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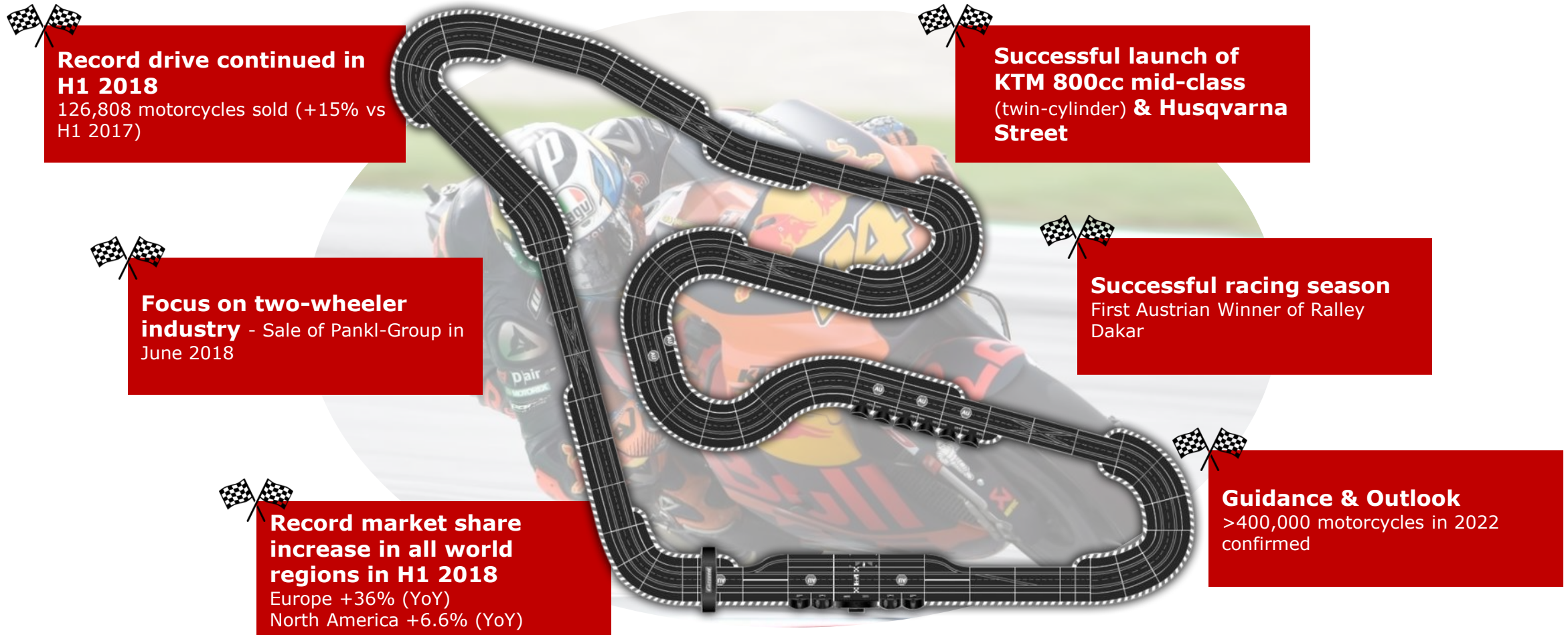
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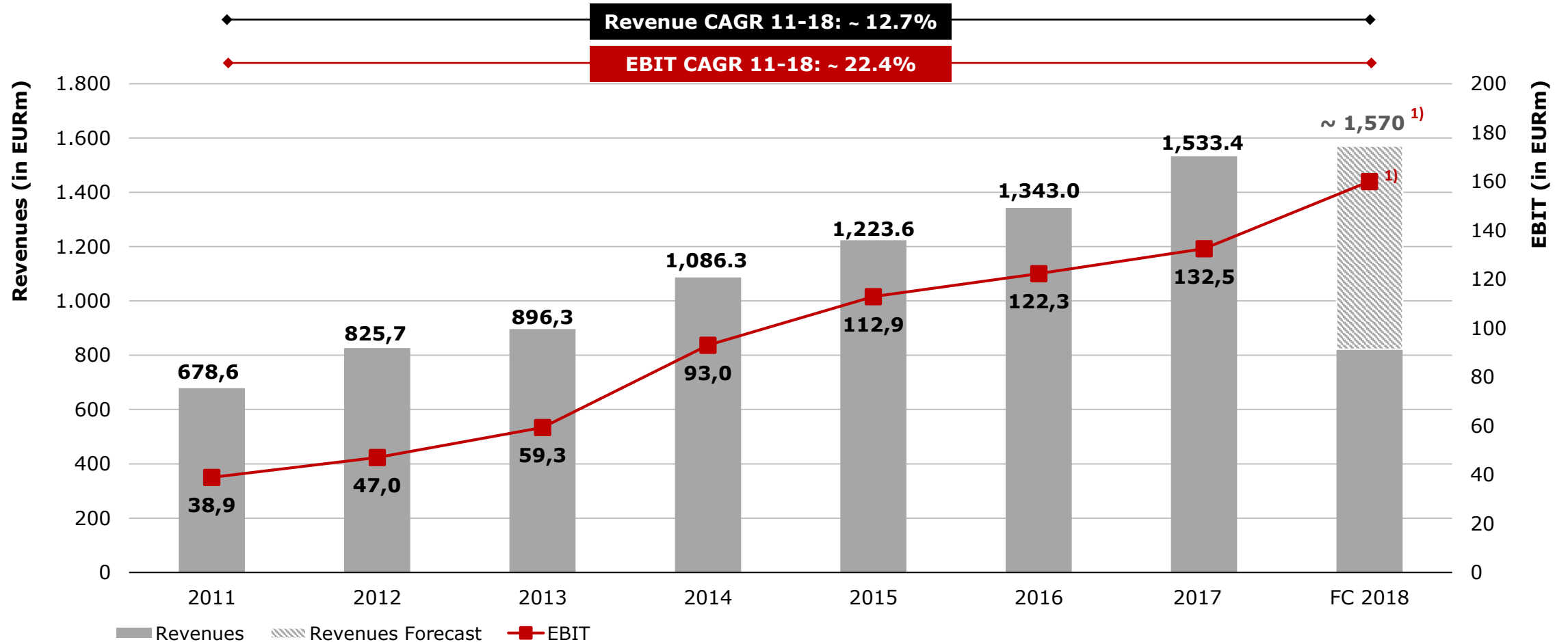
Highlights first half 2018 and Outlook

