

# ASX ANNOUNCEMENT

(ASX: MTO)



26 FEBRUARY 2025

## Strong half-year result highlights growth and positive sentiment

**MotorCycle Holdings Limited (ASX:MTO) (the 'Company') announces its financial results for the half year ended 31 December 2024 (1H25), delivering a positive result.**

Key highlights include:

- Sales revenue increased 12% to \$328 million (1H24 \$293.4 million) on a reported basis, driven by increases in both new and used retail vehicle sales of 11%, and growth of 17% across the wholesale distribution businesses.
- Operating gross profit increased 10% to \$82.8 million (1H24 \$75.2 million).
- Reduction of 5% in inventory (\$7.8 million) since 30 June 2024.
- Underlying EBITDA increased 20% to \$26.2 million (1H24 \$21.8 million).
- Net profit after tax increased 43% to \$9.4 million (1H24 \$6.6 million).
- Return on sales increased 19% from 4.2% to 5%.
- Net bank debt reduced by 36% to \$24.2 million (30 June 2024 \$37.9 million).
- Interim dividend of 8 cents per share, fully franked (1H24 3 cents per share, fully franked).

Chief Executive Officer, Matthew Wiesner said, "I am pleased to report revenue and profit growth, with an underlying EBITDA increase of 20% and NPAT increase of 43%. This has been driven by business improvement, the completed integration of Mojo's New Zealand operations into Forbes and Davies, and improvements to Cassons' business systems. It speaks to our successful diversification strategy, incremental performance improvements across the network, and improved operational efficiencies.

"Revenue was up across all departments, with new wholesale vehicles up by 21%, and both new and used retail vehicle sales each up 11%. Retail parts and accessories, servicing and repairs, and finance and insurance commissions also reported increases in revenue.

"New retail unit sales saw a 7% increase, with MTO outperforming the Federal Chamber of Automotive Industries' reported 2% rise in new vehicle unit sales."

Mr Wiesner continued: "We're ready to capitalise on emerging opportunities, with a new leadership team bringing energy, focus, and a clear vision for the future. Our strategic priorities are centred on building a robust structure to sustain growth well beyond 2025. MotorCycle Holdings is looking forward to continuing to build momentum and drive further value for shareholders."

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### FINANCIAL RESULTS SUMMARY

The table below summarises the financial results for the 6-months ended 31 December 2024 (1H25) and the corresponding 6-months ended 31 December 2023 (1H24).

OVERVIEW OF RESULTS (\$M)	1H25	1H24	CHANGE	CHANGE %
Sales revenue	328.0	293.4	34.6	
<b>Operating gross profit</b>	<b>82.8</b>	<b>75.2</b>	<b>7.6</b>	<b>10%</b>
Share of income from MCF <sup>1</sup>	0.2	0.4	(0.2)	
Other income	0.4	0.7	(0.3)	
Operating costs	(57.2)	(54.5)	(2.7)	
<b>Underlying EBITDA</b>	<b>26.2</b>	<b>21.8</b>	<b>4.4</b>	<b>20%</b>
Underlying EBITDA margin	8.0%	7.4%	0.6%	
Total interest expense	(2.9)	(2.8)	(0.1)	
Depreciation and amortisation	(9.8)	(9.4)	(0.4)	
Acquisition-related costs	-	(0.1)	0.1	
<b>Net profit before tax</b>	<b>13.5</b>	<b>9.5</b>	<b>4.0</b>	<b>42%</b>
<b>Net profit after tax</b>	<b>9.4</b>	<b>6.6</b>	<b>2.8</b>	<b>43%</b>

### DIVIDEND AND CAPITAL POSITION

The Board has declared an interim dividend of 8 cents per share, fully franked (1H24 3 cents per share, fully franked) payable on 27 March 2025, with a record date of 13 March 2025.

Cash on hand as at 31 December 2024 was \$20.8 million, an increase of \$8.6 million since 30 June 2024. Net bank debt of \$24.2 million decreased by 36% during the half (30 June 2024 \$37.9 million).

