) is pleased to provide shareholders with the presentation to be given at the Morgans Conference in Brisbane on 6 October 2020.

The presentation will be given by Mr David Ahmet, Managing Director.

-ENDS-

This announcement was authorised for release by Mr David Ahmet, Managing Director.

For further information please contact:

Mr David Ahmet
Managing Director
MotorCycle Holdings Limited
Phone: 0403 333 048

Motorcycle Holdings Limited

FY2021 trading update

MotorCycle
Holdings



Disclaimer and important information

- ▶ 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.
- ▶ This presentation may contain certain forward looking statements. Such statements are inherently subject to uncertainties in that they may be affected by a variety of known and unknown risks, variables and other factors which could cause actual values or results, performance or achievements to differ materially from anticipated results, implied values, performance or achievements expressed, projected or implied in the statements. MTO gives no assurance that the anticipated results, performance or achievements expressed or implied in those forward-looking statements will be achieved.
- ▶ Neither the company nor any of its Directors or any other party associated with the preparation of this Presentation guarantee that any specific objective of the company will be achieved or that any particular performance of the company or of its shares will be achieved.
- ▶ The information in this presentation does not take into account the objectives, financial situation or particular needs of any person. Nothing contained in this presentation constitutes investment, legal, tax or other advice.
- ▶ This presentation includes non-IFRS information such as Underlying EBITDA which MotorCycle Holdings considers useful for users of this presentation as these measures reflect the underlying performance of the business. Non-IFRS information has not been subject to audit or review in accordance with Australian Auditing Standards.

Agenda

1>

Current trading

2>

Victoria trading

3>

Debt reduction

4>

FY2021 outlook





**Current
trading**

MotorCycle
Holdings



Current trading

1>

- ▶ Industry-wide units increased 57% in July, and 23% in August - road bike unit sales not as strong

2>

- ▶ Used bike demand has been strong, but sales limited by stock availability

3>

- ▶ Increased margins on new and used bikes due to limited supply of stock

4>

- ▶ Cassons sales increased 20% on FY20. Retail accessories increased a similar amount

5>

- ▶ Overheads remain tightly controlled – however commissions increased due to higher profits

6>

- ▶ Motorcycle Finance joint venture performing in line with budget

2>

**Victoria
trading**

MotorCycle
Holdings



Victoria trading

1>

- ▶ Six Victorian stores were unable to open - sales have continued by phone and internet with contactless delivery

2>

- ▶ Initial fears normal monthly sales of \$6 million would be 100% lost (\$9 million over a 6-week expected shutdown)

3>

- ▶ Sales maintained at 50% of normal trading level

4>

- ▶ Expectations of pent-up demand when stores reopen

5>

- ▶ JobKeeper payments have reduced potential lost revenue in Victoria - Motorcycle Holdings ineligible for further payments

3>

**Debt
reduction**

MotorCycle
Holdings



Debt reduction

1>

- ▶ Fully drawn facility of \$48 million as at 30 June, offset by \$39 million of cash

2>

- ▶ Subsequently reduced debt by \$20 million

3>

- ▶ Paid \$3 million dividend

4>

- ▶ Paid out bailment on all bikes incurring interest - \$5 million total

5>

- ▶ Commenced discussions to repay remaining bank debt, and maintain a facility of \$20 million

6>

- ▶ Net debt to remain under \$10 million as used bike and accessory stock is replenished over the year

4>

Growth and Outlook



Growth

1>

- ▶ MCA accessory warehouses to be added within 2 dealerships in Melbourne, at Epping and Frankston, using existing space

2>

- ▶ Buoyant industry conditions limit dealership acquisition opportunities at present

3>

- ▶ Will be ready to acquire dealerships in 2021 as they become available

Outlook

1>

- ▶ Interest in motorcycles has ramped up since COVID-19 and continues to be above FY20 levels

2>

- ▶ JobKeeper ended in September, but will offset wages of \$6 million in the first half

3>

- ▶ First half underlying EBITDA expected to exceed \$20 million

4>

- ▶ Zero net debt, and bailment interest almost eliminated

5>

- ▶ Dividends likely to recommence, with policy at 50% to 70% of NPAT

6>

- ▶ Second half of FY21 remains uncertain due to the external environment

Motorcycle Holdings Limited

Thank you

MotorCycle
Holdings