Continuation of strong growth and market share gains



The leading European powered-two wheeler group

Revenue and EBIT performance

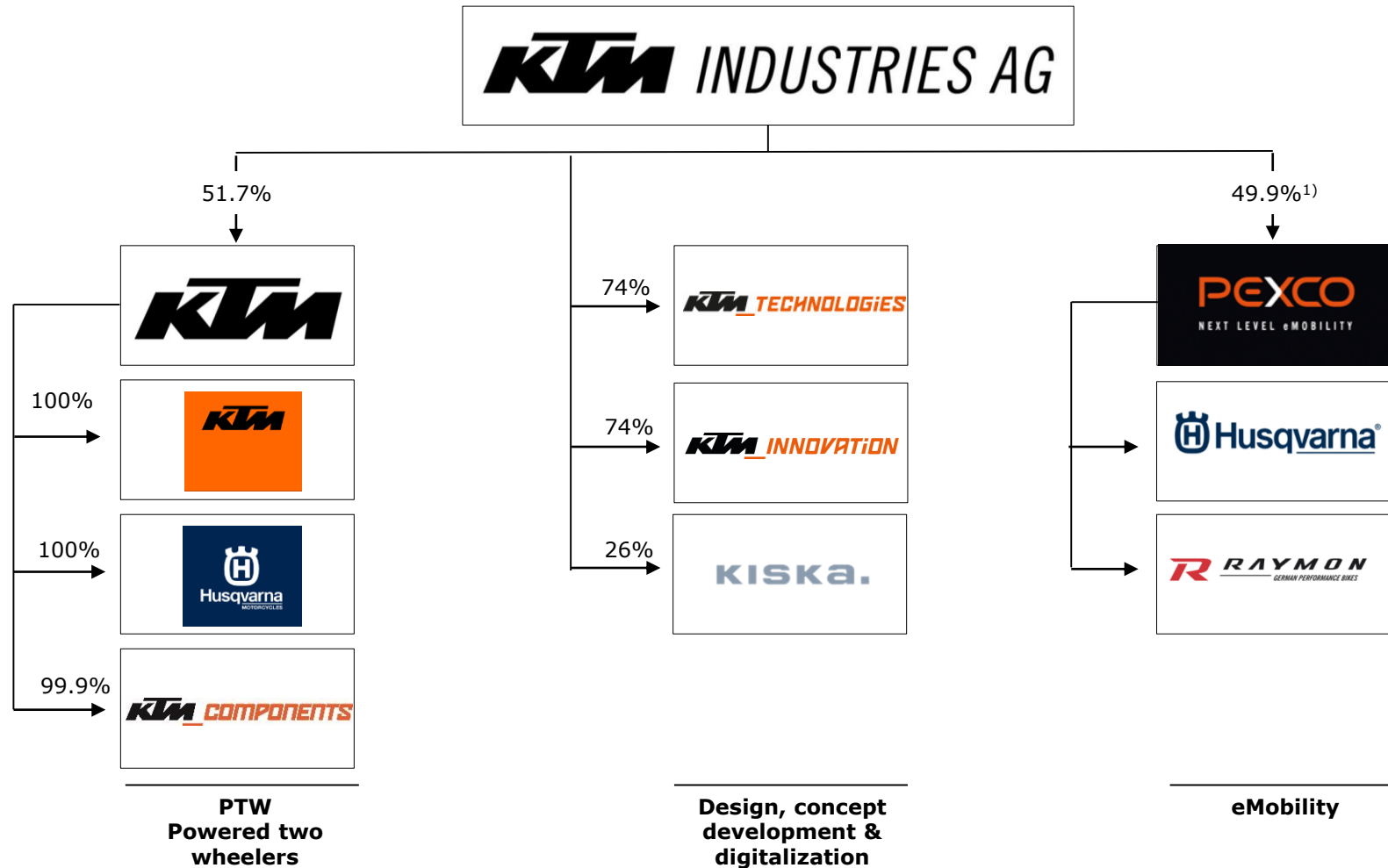


Source: KTM Industries AG

1) See Guidance on page 27: Revenue: EUR ~1,570 million , EBIT: EUR >160 million

The leading European powered-two wheeler group

