

INTERIM FINANCIAL REPORT

31 DECEMBER 2024

MOTORCYCLE HOLDINGS LIMITED

68 Moss Street
Slacks Creek QLD 4127

www.mcholdings.com.au

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HALF-YEAR REPORT FOR THE 6 MONTHS ENDED 31 DECEMBER 2024

APPENDIX 4D

PREVIOUS CORRESPONDING PERIOD: 6 MONTHS ENDED 31 DECEMBER 2023

RESULTS FOR ANNOUNCEMENT TO THE MARKET

		CHANGE	TO \$'000
Comparison to previous corresponding period			
Revenue from ordinary activities	Up	12%	327,980
Profit from ordinary activities after tax attributable to members	Up	43%	9,449
Net profit for the period attributable to members	Up	67%	10,312

DIVIDENDS

		AMOUNT CENTS	FRANKED AMOUNT CENTS
Interim dividend per security		8.0	8.0
Record date for determining entitlement to the dividend			13 Mar 25
Date the interim dividend is payable			27 Mar 25

		31 DEC 2024 CENTS	31 DEC 2023 CENTS
NET TANGIBLE ASSETS			

Net tangible assets per security		27.2	5.6
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ADDITIONAL DISCLOSURES

Additional appendix 4D disclosure requirements and commentary on significant features of operating performance, results of segments, trends in performance, and other factors which have affected the results for the period are contained in the 2025 Interim Financial Report and accompanying results announcement and 2025 interim results presentation.

This document should be read in conjunction with the 2025 Interim Financial Report and accompanying results announcement and 2025 interim results presentation.

This report is based on the consolidated interim financial statements contained in the 2025 Interim Financial Report, which has been reviewed by KPMG.

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DIRECTORS' REPORT

The Directors present their report together with the consolidated interim financial statements of MotorCycle Holdings Limited (the **Company**) and its controlled entities (the **Group**) for the 6 months ended 31 December 2024 (the **Interim Period**) and the auditor's report thereon.

DIRECTORS

The Directors of the Company at any time during or since the end of the Interim Period are:

Rick Dennis Chair	Appointed 1 September 2016 (Non-Executive Director) Appointed 23 December 2022 (Chair)
David Ahmet Non-Executive Director	Appointed 2 December 2024 (Non-Executive Director) Appointed 30 June 2011 (Managing Director) Retired 2 December 2024
Peter Henley Non-Executive Director	Appointed 1 March 2017
Rob Cassen Non-Executive Director	Appointed 22 December 2018 (Non-Executive Director) Appointed 31 October 2017 (Executive Director) Retired 21 December 2018
Katie McNamara Non-Executive Director	Appointed 1 November 2022 Retired 12 July 2024
Martin Ward Non-Executive Director	Appointed 1 November 2022
Michael Poynton Executive Director	Appointed 16 November 2022

REVIEW OF OPERATIONS

Sales revenue from ordinary activities for the Interim Period increased 12% in comparison to the 6 months ended 31 December 2023 (**PCP**) to \$327,980,000 (PCP: \$293,421,000).

Underlying earnings before interest, tax, depreciation, and amortisation (**Underlying EBITDA**) increased 20% to \$26,248,000 (PCP: \$21,827,000) and net profit after tax (**NPAT**) increased 43% to \$9,449,000 (PCP: \$6,585,000).

Basic earnings per share increased 44% from 8.9 cents to 12.8 cents per ordinary share. The Underlying EBITDA margin was 8.0% for the period (PCP: 7.4%).

Bank debt of \$45,000,000 is offset by \$20,770,000 cash at bank equalling net bank debt of \$24,230,000 – a reduction of 36% during the 6-month period.

New vehicle retail unit sales increased 7% to 8,152 units (PCP: 7,652 units) and used vehicle retail unit sales increased 10% to 5,533 units (PCP: 5,039 units).

Retail parts and accessories revenue increased by 7%, finance, insurance and mechanical protection commission revenue increased by 8%, and servicing and repair revenue increased 9%.

