

ASX Announcement

MotorCycle Holdings Limited (ASX:MTO)

26 November 2025

Chair and CEO Address

2025 Annual General Meeting

Chair's Address

2025 Financial Results

On behalf of the Board of Directors, I am pleased to present the 2025 Financial Results. This has been a year of excellent performance for our company.

The Group delivered a strong set of numbers in 2025. While the broader motorcycle market experienced headwinds, MotorCycle Holdings outperformed industry trends, demonstrating the resilience and strength of our diversified business model.

We delivered record sales revenue of \$650.0 million, representing an 11.6% increase on the prior year. This year-on-year growth was organic with an extra \$67.7 million generated from improved sales discipline and improved inventory management.

Net profit also increased 27.7% to \$18.0 million as a result of our revenue growth but also from our ability to realise efficiencies through the company. Our operational performance has been underpinned by robust growth across all segments.

A 12.8% increase in EBITDA to \$51.0 million is also pleasing.

Inventory held reduced by 4.4%. A signal of an efficient business is improving stock turns and reducing inventory aging, so this reduction is a welcome result.

Our strong cash generation enabled us to simultaneously repay \$10 million of our bank facility and reduce net debt by \$28.9 million. This deliberate deleveraging strengthens the balance sheet for future growth.

This balance sheet strength also allows us to address any unexpected costs. In November, we made a voluntary disclosure in relation to potential duty underpayments. Though the amount due is uncertain, a provision will be made in the half year FY26 accounts for anticipated payments of duty, including applicable interest, and, if any, penalties. We are obviously disappointed in the situation, and we have taken immediate steps to improve our systems and processes to ensure this does not re-occur. We are totally committed to working with the various State Revenue Offices to resolve the underpayments.

Directors were pleased to declare a fully franked final dividend of 5 cents per ordinary share in the second half, bringing the full year dividend to 13 cents per share fully franked. Up from last year's dividend of 10 cents per share, the 2025 dividend reflects our commitment to delivering returns to shareholders while maintaining the financial flexibility to pursue strategic growth opportunities.

Across key metrics that illustrate our financial health, Earnings per Share, Return on Invested Capital and Return on Equity have all increased materially.

This improvement reflects our disciplined approach to capital deployment and management, as well as the strong uplift in net profit for the year. The uplift in these metrics signals a stronger, more resilient company, well-positioned to deliver sustainable returns for our shareholders going forward.

Our Foundation

The reason we have outperformed across all metrics is because of our market positioning. We are the market leader in our category.

Our diversified business model spanning wholesale distribution and retail with new and used vehicles, parts, clothing and accessories, service and finance has enabled us to deliver robust turnover and position us to maintain a strong growth trajectory.

We clearly held the #1 position in new vehicle sales, capturing 16.6% of the market, and remain the leading used vehicle retailer. Our balance sheet is solid, supported by a strong capital base and low gearing, which positions us well for future growth.

2026 will be a pivotal year as we integrate our recent acquisition of Peter Stevens and Harley-Heaven.

My closing statement before handing over to Matthew is to highlight the importance of our team. I thank our leadership team and employees for their dedication in delivering these excellent results. I also extend my appreciation to my fellow Directors for their strategic guidance during this period of significant achievement.

Finally, thank you to all our shareholders for your ongoing support. The company we've built and the team that leads it provide a strong foundation for continued growth and shareholder value.

CEO's Address

Our vision is clear - We are redefining our future of vehicle and accessory retail and distribution in Australasia. This strategic vision will continue to guide us as we grow our business beyond FY25.

Operational Overview

We didn't get here overnight.

We have a growing footprint across Australia and New Zealand with more locations to position our brands as front of mind for consumers.

We are developing an omni-channel sales model, supported by our 55-dealer network, providing multiple touchpoints in each major market, ensuring we remain close to our customers and responsive to their needs, both in person and online.

We have strong retail relationships with high-value leading brands such as Harley Davidson, Yamaha, Honda amongst others and we are the proud distributors of CFMOTO across Australia and New Zealand ensuring we carry the latest products that customers desire.

Our end-to-end model that covers every aspect of the customer journey from sales and finance to aftercare and resale, creates a "sticky" customer base and diversified revenue streams.

These assets we've created ensure we are well placed to perform well. In this Operational Summary, I wanted to make a few callouts:

Firstly, we have started to expand beyond traditional ICE powered motorcycles as we expand further into electric mobility with EV scooters, motorcycles and four-wheeled All Terrain Vehicles and Off Road Vehicles. We have also started retailing the Sea-Doo jetski brand. This diversification reflects our evolution into a comprehensive on and off road vehicle and accessory retailer, positioning us to capture growth across multiple market segments.