Group structure



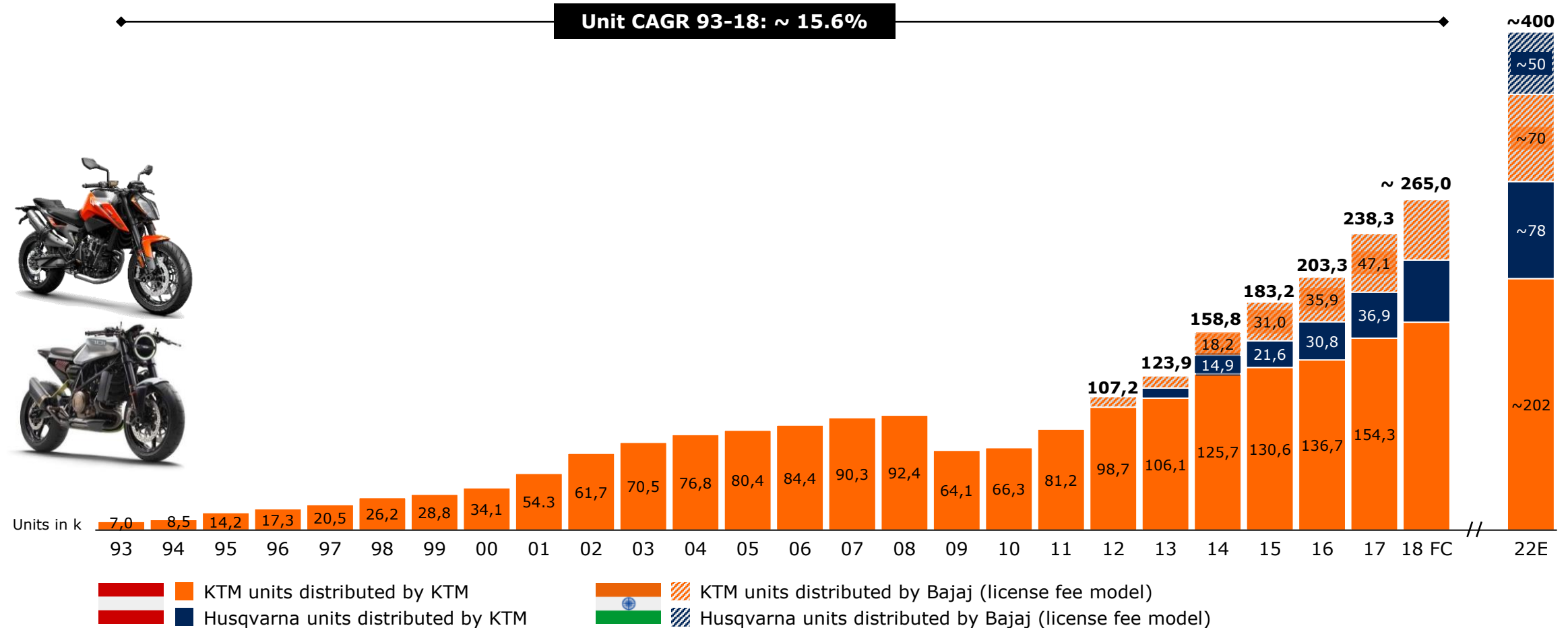
Source: KTM Industries AG

Note: Simplified group structure as of June 30, 2018

1) PEXCO GmbH „at equity“; 50.1% are held by family Puello

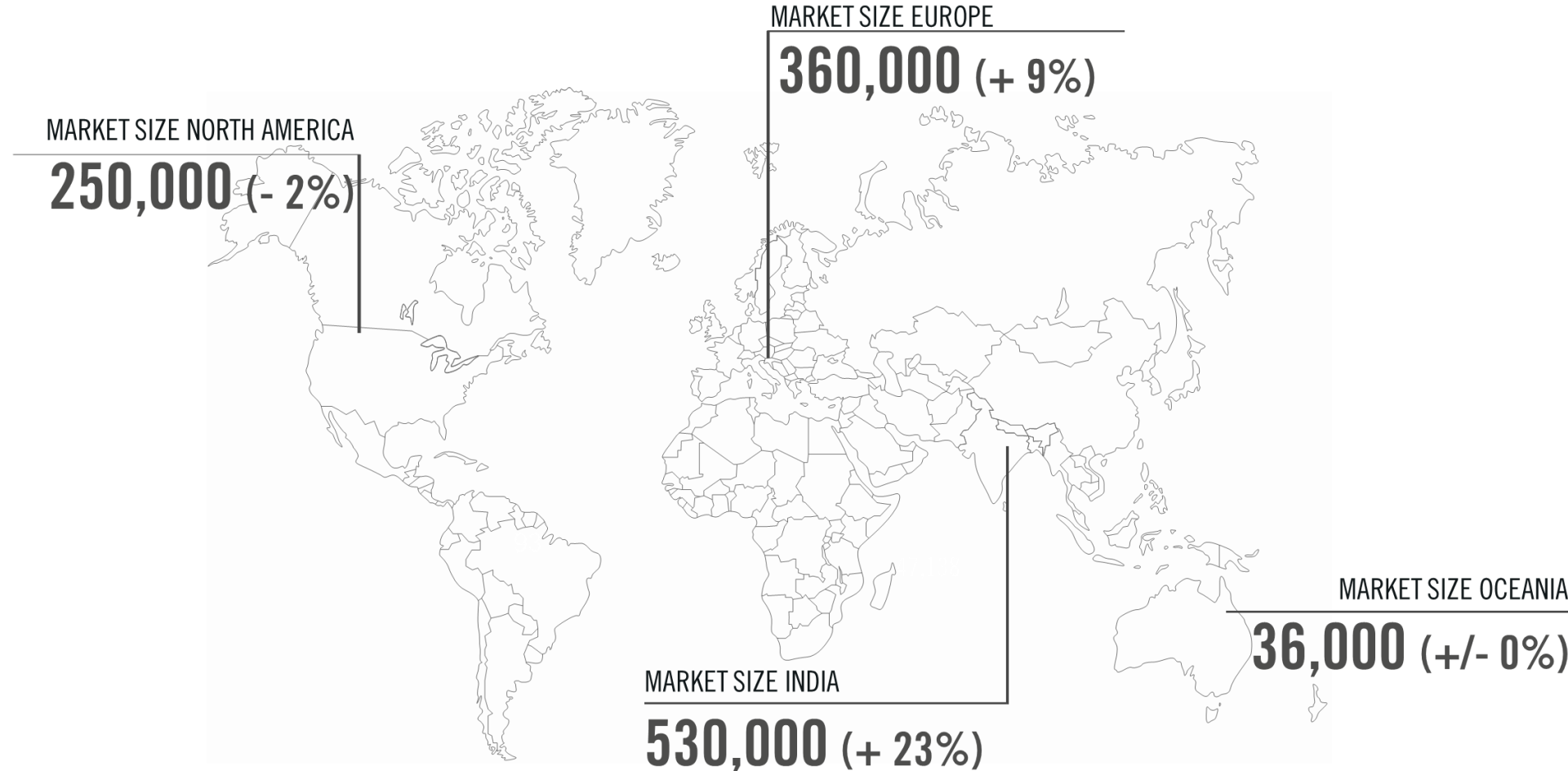
Motorcycle growth

Long-standing growth track record with sales target of 400,000 units in 2022