Wholesale vehicle external sales increased 21%, and external wholesale accessories sales revenue increased 9%.

Our finance joint venture delivered \$192,000 NPAT for the half-year, a decrease of 54% from the PCP (PCP: \$418,000).

MATERIAL BUSINESS RISKS

There are a number of material business risks of a general and specific nature which may adversely affect the future operating and financial performance of the Group. These risks include:

SUPPLY CONSTRAINTS

The Group is reliant on manufacturers and distributors for the supply of inventory for sale. Circumstances may arise where the availability of inventory is restricted (for example, because of shipping disruptions) or at manufacturer or distributor discretion. If the Group is not able to meet demand for products due to interruption of supply from manufacturers or distributors, financial performance may be adversely affected.

KEY SUPPLIERS

A significant component of the value of the Group resides in the arrangements with key suppliers, some of which are in overseas jurisdictions. Orders placed with key suppliers are not binding unless and until accepted by the suppliers. Accordingly, this exposes the Group to the risk that suppliers may withdraw or limit supply. If this risk materialised, this would result in loss of earnings and a deterioration in profits. It may also be difficult for the Group to enforce contractual rights in either Australia or overseas jurisdictions against suppliers.

ACCESS TO CAPITAL

The Group has experienced significant growth and is reliant on cash to support this growth. If future cash flow is not sufficient to support continued growth, financial performance may be negatively affected.

REGULATORY COMPLIANCE

The Group is an importer and distributor of vehicles and other goods and is responsible for ensuring the products it imports and distributes comply with Australian regulations, including mandatory safety standards. The Group is considered a 'manufacturer' of the products it imports and distributes and may be strictly liable to consumers for injury to persons or property damage suffered because of defective goods, directly liable to customers for breaches of certain statutory guarantees and may face penalties for non-compliance.

KEY EMPLOYEES

The Group's success is dependent to a significant degree upon the efforts of key members of management. The Group relies on a high-quality management team with significant experience in the motorcycle industry. The loss of the services key members of management of the Group, or the failure to attract additional key individuals to key management roles, could have a material adverse effect on operations, including its relationships with manufacturers and distributors.

During the period there was a successful transition in the role of the Chief Executive Officer and Group appointed a Chief Operating Officer, demonstrating the effectiveness of the Group's risk management strategies through succession planning.

FOREIGN EXCHANGE

As an importer of goods, the Group is exposed to the risk that its financial performance or position will be affected by fluctuations in currencies.

GEOPOLITICAL RISKS

The imposition of tariffs by the Trump administration poses an unknown risk, potentially leading to increased costs for goods the Group imports and impacting the Group's profitability.

RETAIL AND GENERAL ECONOMIC CONDITIONS IN AUSTRALIA

As the products sold by the Group are discretionary items for many customers, the Group is particularly exposed to a deterioration in general economic and business conditions, including levels of consumer spending, inflation, interest rates and exchange rates, access to consumer credit, government fiscal, monetary and regulatory policies, and oil prices. A prolonged deterioration in general economic and business conditions could be expected to have an adverse impact on the Group's financial performance.

CYBER RISK

The Group is exposed to cyber risk including data breaches and theft of customer data. A data breach could result in significant reputational damage for the Group, disruption of operations impeding financial performance, and exposure to substantial expense for damage mitigation and restoration of business information systems.

CHANGE IN CONSUMER TRENDS

Through its retail motorcycle dealerships, the Group sells motorcycles with internal combustion engines. If consumer preferences shift towards electric vehicles (EVs) the demand for motorcycles with internal combustion engines may decline. This could lead to reduced sales and revenue, if the Group did not revise its product mix towards EVs.

UNDERLYING EARNINGS BEFORE INTEREST, TAX, DEPRECIATION, AND AMORTISATION (UNDERLYING EBITDA)

The Company has presented the performance measure Underlying EBITDA because it monitors performance at a consolidated level and believes that this measure is relevant to understanding the Group's financial performance.

Underlying EBITDA is not a defined performance measure in IFRS Standards. The Group's definition of Underlying EBITDA may not be comparable with similarly titled performance measures and disclosures by other entities and has not been subject to audit or review.

