



Wels, 29 January 2018

KTM Industries AG achieves seventh record result in a row! All time high in revenues and profit in 2017

- **Revenues: 1,533.4 m€ / + 14% compared to the previous year**
- **EBIT: 132.5 m€ / + 8% compared to the previous year**
- **Investments: 179.6 m€**
- **Employees: 5,887 / + 818 employees, thereof + 652 in Austria**
- **Positive outlook: increase of the guidance for 2018 – 2021**
- **Intended increase of the free float**

Preliminary revenues and earnings in the business year 2017

According to preliminary results, the KTM Industries Group in the business year 2017 achieved record revenues in the amount of 1,533.4 m€ (+14%). This corresponds to an increase of 190.4 m€. The preliminary EBIT improved to 132.5 m€ (+8%) after 122.3 m€ in the previous year. The preliminary result before taxes increased to 117.0 m€ after 108.9 m€ in the previous year.

With **238,334 sold motorcycles** of the brands **KTM** and **Husqvarna** in the business year 2017, KTM AG has further strengthened its number 1 position as the biggest motorcycle producer in Europe. Sales increased by more than 17% compared to the previous year.

High investments in the Austrian operating sites

To support further growth, 92 m€ were invested in product development (including tools and machines) in the past year. Investments in plant and infrastructure investments focused on the new high-performance drivetrain production facility and the investment in additive manufacturing at Pankl in Kapfenberg, as well as the expansion of the research and development department at KTM in Mattighofen.

The entire investment program amounting to 179.6 m€ was financed from the own cash flow and the KTM Industries Group generated a positive free cash flow of approx. 5.8 m€.

Employees: 5,887 / + 818 employees, thereof + 652 in Austria

Due to the growth of the group, 818 additional employees could be hired in the business year 2017; thereof 652 in Austria. On December 31, 2017 the number of **employees** within the group amounted to **5,887**, thereof 4,568 in Austria.

In order to safeguard the further growth of the KTM Industries Group and to realize synergy potential, the **WP Group**, as the most important supplier of motorcycle production in Mattighofen, was fully integrated into KTM AG.

The **Pankl Racing Systems** Group increased its sales by 5% to 195.4 m€ and achieved an EBIT of 11.9 m€. The Pankl business year was dominated by the successful commissioning of the modern special gear factory in Kapfenberg, the so far largest investment in the company's history. In January 2018, the **delisting of the Pankl-shares** from the Vienna Stock Exchange has been initiated by KTM Industries and a takeover bid to the shareholders of Pankl Racing Systems AG will be published.

Positive outlook for the business year 2018 and adaption of guidance

For the business year 2018, KTM Industries Group expects further organic growth in its core areas. With the market launch of Husqvarna's first street motorcycles (Vitpilen and Svartpilen) and the KTM twin-cylinder models (790 Duke), management expects to remain on track to continue on the growth path and anticipates a positive business performance for 2018.

KTM Industries AG aims to sell annually 400,000 motorcycles by the business year 2022.

Guidance	2018 (new)	2021 (new)	2021 (old)
Revenue growth	9 - 11%	9 - 11% CAGR 2018-21	7 - 9% CAGR 2018-21
Number of motorcycles sold ¹⁾	–	> 360,000 units	> 300,000 units
EBIT margin	8 - 10%	8 - 10%	8 - 10%
Capex / sales	8 - 10%	8 - 10%	9 - 11%
Net debt / EBITDA	1.6 – 1.7x	< 1.3 x	< 1.5 x
ROIC	–	10 - 12%	9 - 11%
Dividend policy	Stable and conservative payout level	Stable and conservative payout level	Stable and conservative payout level

1) Including units sold by Bajaj Auto Ltd.

Further increase in trading liquidity expected in February 2018

In order to further increase trading liquidity of the shares on the SIX Swiss Exchange, the main shareholder, Stefan Pierer, is considering placing a limited portion of his stake with qualified and institutional investors in a prospectus-exempted offer in February 2018 via his affiliated companies. Stefan Pierer will continue to hold a clear majority of the shares of KTM Industries AG (at least 60%). Bank Vontobel AG has been entrusted with the execution of the international private placement.

About KTM Industries Group

The KTM Industries Group is a leading European vehicle group with a strategic focus on the global sports motorcycle segment and the automotive high tech components segment. With its worldwide renowned brands KTM, Husqvarna Motorcycles, WP and Pankl the group is among the technology and market leaders. Within the group there is a high degree of technological network, which is, in this form, unique in Europe. Strategic partnerships at an operational level strengthen the competitiveness in its

respective markets. All these factors are the basis for the high innovation level of KTM Industries Group and ensure the organic growth course sustainably.

Preliminary key figures 2017 of KTM Industries Group (consolidated)

Earnings figures		Preliminary		
		2016	2017	Chg. in %
Revenues	m€	1,343.0	1,533.4	14%
EBITDA	m€	198.4	219.0	10%
EBIT	m€	122.3	132.5	8%
Earnings after taxes	m€	89.0	84.0	-6%
Earnings after minorities	m€	52.1	44.7	-14%
EBITDA margin		14.8%	14.3%	
EBIT margin		9.1%	8.6%	

Balance sheet figures		31.12.2016	31.12.2017	Chg. in %
Balance sheet total	m€	1,423.8	1,470.8	3%
Equity	m€	454.9	528.7	16%
Equity ratio	in %	32.0%	36.0%	
Net debt	m€	364.6	375.0	3%
Gearing	in %	80.1%	70.9%	
Net debt / EBITDA		1.8x	1.7x	
Capex	m€	-144.4	-179.6	
Employees	Headcount	5,069	5,887	16%

Cash flow figures		2016	2017	
Cash flow from operating activities	m€	167.8	164.3	-2%

The annual financial report 2017 will be available on the company's website www.ktm-industries.com from March 20, 2018 under the following link: <http://www.ktm-industries.com/index.php/en/ir/berichte/annualfinancialreports>

Legal disclaimer

This announcement does constitute neither an offer to sell nor an intimation to submit a proposal for the acquisition of securities of KTM Industries AG.

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