

Corporate News

Wels, January 30, 2020

PIERER Mobility AG:

Preliminary key figures 2019

Ninth record result in a row!

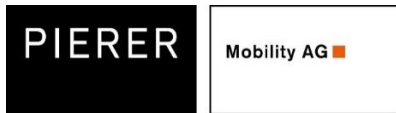
Positive outlook for 2020

- **Sales volume: 280,099 motorcycles / + 7% compared to the previous year**
- **Revenues: 1,520.1 m€ / + 4% compared to the previous year**
- **EBITDA: 240.8 m€ / + 14% compared to the previous year**
- **Free Cash Flow: 92.1 m€ / 6.1 % of revenues**
- **Offensive with HUSQVARNA E-Bicycles in Europe**
- **Integration GASGAS**

Preliminary revenues and earnings in the business year 2019

The PIERER Mobility Group achieved in the business year 2019 **record revenues** in the amount of **1,520.1 m€** (+4.0%). This corresponds to an increase of 57.9 m€. The preliminary EBIT reached 131.7 m€ (+2.3%) after 128.7 m€ in the previous year. The operating earnings before depreciation (**EBITDA**) increased from 211.0 m€ to **240.8 m€** corresponding to an EBITDA margin of 15.8%. The **Free Cash Flow** improved significantly and amounted to approximately **92.1 m€** compared to -16.7 m€ in 2018. For the growth in the business year 2019 was invested around 121 m€ in product development and around 44 m€ in plants and infrastructure. All the key earnings figures refer to the continued operation of the Group (previous year excluding Pankl Group).

On December 31, 2019, the PIERER Mobility Group had **4,368 employees**, 3,639 were employed in Austria. The Group forces the dual training within the framework of the KTM Academy. The aim is to increase the number of the apprentices – currently 160 – to 180 and further develop the employee training.



Market position expanded

In the past business year, the PIERER Mobility Group with its brands KTM and Husqvarna Motorcycles outperformed the overall market (-6.3%) in the key motorcycle markets (> 120cc) with a registration increase of +14.5% and expanded its market position.

With **234,449** sold **KTM** motorcycles and **45,650** sold **HUSQVARNA motorcycles** in the financial year 2019 the sales volume was increased by about 7% compared to the previous year.

In **Europe**, the overall market grew by around 8.9% in the fiscal-year of 2019. In the same period, KTM succeeded in maintaining its high market share by around 12 %. In the **US market**, which declined in the business year 2019 (-2.7%), KTM was successful in positioning itself. KTM increased its registrations by 3.6%, thereby raising its market share as of December 31, 2019 to 9.7%. In the most important future market for KTM, **India**, its registrations (brand KTM) in the fiscal year by over 35% in comparison with the previous year. The market share rose from around 4.5 % to around 7.3 %.

The 100% acquisition of Motorcycle Distributors Australia Pty Ltd. further strengthened the market presence in **Australia** and New Zealand. As a result of a market offensive, 15,343 KTM and Husqvarna motorcycles were sold in these important markets in the past business year.

In the 4th quarter of 2019, a majority interest in the Spanish offroad brand GASGAS was acquired. With the acquisition of a market leader in trial motorcycles, we have succeeded in entering this segment.

Offensive in HUSQVARNA E-Bicycles

With the early and complete takeover of PEXCO GmbH, Schweinfurt/ Deutschland a further growth step was taken in the field of e-mobility and to participate in the attractive market growth in the **e-bicycle** sector. For the business year 2020 sales of more than **100 m€** are expected. For the mid-term, it is intended to become a significant player in this area.

Positive outlook 2020 – Striving for Market leadership in Europe

In the financial year 2020, the PIERER Mobility Group will continue to focus on organic growth in all core areas. The objective is to further expand market shares in the markets that are important for KTM and Husqvarna - despite the challenging market environment. As part of the industrial cooperation with GASGAS Motorcycles, to integrate the GASGAS motorcycle division into the Group as a third brand in order to achieve the market leadership in Europe.

The integration of the e-bicycle business (PEXCO) into the newly founded HUSQVARNA E-Bicycles is being pushed forward and implemented.

For the business year 2020 a revenue growth of 8 – 10 % is expected. As a result of the **expansion into the electric 2-wheeler activities** and the **integration** of the third motorcycle brand **GASGAS**, an EBIT margin between 6 – 8 % for the business year 2020 is temporary expected. Due to the operating earnings before depreciation (EBITDA), which remains at a high level, a positive free cash flow between 45 to 55 m€ is also anticipated for the business year 2020. A sustainable positive free cash flow between 3 – 5 % of sales is expected.

Listing Frankfurt Stock Exchange

In order to increase the trading liquidity of the shares in the euro zone, a further admission of the PIERER Mobility share to trading in the General Standard of the Frankfurt Stock Exchange is aimed for the first quarter of 2020. The primary listing on the SIX Swiss Exchange will remain unchanged.

Preliminary key figures 2019 of PIERER Mobility Group (consolidated)

Earnings figures ¹⁾		2018	2019	Chg.
Revenues	m€	1,462.2	1,520.1	4.0%
EBITDA	m€	211.0	240.8	14.1%
EBITDA margin		14.4%	15.8%	
EBIT	m€	128.7	131.7	2.3%
EBIT margin		8.8%	8.7%	
Earnings after taxes	m€	85.2	95.7	12.3%
Earnings after minorities	m€	41.1	54.5	32.6%

Balance sheet figures		12/31/2018	12/31/2019	Chg.
Balance sheet total	m€	1,353.9	1,616.5	19.4%
Equity	m€	550.8	618.6	12.3%
Equity ratio		40.7%	38.3%	
Net debt	m€	323.3	395.8	22.4%
Gearing		58.7%	64.0%	
Net debt / EBITDA ¹⁾		1.5	1.6	
Capex ¹⁾	m€	167.6	164.5	-1.9%
Employees	Headcount	4,303	4,368	1.5%

Cash flow figure		2018	2019	
Free Cash Flow	m€	-16.7	92.1	>100%

¹⁾ Continued operation of the Group (previous year excluding Pankl Group)



The Annual Financial Report 2019 and the Sustainability Report 2019 will be available on the company's website www.pierermobility.com from March 31, 2020 under the following link:

<https://www.pierermobility.com/en/investor-relations/reports/>

Guidance

2020

Revenue growth (p.a.)	8 - 10%
EBIT margin	6 - 8%
EBITDA margin	14 - 16%
CAPEX ¹⁾ in EUR (incl. leasing)	~160 million
Gearing in %	55 - 65%
Net Debt / EBITDA	1.6 - 1.8x
Free Cash Flow in EURm	45 - 55 million
Dividend policy	Stable and conservative payout level

1) Definition: Additions of property, plant & equipment (PP&E) and intangible assets according to the fixed assets schedule

About the Group

The PIERER Mobility Group is Europe's leading manufacturer of "powered two-wheelers" (PTW). With its globally known motorcycle brands KTM, HUSQVARNA and GASGAS, it is one of the technology and market leaders, especially for premium motorcycles. All drive technologies - from combustion engines to electric motors - are produced in series and are used. As a pioneer in electromobility for two-wheelers in the low-voltage range (48 volts) the group and its strategic partner Bajaj have the prerequisites to assume a leading global role. Thanks to our innovative strength, we see ourselves as the technology leader in the two-wheeler sector in Europe. The strategic partnership with Bajaj, India's second largest motorcycle manufacturer, strengthens competitiveness in global markets.

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