	31 DEC 2024 \$'000	31 DEC 2023 \$'000
Statutory profit for the period	9,449	6,585
Income tax expense	4,065	3,001
Statutory profit before tax	13,514	9,586
Adjustments for:		
Net interest costs (excluding bailment costs)	2,874	2,756
Depreciation	7,827	7,376
Amortisation	2,033	2,033
Acquisition expenses	-	75
Underlying EBITDA	26,248	21,827

DIVIDENDS

A fully franked final dividend of 7 cents per share was paid on 04 October 2024 (PCP: 12 cents per share paid on 28 September 2023).

A fully franked interim dividend of 8 cents per share was declared on 26 February 2025, payable on 27 March 2025 with a record date of 13 March 2025.

SUBSEQUENT EVENTS

There have not been any matters or circumstances occurring subsequent to the end of the period that have significantly affected, or may significantly affect, the operations of the Group or the state of affairs of the Group in future periods.

LEAD AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration is set out on page 4 and forms part of the Directors' report for the 6 months ended 31 December 2024.

ROUNDING OFF

The Company is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and in accordance with that instrument, amounts in the consolidated interim financial statements and Directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the Directors:



Rick Dennis
Board Chair
26 February 2025



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of MotorCycle Holdings Limited

I declare that, to the best of my knowledge and belief, in relation to the review of MotorCycle Holdings Limited for the half-year ended 31 December 2024 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Ben Flaherty
Partner

Brisbane
26 February 2025

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CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE 6 MONTHS ENDED 31 DECEMBER 2024

	Notes	31 DEC 2024 \$'000	31 DEC 2023 \$'000
Sales revenue	6	327,980	293,421
Share of profit/(loss) from equity-accounted investee		192	418
Other income	6	408	724
Cost of sales		245,213	218,202
Employee benefits expense		38,509	35,732
Finance costs — net		4,415	5,544
Depreciation and amortisation expense		9,860	9,409
Occupancy cost		2,288	1,944
Other expenses		14,781	14,146
Profit before income tax		13,514	9,586
Income tax expense	7	4,065	3,001
Profit for the period		9,449	6,585
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Equity-accounted investee — share of other comprehensive income		(291)	(518)
Items that are or may be reclassified subsequently to profit or loss			
Foreign operation — foreign currency translation differences		(122)	119
Change in value of foreign currency cash flow hedge		1,276	-
Total comprehensive income for the period attributable to owners of the company		10,312	6,186
		CENTS	CENTS
Earnings per share			
Basic earnings per share		12.8	8.9
Diluted earnings per share		12.8	8.9

The above Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Notes	31 DEC 2024 \$'000	30 JUN 2024 \$'000
ASSETS			
Current assets			
Cash and cash equivalents		20,770	12,141
Trade and other receivables		12,495	11,852
Inventories	8	147,781	155,559
Current tax receivable		-	2,292
Other current assets		6,401	2,969
Total current assets		187,447	184,813
Non-current assets			
Right-of-use assets		42,016	44,323
Property, plant and equipment	9	14,141	13,821
Goodwill and other intangible assets	10	143,695	145,754
Investments accounted for using the equity method		6,049	6,149
Other non-current assets		238	120
Total non-current assets		206,139	210,167
Total assets		393,586	394,980
LIABILITIES			
Current liabilities			
Trade and other payables	11	34,924	30,487
Borrowings		43,413	46,618
Lease liabilities		13,302	13,641
Current tax liabilities		30	-
Provisions		9,536	10,147
Contract liabilities	6	3,241	3,072
Total current liabilities		104,446	103,965
Non-current liabilities			
Borrowings	12	45,000	50,000
Lease liabilities		32,705	34,250
Deferred tax liabilities		252	1,318
Provisions		760	736
Contract liabilities	6	4,903	4,544
Total non-current liabilities		83,620	90,848
Total liabilities		188,066	194,813
Net assets		205,520	200,167
EQUITY			
Contributed equity		151,011	151,011
Share-based payments reserve		455	248
Foreign currency translation reserve		(497)	(375)
Foreign currency hedge reserve		1,276	-
Retained earnings		53,275	49,283
Total equity		205,520	200,167