Second, the Wholesale side of the business has experienced 25% revenue growth to \$195.6 million. With a 31% increase in vehicle sales and a 10% increase in spare parts and accessories, these are material gains that impacted both top line and bottom line performance.

Lastly, I wanted to mention the significant sales growth in eCommerce. A significant increase in digital engagement is driving higher revenues. However, this represents just the beginning of what we can achieve through comprehensive digital transformation over the next three to four years.

So, a good year and one of great improvement across the board, but we still believe there is much more to do to improve operational efficiencies and performance across the group.

Revenue Growth

Notably we have continued our streak of revenue growth. Total revenue grew by 11.6% to \$650 million in 2025. Retail saw robust sales growing by 7% on last year, and wholesale, as mentioned grew by 25%.

We have experienced revenue growth in each of our business units. New vehicle revenue growth increased by 16% to \$349.9 million, used vehicles by 6.6% to \$128.2 million, and parts and accessories by 8.1% to \$137.3 million illustrating the strength of each of these business units.

It is also notable that wholesale new vehicle revenue grew from \$109.5 million to \$143.8 million, a 31% increase. Mojo and Cassons across Australia as well as Forbes and Davies in New Zealand were all up on the previous year.

Our service and repair, as well as our finance and insurance business units have grown modestly, but we believe with investment into data we can automate and improve the sales process in these two areas.

Gross Profit Contribution Growth

We achieved notable growth in gross profit across all major categories with the greatest amount coming from our Parts and Accessories business unit. Retail gross profit remained robust, with improvements in both new and used vehicle sales. Wholesale gross profit saw a significant increase, reflecting our strong distribution performance.

The growth in gross profit is a direct result of disciplined sales operations, improved inventory management, and a focus on higher-margin segments.

New Vehicle Sales

Our organic volume growth in FY25 was solid. New vehicle retail sales grew by 7.9% to 15,637 units without any additional acquisitions supporting this growth. Both halves outperformed the previous corresponding period ensuring we sold 1,146 units more than in 2024. This result reflects our continued ability to outperform the market. While the broader motorcycle market is flat, we grew our market share to 16.6%, up from 15.5% in 2024.

Used Vehicle Sales

In used vehicles we have record sales with 10,565 units sold in 2025 up 4.4%. Used vehicle sales will continue to be a focus as management sees an opportunity to increase volume here.

As you can see, this last year we have made significant progress across all major areas. As we gain more visibility over the data across the business, we also starting to call out some key ratios that we think will be important to highlight over the coming years. These benchmarks provide markers for improvement as we seek greater efficiencies.

Revenue and Gross Profit per head illustrate our improved productivity and efficiency. As our total headcount remained stable, Revenue per Head increasing by 11.8% and Gross Profit per Head increasing by 9.2% demonstrate there is capacity to scale without significant increases in staffing.

Labour Sales, measured in hours sold, increased by 5% to 199,339 hours. This reflects and increased demand for our service and repair operations, indicating that more customers are choosing us for ongoing maintenance and support.

Net Amount Financed grew to \$96.0 million, and penetration rising slightly to 23%. Higher penetration rates contribute to increased higher margin revenues and help drive overall sales volume.

Return on Sales improved from 2.4% to 2.8%, reflects better profitability. A rising return on sales is a strong indicator of the health of our business.

Together, these key metrics, are additional data points that paint a picture of how our business is performing, but much more progress can be made.

2026 Outlook

Across key metrics that illustrate our financial health, we are focused on driving sustainable growth through a clear set of strategic priorities for 2026. Our outlook is underpinned by disciplined overhead cost management, digital & data transformation, and a continued emphasis on operational process, disciplines, and efficiency. We saw only a few weeks ago regarding the historical stamp duty non-payment issue on added on parts and accessories, what happens when there has been poor operational behaviours and process when left unchecked. It has only emboldened us further to ensure we look for continued improvement in systems and process, invest in developing our people to be better managers and leaders as we strive to chase operational excellence.

We are prioritising operational excellence to ensure we maintain strong margins and optimise our resource allocation in regarding our people, property, and inventory. We have also added procurement capabilities to ensure we are maximising every dollar we invest with our suppliers and service providers.

Digital & Data transformation remains a core focus, with our focus on lowering customer acquisitions costs, improve customer retention and conversion, by improving customer experience, and constantly pursuing operational excellence.

Our core distribution brand partnership with CFMOTO which is now a leading brand in both Australia and New Zealand. Australia is the 3rd largest market globally for CFMOTO behind the USA and Canada in the off-road vehicle space. We perform well above our weight. Our core retail partnership with Harley Davidson of which we are approximately 40 - 50% of their retail sales volume in the Australian market, will continue to be central to our growth strategy.