### OPERATIONAL REVIEW

Key operational highlights for the period include:

- Continued **outperformance of the market** in new retail vehicles with an increase in market share<sup>2</sup> to 15.8% (1H24 15.0%) and 10% growth in retail used vehicle unit sales.
- The introduction of new **CFMOTO motorcycle models** has outperformed expectations.

<sup>1</sup>MotorCycle Finance Pty Ltd; the Company's finance joint venture.

<sup>2</sup>Share of new motorcycles and off-highway vehicles (OHV) as reported by the Federal Chamber of Automotive Industries.

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- Successful market introduction of **new electric motorcycle brand** by Mojo.
- New **Cassons business systems** have driven greater business efficiencies.
- **Reduction in inventory levels**, reflecting improved operational efficiency and capital management.
- **Net bank debt reduction**, reinforcing the Company's commitment to strengthening its balance sheet.
- **eCommerce sales growth of 44%**, with a significant increase in digital engagement driving higher revenues.

### RESULTS OVERVIEW

The early indicators of market recovery observed late in 2H24 have continued through 1H25.

The following table summarises the topline trading performance for the period.

SALES REVENUE (\$M)	1H25	1H24	CHANGE	CHANGE %
Retail front-end sales <sup>3</sup>	183.4	165.3	18.1	11%
Retail fixed operations <sup>4</sup>	53.6	50.4	3.2	6%
Wholesale distribution	91.0	77.7	13.3	17%
<b>Total sales revenue</b>	<b>328.0</b>	<b>293.4</b>	<b>34.6</b>	<b>12%</b>

Key divisional highlights include:

- Both new and used retail vehicle revenue increased 11% respectively.
- Robust performance across our wholesale distribution businesses, with electric vehicle sales growth, and solid gains in total vehicle and accessory sales of 21% and 9% respectively.
- Increase in underlying EBITDA margin by 60 basis points driven by business improvements and cost control.
- Return on sales of 5% up from 4.2% in 1H24.
- Successfully increased our return on equity (ROE) from 7.1% to 8.3%<sup>5</sup>.

### OUTLOOK

MotorCycle Holdings is cautiously optimistic about a positive result for the second half of FY25:

- Maintain emphasis on cost management through a structured expense reduction strategy.
- Consolidation of business systems and enhancement of digital capabilities to optimise efficiencies.
- More favourable agricultural conditions are expected to positively impact OHV sales.
- Wholesale distribution faces margin risk due to currency rate decline between AUD and USD.
- Further repayment of debt and continued dividend payments to shareholders.

<sup>3</sup> Front end sales are comprised of retail new and used vehicle sales and finance and insurance commissions.

<sup>4</sup> Retail fixed operations is comprised of retail parts and accessories and servicing and repair.

<sup>5</sup> 7.1% for the 12-months ended 30 June 2024; 8.3% for the 12-months ended 31 December 2024.

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- Increasing stock turnover to reduce inventory and provide a better return on capital.
- Targeting further growth in used vehicles, increased ratio of used to new unit sales.
- Continued efforts to maintain margins through planned improvements in operational efficiencies.
- Ambitious growth targets in eCommerce with an improved digital focus.
- Evaluate potential business acquisition opportunities as they emerge.

### RESULTS WEBCAST

A live webcast to present the results hosted by Chief Executive Officer Mathew Wiesner, Chief Financial Officer Nicole Spink, and Chief Operating Officer Michael Poynton, will commence at **11:00am AEST** (Brisbane time) on **Thursday 27 February 2025**.

The webcast can be viewed at <https://edge.media-server.com/mmc/p/ntky2rqn>.

Analysts and investors who would like to **ask questions during the Q&A** should register using the link below:

<https://register.vevent.com/register/BI8afe0d7cddb749ad99a7c70b70a2d29b>

1. Click on the call link and complete the online registration form.
2. Upon registering you will receive the dial-in info and a unique PIN to join the call as well as an email confirmation with the details.
3. Select a method for joining the call:
  - a. **Dial-In:** A dial in number and unique PIN are displayed to connect directly from your phone.
  - b. **Call Me:** Enter your phone number and click “Call Me” for an immediate callback from the system. The call will come from a US number.

### ENDS

This announcement was authorized for release by the Board of MotorCycle Holdings Limited.

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