The above Consolidated Interim Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE 6 MONTHS ENDED 31 DECEMBER 2024

	Notes	ISSUED CAPITAL \$'000	RETAINED EARNINGS \$'000	SHARE-BASED PAYMENTS RESERVE \$'000	FOREIGN CURRENCY TRANSLATION RESERVE \$'000	FOREIGN CURRENCY HEDGE RESERVE \$'000	TOTAL EQUITY \$'000
Balance at 1 July 2023		150,728	46,288	860	(304)	-	197,572
Comprehensive income for the period							
Profit for the period		-	6,585	-	-	-	6,585
Other comprehensive income		-	(518)	-	119	-	(399)
Total comprehensive income for the period		-	6,067	-	119	-	6,186
Transactions with owners in their capacity as owners:							
Dividends paid	13	-	(8,857)	-	-	-	(8,857)
Equity settled share-based payments		-	281	(373)	-	-	(92)
Exercise of performance rights		247	-	-	-	-	247
Total transactions with owners in their capacity as owners		247	(8,576)	(373)	-	-	(8,702)
Balance at 31 December 2023		150,975	43,779	487	(185)	-	195,056
Balance at 1 July 2024		151,011	49,283	248	(375)	-	200,167
Comprehensive income for the period							
Profit for the period		-	9,449	-	-	-	9,449
Other comprehensive income		-	(291)	-	(122)	1,276	863
Total comprehensive income for the period		-	9,158	-	(122)	1,276	10,312
Transactions with owners in their capacity as owners:							
Dividends paid	13	-	(5,166)	-	-	-	(5,166)
Equity settled share-based payments		-	-	207	-	-	207
Total transactions with owners in their capacity as owners		-	(5,166)	207	-	-	(4,959)
Balance at 31 December 2024		151,011	53,275	455	(497)	1,276	205,520

The above Consolidated Interim Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

FOR THE 6 MONTHS ENDED 31 DECEMBER 2024

	Notes	31 DEC 2024 \$'000	31 DEC 2023 \$'000
Cash flows from operating activities			
Receipts from customers, insurance claims and government grants (inclusive of GST)		361,030	324,481
Payments to suppliers and employees (inclusive of GST)		(327,048)	(302,517)
Interests and other costs of finance paid		(4,493)	(5,693)
Income taxes paid		(2,809)	(8,623)
Net cash provided/(used) by operating activities		26,680	7,648
Cash flows from investing activities			
Payment for acquisition of business (net of cash acquired)		-	(9,678)
Payments for property, plant and equipment	9	(1,582)	(1,426)
Proceeds from sale of property, plant and equipment		161	(7)
Net cash provided/(used) from investing activities		(1,421)	(11,111)
Cash flows from financing activities			
Repayment of borrowings		(5,000)	-
Payments of lease liabilities (principal)		(6,299)	(5,949)
Dividends paid	13	(5,166)	(8,857)
Net cash provided/(used) by financing activities		(16,465)	(14,806)
Net increase/(decrease) in cash and cash equivalents		8,794	(18,269)
Cash and cash equivalents at the beginning of the period		12,141	24,734
Effects of exchange rate changes on cash and cash equivalents		(165)	87
Cash and cash equivalents at end of the half-year		20,770	6,552

The above Consolidated Interim Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE 6 MONTHS ENDED 31 DECEMBER 2024

1. Reporting Entity

MotorCycle Holdings Limited (the **Company**) is a publicly listed company domiciled in Australia. These consolidated interim financial statements (the **Interim Financial Statements**) as at and for the 6 months ended 31 December 2024 (the **Interim Period**) comprise the Company and its subsidiaries (together referred to as the **Group**).