We are accelerating eCommerce and omni-channel growth, leveraging improved digital capabilities to reach more customers and drive higher revenues.

Optimising our retail property is vital. We have commenced a key focus on understanding and improving our returns per square metre from a gross profit and revenue perspective through establishing more multi branded retail facilities with the top brands. This allows a much improved customer experience that is better presented with a strong management team and staff. This presence will help us maximise returns on capital and support future expansion.

Increasing stock turns is a key operational goal, providing better returns on invested capital and reducing the aged inventory exposure of the past.

We are targeting further growth in used vehicle sales, building on our strong market position and expanding our customer base in conjunction with a new structure in the retail management team with direct focus and ownership on driving retail volumes, improving average gross profit per unit by developing our buying capabilities.

The contributions from Peter Stevens and Harley-Heaven will also play an important role in our growth, adding scale and capability to our network and I will talk more to their progress shortly.

These growth drivers position us well to capture new opportunities, deliver improved financial performance, and create long-term value for our shareholders in the year ahead.

As we are in November, we are also able to share some year-to-date performance numbers for FY2026 compared to the same period in FY2025, these are based on unaudited management accounts. Organic growth from FY2026 year-to-date is tracking ahead of our FY2025 position, demonstrating the continued momentum in our core business. As you can see, the integration of Peter Stevens and Harley-Heaven is starting to bear fruit delivering additional growth.

With the contribution from the acquisition, Revenue has grown by 19.1% over the prior corresponding period, to \$259.6 million. Gross profit has grown by 23.4% to \$68 million.

Market share has also expanded, moving from 15.5% to 17.8% organically, and reaching 22% with Peter Stevens and Harley-Heaven. We were confident that our market share would break 20% after this acquisition and this has already occurred.

All in all, these numbers position us well for continued outperformance for the remainder of the year.

As a reminder, at the end of the financial year we entered into a binding agreement to acquire select business assets of Peter Stevens Motorcycles and Harley-Heaven. Completed after the end of the financial year, this strategic acquisition enhances our national footprint, provides stronger relationships with OEMs, introduces new products and categories.

The strategic acquisition of Peter Stevens Motorcycles and Harley-Heaven assets, positioning us to capture well over 20% of the Australian motorcycle / ATV / ORV market.

The transaction represented a wonderful opportunity to acquire some quality retail assets whilst also retaining the Peter Stevens and Harley Heaven brands, digital IP and management and staff who were vital for the future success of these businesses.

This acquisition has also meant we have expanded our retail footprint into South Australia and Western Australia which in turn will present us with further opportunities in time.

Since we settled on the last of the retail businesses in late July, we have experienced early, yet strong results as we lifted them from less than 50% of their normal running rate as they exited voluntary administration to now par and, in some cases, exceeding previous known performance. Performance in particular in October with Revenue and Gross Profit both outperforming the previous year.

Closing

As you can see FY25 was a good year for us and lays the groundwork for an improved FY26, however we acknowledge we have much work to do on legacy systems challenges, business processes, and group wide integration. We also know that the November and December period of the year has in the past has been challenging at times.

In conclusion, I want to thank my executive leadership team and more broadly our team members across Australia and New Zealand for their dedication and commitment to driving excellence across the group. Their recent efforts have driven the much improved results we achieved in FY25 and importantly set us up for the years ahead.

My thanks also go to the Board and Chairman, Rick Dennis in particular, for their confidence and support. Their guidance has been invaluable in the past year since taking up the role of CEO.

To our shareholders, I thank you for your continued support as we build MotorCycle Holdings into the region's premier vehicle and accessory retail and distribution business.

Thank you.

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About MotorCycle Holdings

MotorCycle Holdings Limited is a leading retailer and wholesale distributor of motorcycles, parts, and accessories, with 55 retail and wholesale operations across Australia and New Zealand. The company offers customers a diverse portfolio of leading motorcycle and accessory brands, along with servicing, repairs, financing, and insurance services.

Important Information

This announcement may contain certain 'forward-looking statements' within the meaning of the securities laws of applicable jurisdictions. Forward-looking statements can generally be identified by the use of forward-looking words such as 'may,' 'should,' 'expect,' 'anticipate,' 'estimate,' 'scheduled,' or 'continue,' or the negative version of them or comparable terminology. Any forecasts or other forward-looking statements contained in this announcement are subject to known and unknown risks and uncertainties and may involve significant elements of subjective judgment and assumptions as to future events which may or may not be correct. There are usually differences between forecast and actual results because events and actual circumstances frequently do not occur as forecast and these differences may be material. MTO does not give any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur and you are cautioned not to place undue reliance on forward-looking statements.

ENDS.

This announcement has been authorised for release by the Board of Directors of MotorCycle Holdings Limited.