

FY23 Result

MTO DELIVERS STRONG PERFORMANCE IN CHALLENGING CONDITIONS

MotorCycle Holdings Limited (ASX:MTO) today announced its financial result for the full year ended 30 June 2023, delivering a solid result with growth on the prior year, despite more challenging market conditions.

KEY HIGHLIGHTS INCLUDED:

- Revenue increased 25% to \$580.2 million (FY22 \$462.6 million) on a reported basis with contribution from recent acquisitions and decreased 1% on a like for like (LFL¹) basis.
- Gross profit increased 17% to \$154.6 million (FY22 \$132.4 million).
- Gross margin at 27% (FY22 29%).
- Underlying EBITDA increased 13% to \$55.3 million (FY22 \$49.1 million).
- Net profit after tax remained flat at \$23.0 million (FY22 \$23.1 million).
- Successful integration of the Mojo Group acquisition which has performed ahead of management expectations.
- Final dividend of 12 cents per share, fully franked.

Managing Director David Ahmet said: "I am pleased to report a solid FY23 performance in a challenging macro environment which reflects the strength of our business model and consolidates our market leading position.

"Our strategically aligned acquisition of Mojo Group contributed further accretive growth and this delivered an eight month contribution to the full year result.

"The growth of the business and the strength of market share gains show that we are achieving what we set out to.

"The Mojo acquisition further demonstrates the continued success of the Group's disciplined acquisition strategy to enhance shareholder returns," Mr Ahmet said.

Dividend and capital position

Reflecting the strength of the FY23 result, the Board has declared a final dividend of 12 cents per share (20 cents for the full year), in line with 20 cents per share in the prior year.

Cash at hand as at 30 June 2023 was \$25 million with bank debt of \$50 million, leaving net debt of \$25 million.

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

ASX Announcement (ASX: MTO)



Financial Result Summary

The table below summarises the financial results for the 12 months ending 30 June 2023 (FY23) and the corresponding 12 months ending 30 June 2022 (FY22).

Overview of Results (\$'000)	FY23	FY22	Reported Change %	Like-for-like (LFL) Change %
Total income	580,238	462,572	25%	(1%)
Gross profit	154,575	132,383	17%	(5%)
Gross profit margin (%)	27%	29%	(2%)	(2%)
Underlying EBITDA**	55,285	49,134	13%	(25%)
Underlying EBITDA margin (%)	10%	11%	(1%)	(3%)
Depreciation and interest on ROU assets	(13,870)	(12,131)	14%	10%
Acquisition expenses	(1,516)	(276)	449%	
Depreciation and amortisation	(5,403)	(3,771)	43%	
Net bank interest	(1,926)	(224)	759%	
Net profit before tax	32,570	32,732	0%	
Net profit after tax	23,014	23,115	0%	

*Like-for-Like (LFL) data excludes recent acquisitions: Mojo Group, TeamMoto Townsville, Forbes and Davies, and TeamMoto Wide Bay and CF Moto Springwood from current and PCP figures.

** Underlying EBITDA data is before acquisition expenses and depreciation and interest on ROU assets

The financial performance was impacted by increased business costs due to the larger scale of the business. Overall costs of doing business also increased due to the current inflationary environment.

MTO's management team recognises the importance of focusing on what we can control in the current environment.

The team has responded well to the evolving market conditions and the Group has continued to adopt a proactive and disciplined approach to expense management.

During the period there has been an ongoing focus on operating and cost efficiencies, including rightsizing workforce levels to offset cost inflation pressures.

MTO is committed to the continued diversification of our business, expanding the business's scale and reach in Australia and New Zealand, and investing in resilient markets to strengthen our industry leading position.

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Market conditions

While the Federal Chamber of Automotive Industries (FCAI) industry data for the full year indicated a 17% industry decline, MTO significantly outperformed the industry with just a 2% decline in new motorcycle unit retail sales.

New motorcycle unit retail sales declined 2% to 13,751 and used motorcycle unit sales declined 3% to 10,024 during the period.

The Group showed the ongoing strength of its business model increasing its market share from approximately 12% in FY22 to approximately 14% in FY23.

Given these factors, the strategic acquisition of Mojo has provided increased business resilience through increased exposure to the agricultural industry via the ATV segment at a time when discretionary spending on motorcycles is more subdued.

Several ATV manufacturers announced their withdrawal from the Australian market due to new standards applied by the Australian Government in October 2019. However, Mojo remained committed to supplying ATVs into the market.

MTO continues to work with its OEM partners to increase its product range aligned with market demand.

During the period MTO launched a standalone Mojo products greenfield site at Springwood in Queensland and also introduced Mojo products into three existing dealerships at Ipswich and Townsville in Queensland and Keilor in Victoria.

As part of the growth strategy, MTO has also leased a new warehouse in Auckland NZ and is looking forward to increased penetration into that market from early 2024 calendar year.

MTO is also committed to supporting the transition to a sustainable future and continues to position itself to ensure it has electric vehicle capabilities as customer demand increases. The Company continues to work with our OEM partners in relation to these developments.

Well positioned for growth

As at 30 June 2023, MotorCycle Holdings' net debt position of \$25 million provides the Group with the capacity in its capital structure to support future growth plans. MTO will continue to consider appropriate greenfield and acquisition opportunities.

Outlook – strong strategy execution in challenging conditions

Mr Ahmet said MotorCycle Holdings was deeply committed to its strategy and would continue to execute it and expected the strong performance to continue. External challenges are expected to persist, and MTO will continue working hard to mitigate the impact of these on the business.

MTO's financial performance will also be boosted by the full year impact of revenue from Mojo Group.

The opening of a standalone Mojo products greenfield site in Springwood and the introduction of Mojo products into our existing dealerships, and the expansion of the brand in New Zealand will support growth through FY24.

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We continue to manage costs closely, driving productivity improvements across the business, despite the current inflationary pressures.

We are focused on strengthening our market position in Australia and New Zealand with ongoing penetration opportunities despite slower consumer demand.

Full year results presentation

MotorCycle Holdings invites investors to participate, via teleconference, in a full year results presentation by Managing Director David Ahmet and Chief Financial Officer Bob Donovan at 9:00am AEST, 30 Aug 2023.

Full details of the conference call:

Date: 30 Aug 2023

Start Time: 9:00am AEST

Dial In Details: Investors can register for the call at:

<https://register.vevent.com/register/BI730e3cea63e7494fbe6d174afe9c68e5>

Dial in details and instructions will be in the confirmation email the participant will receive upon registering.

The presentation is available for download from the ASX announcements platform and the company's website www.mcholdings.com.au

This announcement was authorised for release by MotorCycle Holdings' Board of Directors.

For further information please contact:

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