The Group is a leading retailer and wholesale distributor of motorcycles, parts, and accessories, with operations in Australia and New Zealand. Our headquarters are in Brisbane, Queensland, Australia. We have retail dealerships and wholesale warehouses in metropolitan and regional locations across Australia's Eastern States, as well as Auckland and Christchurch in New Zealand.

Our retail motorcycle dealerships sell new and used motorcycles, genuine spare parts, accessories and apparel, servicing and repairs, and financing and insurance. They are supported by and contribute to our wholesale distribution operations.

We import a range of motorcycles, ATV, UTVs, scooters (including electric models), spare parts, and motorcycle and bicycle parts, accessories, and apparel. These products are distributed through franchised motorcycle dealerships and through retail bicycle and motorcycle accessory outlets across Australia and New Zealand, including the Group's own retail distribution network.

The consolidated annual financial statements of the Group as at and for the year ended 30 June 2024 are available upon request from the Company's registered office at 68 Moss Street, Slacks Creek, Queensland or online at mcholdings.com.au.

2. Basis of Preparation

These Interim Financial Statements are general purpose financial statements prepared in accordance with AASB 134 *Interim Financial Reporting*, the *Corporations Act 2001*(Cth), and with IAS 34 *Interim Financial Reporting*.

The Interim Financial Statements do not contain the content required for a complete financial report as described in AASB 101 *Presentation of Financial Statements*. Selected explanatory notes are provided to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the Group's last reporting date of 30 June 2024.

These Interim Financial Statements were authorised for issue by the Company's Board of Directors on 26 February 2025.

The Company is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and in accordance with the legislative instrument, amounts in the Interim Financial Statements have been rounded off to the nearest \$1,000 unless otherwise stated.

3. Changes in Material Accounting Policies

Except as described below, the accounting policies applied in the Interim Financial Statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 30 June 2024 (**FY24 Financial Statements**). The changes in accounting policies are also expected to be reflected in the Group's consolidated financial statements as at and for the year ended 30 June 2025 (**FY25 Financial Statements**).

Adoption of Hedge Accounting under AASB 9 *Financial Instruments*

Effective 1 July 2024, the Group has chosen to adopt hedge accounting in accordance with AASB 9 *Financial Instruments*. This change in accounting policy has been applied prospectively from the date of adoption and allows the Group to align the accounting treatment of hedging instruments with the Group's risk management activities.

Cash flow hedges are initially measured at fair value. Subsequent to initial recognition, the effective portion of changes in the fair value of the derivative is recognised in Other Comprehensive Income (**OCI**) and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until it is reclassified to profit or loss in the same period as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve are immediately reclassified to profit or loss.

4. Use of Judgements and Estimates

In preparing these Interim Financial Statements, Management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income, and expense. Actual results may differ from these estimates.

The significant judgements made by Management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2024.

5. Operating Segment Information

The Group operates in two operating and reporting segments being Motorcycle Retailing and Motorcycle and Accessories Wholesaling, identified on the basis of how the consolidated entity is regularly reviewed by the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

