

## Press release

Wels, March 20, 2018

### **KTM Industries publishes annual financial report 2017**

### **Seventh consecutive results record!**

### **All time high in revenue and profit in 2017**

- **Revenue: 1,533.0 m€ / + 14% to previous year**
- **EBIT: 132.5 m€ / + 8% to previous year**
- **Investments: EUR 178.6**
- **Proposed dividend payment in the amount of EUR 3 cents per share**

#### **Revenue and earnings in the financial year 2017**

KTM Industries Group confirms the preliminary results for the financial year 2017, already published on January 29, 2017, with record revenue in the amount of 1,533 m€ (+14%) after 1,343 m€ in the previous year. The EBIT improved to 132.5 m€ (+8%) after 122.3m€ in the previous year. The result before taxes increased from 108.9 m€ to 117.1 m€. The annual financial report of KTM Industries AG is available from now on under the link <http://www.ktm-industries.com/index.php/en/ir/berichte/annualfinancialreports>

**Maintaining the dividend policy**, it will be proposed to the Annual General Meeting that a dividend of 3 cents per share is paid out for the financial year 2017.

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.

#### **Large investments in the Austrian sites**

During the past year, 178,6 m€ was invested in the further growth course. The new high-performance drivetrain plant, investment in additive manufacturing at Pankl in Kapfenberg and the expansion of the research and development department at KTM in Mattighofen formed the focus of the investments in equipment and infrastructure. In addition, the investments in series product development and tools formed the largest item with around 50% of the volume.



## **Continued expansion of workforce during the growth course**

As part of the Group's growth, an additional 818 employees were hired in the 2017 financial year, of which 652 were in Austria. In 2017, the KTM Industries Group employed almost 6,000 people, more than 75% of which in Austria.

## **Further increase in share liquidity in February 2018**

The main shareholder, Stefan Pierer, sold approx. 7.0% KTM Industries shares via his affiliated company, to qualified investors as part of an international private placement without a prospectus, with a resulting increase in share liquidity. With 62.98% of the share capital, Stefan Pierer still holds a clear majority.

## **Positive outlook for 2018**

The KTM Industries Group will continue to focus on organic growth in all of its core areas during the 2018 financial year. The management expects the growth course to continue with the market launch of the first Husqvarna road motorcycles (Vitpilen 401/701 and Svartpilen 401) and the KTM twin-cylinder models (790 Duke), plus the extension of the strategic partnerships with production sites in India and also in China in the future, and has therefore adjusted the medium-term guidance.

The management expects positive business development to continue in 2018. The investment volumes in 2018 will also be once again dominated by the focus on series development of new vehicle models and investments in infrastructure and expansion.

KTM Industries AG has set itself the target of achieving annual sales of 400,000 motorcycles by the 2022 financial year.

## **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. You will find further information under [www.ktm-industries.com](http://www.ktm-industries.com), [www.ktmgroup.com](http://www.ktmgroup.com), [www.wp-group.com](http://www.wp-group.com) and [www.pankl.com](http://www.pankl.com).

## Key figures 2017 of KTM Industries Group (consolidated)

<b>Earnings figures</b>		<b>2016</b>	<b>2017</b>	<b>Chg. in %</b>
Revenue	m€	1,343.0	1,533.0	14%
EBITDA	m€	198.4	218.9	10%
EBIT	m€	122.3	132.5	8%
Earnings after taxes	m€	89.0	83.9	-6%
Earnings after minorities	m€	52.1	44.7	-14%
EBITDA margin	in %	14.8%	14.3%	
EBIT margin	in %	9.1%	8.6%	
<b>Balance sheet figures</b>		<b>31.12.2016</b>	<b>31.12.2017</b>	<b>Chg. in %</b>
Balance sheet total	m€	1,423.8	1,465.2	3%
Equity	m€	454.9	528.6	16%
Equity ratio	in %	32.0%	36.1%	
Working Capital Employed	m€	245.2	238.4	-3%
Net debt	m€	364.6	375.0	3%
Gearing	in %	80.1%	70.9%	
Net debt / EBITDA		1.8x	1.7x	
<b>Cash flow and investments</b>		<b>2016</b>	<b>2017</b>	<b>Chg. in %</b>
Cash flow from operating activities	m€	167.8	161.3	-4%
Cash flow from investing activities	m€	-158.8	-154.0	-3%
Investments	m€	144.4	178.6	24%
<b>Employees</b>		<b>31.12.2016</b>	<b>31.12.2017</b>	<b>Chg. in %</b>
Employees	Number	5,069	5,887	16%

### For further information:

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