	MOTORCYCLE RETAILING 31 DEC 2024 \$'000	MOTORCYCLE AND ACCESSORIES WHOLESALING 31 DEC 2024 \$'000	ELIMINATIONS 31 DEC 2024 \$'000	CONSOLIDATED 31 DEC 2024 \$'000	MOTORCYCLE RETAILING 31 DEC 2023 \$'000	MOTORCYCLE AND ACCESSORIES WHOLESALING 31 DEC 2023 \$'000	ELIMINATIONS 31 DEC 2023 \$'000	CONSOLIDATED 31 DEC 2023 \$'000
Sales to external customers	236,936	91,044	-	327,980	215,763	77,658	-	293,421
Inter-segment sales	-	26,325	(26,325)	-	-	15,810	(15,810)	-
Other Income	408	-	-	408	724	-	-	724
Total revenue and other income	237,344	117,369	(26,325)	328,388	216,487	93,468	(15,810)	294,145
Cost of sales	183,409	61,804	-	245,213	165,774	52,428	-	218,202
Employee benefits expense	30,866	7,022	-	37,888	28,621	6,751	-	35,372
Finance costs	2,508	2,226	-	4,734	2,297	3,247	-	5,544
Depreciation and amortisation expense	6,497	3,363	-	9,860	6,073	3,337	-	9,410
Occupancy expense	1,762	526	-	2,288	1,616	328	-	1,944
Other expenses	7,977	5,656	-	13,633	8,046	5,474	-	13,520
Total operating expenses	233,019	80,597	-	313,616	212,427	71,565	-	283,992
Segment result								
Operating profit before interest and impairment	4,956	11,614	-	16,570	4,404	7,203	-	11,607
External interest expense allocation	(631)	(1,169)	-	(1,800)	(345)	(1,110)	-	(1,455)
Segment profit	4,325	10,445	-	14,770	4,059	6,093	-	10,152
Share of net profit of equity accounted investees	-	-	-	192	-	-	-	418
Unallocated corporate expenses	-	-	-	(1,448)	-	-	-	(984)
Profit before tax	4,325	10,445	-	13,514	4,059	6,093	-	9,586
Income tax expense	-	-	-	(4,065)	-	-	-	(3,001)
Net profit after tax	4,325	10,445	-	9,449	4,059	6,093	-	6,585
Write (down)/back of inventories to net realisable value	(41)	(210)	-	(251)	(213)	(133)	-	(346)

Operating Segment Information

	MOTORCYCLING RETAILING 31 DEC 2024 \$'000	MOTORCYCLE AND ACCESSORIES WHOLESALE 31 DEC 2024 \$'000	ELIMINATIONS 31 DEC 2024 \$'000	CONSOLIDATED 31 DEC 2024 \$'000	MOTORCYCLE RETAILING 30 JUNE 2024 \$'000	MOTORCYCLE AND ACCESSORIES WHOLESALE 30 JUNE 2024 \$'000	ELIMINATIONS 30 JUNE 2024 \$'000	CONSOLIDATED 30 JUNE 2024 \$'000
Assets								
Segment assets	210,993	182,563	-	393,556	210,598	184,382	-	394,980
Liabilities								
Segment liabilities	97,375	90,661	-	188,036	108,987	85,826	-	194,813
Net assets	113,618	91,902	-	205,520	101,611	98,556	-	200,167
Cost to acquire goodwill and other intangible assets	-	-	-	-	2,627	-	-	2,627
Cost to acquire property, plant and equipment	1,356	226	-	1,582	2,533	764	-	3,297

6. Revenue

	MOTORCYCLE RETAILING 31 DEC 2024 \$'000	MOTORCYCLE AND ACCESSORIES WHOLESALE 31 DEC 2024 \$'000	CONSOLIDATED 31 DEC 2024 \$'000	MOTORCYCLE RETAILING 31 DEC 2023 \$'000	MOTORCYCLE AND ACCESSORIES WHOLESALE 31 DEC 2023 \$'000	CONSOLIDATED 31 DEC 2023 \$'000
New motorcycles	107,849	64,764	172,613	97,166	53,452	150,618
Used motorcycles	67,055	-	67,055	60,376	-	60,376
Parts and accessories	43,997	26,280	70,277	41,170	24,206	65,376
Service	9,356	-	9,356	8,565	-	8,565
Finance and Insurance Income	8,427	-	8,427	7,825	-	7,825
Other Revenue	252	-	252	661	-	661
Revenue for contracts with customers	236,936	91,044	327,980	215,763	77,658	293,421
At a point in time	235,008	91,044	326,052	213,866	77,658	291,524
Over time	1,928	-	1,928	1,897	-	1,897
	236,936	91,044	327,980	215,763	77,658	293,421
Other income						
Government Grants		169	169	383	-	383
Proceeds from insurance claim		74	74	128	-	128
Other income		165	165	213	-	213
	408	-	408	724	-	724

10. Intangible Assets and Goodwill

A reconciliation of the carrying amount of goodwill and other intangible assets is set out below:

31 DEC 2024	GOODWILL \$'000	TRADEMARKS \$'000	CUSTOMER LISTS AND CONTRACTS \$'000	OTHER INTANGIBLES \$'000	TOTAL \$'000
Cost					
Balance at beginning of period	142,975	5,603	22,700	15,900	187,178
Effect of movements in exchange rates	(27)	-	-	-	(27)
Balance at end of period	142,948	5,603	22,700	15,900	187,151
Accumulated amortisation and impairment					
Balance at beginning of period	(24,296)	-	(12,962)	(4,165)	(41,423)
Amortisation expense	-	-	(1,383)	(650)	(2,033)
Balance at end of period	(24,296)	-	(14,345)	(4,815)	(43,456)
Carrying amounts					
Balance at beginning of period	118,679	5,603	9,737	11,735	145,754
Balance at end of period	118,652	5,603	8,355	11,085	143,695

Impairment Testing

From 1 July 2024 the Group consolidated its New Zealand operations, which now operate both a motorcycle accessories wholesaling and a motorcycle wholesaling business.

For this reason, it has been deemed appropriate to recognise those operations within a separate CGU for the purposes of allocating goodwill for impairment testing. Goodwill is now allocated to four cash generating units (**CGUS**), being Motorcycle Retailing, Motorcycle Accessories Wholesaling, Motorcycle Wholesaling and New Zealand Wholesaling.

- Goodwill of \$54,861,000 (30 June 2024: \$54,861,000) is allocated to the Motorcycle Retailing CGU.
- Goodwill of \$27,255,000 (30 June 2024: \$29,956,000) is allocated to the Motorcycle Accessories Wholesaling CGU.
- Goodwill of \$32,945,000 (30 June 2024: \$33,862,000) is allocated to the Motorcycle Wholesaling CGU.
- Goodwill of \$3,591,000 (30 June 2024: nil) is allocated to the New Zealand Wholesaling CGU.

An impairment test was performed on 31 December 2024 (**Impairment Test**) by measuring the Carrying Amount against the Recoverable amount for each CGU or group of CGUs. The Recoverable Amount of a CGU is the higher of its value in use (**VIU**) and its fair value less cost of disposal.

The Impairment Test confirms the Recoverable Amount of each CGU exceeds the Carrying Value and there is no impairment. Refer to the 2024 Annual Report for the key assumptions used in the estimate of the Recoverable Amount and reasonably possible changes to those assumptions that could cause the Carrying Amount to exceed the Recoverable Amount.

11. Trade and Other Payables

	31 DEC 2024 \$'000	30 JUNE 2024 \$'000
Trade payables	21,765	19,915
Other payables	13,159	10,572
	34,924	30,487

12. Loans and Borrowings

	31 DEC 2024 \$'000	30 JUNE 2024 \$'000
Opening balance	50,000	50,000
Repayment of loans and borrowings	(5,000)	-
Total long term borrowings	45,000	50,000

13. Dividends Paid and Declared

The following dividends were declared and paid by the Company during the Interim Period:

	31 DEC 2024 \$'000	31 DEC 2023 \$'000
Fully franked final dividend of 7 cents per share paid on 4 October 2024	5,166	-
Fully franked final dividend of 12 cents per share paid on 14 September 2023	-	8,857

After the reporting date, the following dividends were proposed by the Board of Directors. The dividends have not been recognised as liabilities at the end of the reporting period.

	31 DEC 2024 \$'000	31 DEC 2023 \$'000
Fully franked interim dividend of 8 cents per share to be paid on 27 March 2025	5,905	-
Fully franked interim dividend of 3 cents per share to be paid on 27 March 2024	-	2,214

14. Leases with Related Parties

Subsidiaries of the Group have entered into property leases for business premises with David Ahmet, Rob Cassen, and Michael Poynton respectively, including with entities associated with them. The details and aggregate amounts of these transactions are as follows:

- (i) The Group has entered into nine leases for properties that are part owned by David Ahmet, Non-Executive Director, or that are part-owned by an entity controlled by David Ahmet. The terms of these leases were negotiated on commercial arms' length basis in 2011 and contain customary terms and conditions including an initial lease term of 5 years, with options to renew for a further 15 years (comprising 3 options for 5-year periods). The leases are subject to a formal market review at each option renewal (the rent must not be less than the previous rent unless the parties agree otherwise).

The first and second 5-year option terms were exercised in 2016 and 2021, with one 5-year option period remaining. The options were last approved by Shareholders at the 2021 annual general meeting.

In addition to the above, an entity controlled by Mr Ahmet acquired an additional property leased by the Group, and the lease for that property was assigned to the entity controlled by Mr Ahmet on 1 March 2024.

Total payments (excluding GST and outgoings) payable in respect to these properties for the 6 months ended 31 December 2024 or for the period during which the properties were owned by Mr Ahmet or entities controlled by Mr Ahmet were \$875,000 (6 months ended 31 December 2023: \$717,000).

- (ii) The Group has entered into leases in respect to two properties that are owned by entities which act in concert with Rob Cassen, Non-Executive Director. Rob Cassen is 1 of 2 Directors and holds 50% of the shares of each lessor entity. The terms of these leases were negotiated on commercial arms' length bases in July 2011 and July 2013 with each containing customary terms and conditions including initial lease terms of 10 years, with options to renew each lease for a further 10 years. The leases are subject to a formal market review at each option renewal (the rent must not be less than the previous rent unless the parties agree otherwise).

The option to renew the lease terms were both exercised for a further 10 years and the renewals were approved by Shareholders at the 2021 annual general meeting.

Total rental payments (excluding GST and outgoings) payable in respect to these properties for the 6 months ended 31 December 2024 or for the period during which the properties were owned by entities which act in concert with Mr Cassen were \$1,061,000 (6 months ended 31 December 2023: \$1,294,000).

Leases with Related Parties

- (iii) The Group has entered into a lease for a property owned by an entity which acts in concert with Michael Poynton, Executive Director. Mr Poynton is 1 of 2 Directors and holds 50% of the shares of the lessor entity. The terms of this lease were negotiated on commercial arms' length basis in June 2021 including an initial lease term of 5 years, with options to renew for a further 10 years (comprising 2 options for 5-year periods). The lease is subject to a formal market review at each option renewal (the rent must not be less than the previous rent unless the parties agree otherwise).

Total rental payments (excluding GST and outgoings) payable in respect to this property for the 6 months ended 31 December 2024 were \$109,000 (6 months ended 31 December 2023: \$106,000).

15. Subsequent Events

There have not been any matters or circumstances occurring subsequent to the end of the period that have significantly affected, or may significantly affect, the operations of the Group or the state of affairs of the Group in future periods.

DIRECTORS' DECLARATION

In the opinion of the Directors of MotorCycle Holdings Limited (the **Company**)

- (1) the consolidated interim financial statements and notes set out on pages 1 to 16 are in accordance with the *Corporations Act 2001*, including:
 - (a) giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the 6-month period ended on that date; and
 - (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
- (2) there are reasonable grounds to believe that Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.



Rick Dennis
Board Chair

Dated at this 26th day of February 2025.



Independent Auditor's Review Report

To the shareholders of MotorCycle Holdings Limited

Report on the Interim Financial Report

Conclusion

We have reviewed the accompanying **Interim Financial Report** of MotorCycle Holdings Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of MotorCycle Holdings Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 31 December 2024 and of its performance for the Half-Year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Interim Financial Report** comprises:

- Consolidated Interim Statement of Financial Position as at 31 December 2024;
- Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income, Consolidated Interim Statement of Changes in Equity and Consolidated interim Statement of Cash Flows for the Half-Year ended on that date;
- Notes 1 to 15 comprising material accounting policies and other explanatory information;
- The Directors' Declaration.

The **Group** comprises MotorCycle Holdings Limited (the Company) and the entities it controlled at the Half-Year's end or from time to time during the Half-Year.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

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Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

- the preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*; and
- such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the Half-Year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an Interim Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG

KPMG

Ben Flaherty
Partner

Erin Neville-Stanley
Partner

Brisbane
26 February 2025

Brisbane
26 February 2025

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