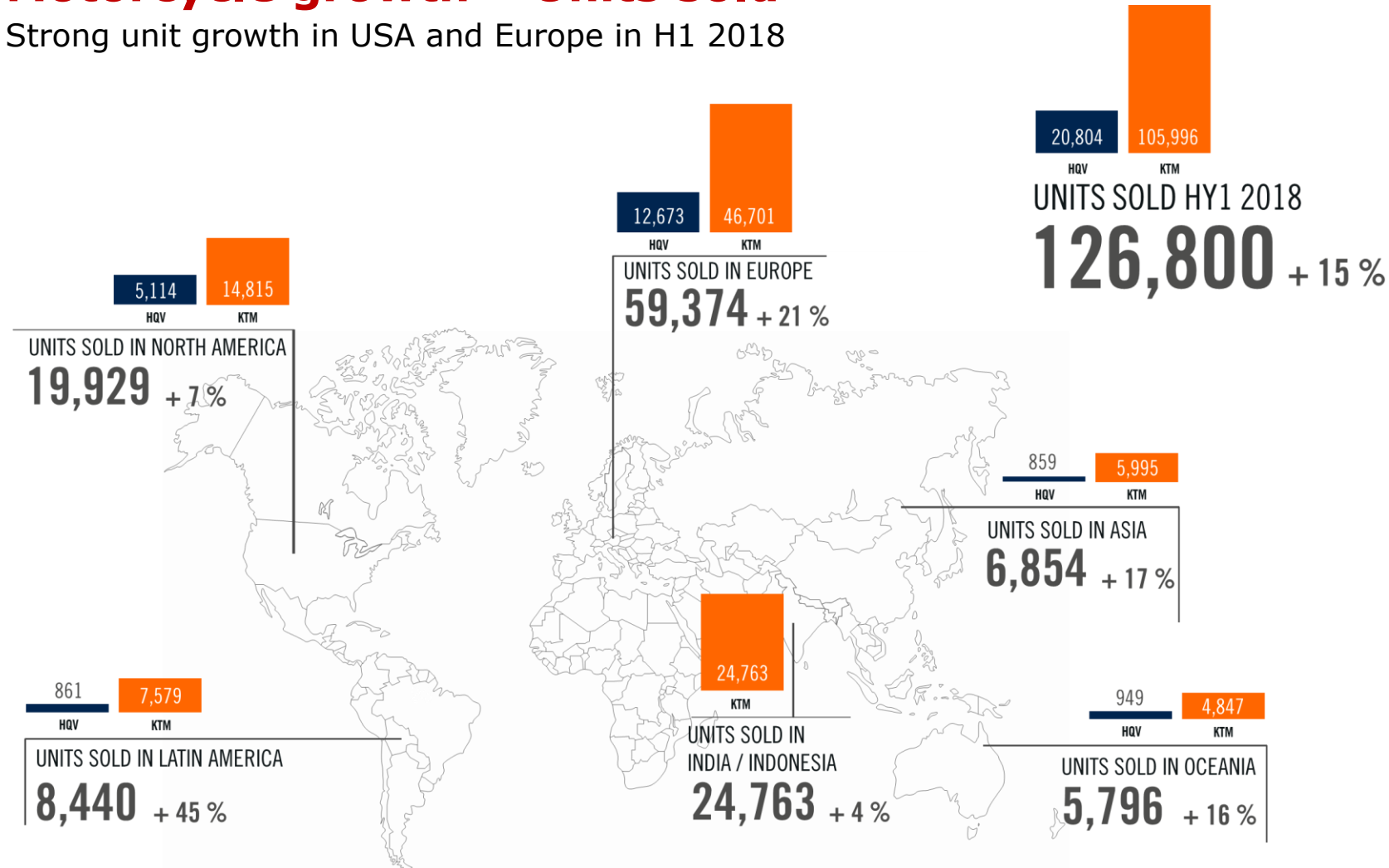
Market environment HY1 2018 vs 2017

Overall trends in addressable market above > 120ccm



Motorcycle growth – Units sold

Strong unit growth in USA and Europe in H1 2018



- **India is seen as the most important future market**
- Largest growth in absolute terms is still expected from Europe and North America
- Largest growth in relative terms is expected in emerging markets
- The revenue mix of street vs offroad is expected to shift from 50:50 in 2017 to about 70:30 in 2022

Market and competitive environment June (cumulated)

Positioning and momentum

Brand performance

	Performance ranking by brand			
	2017	2018	Diff. to PY	Change
KAWASAKI	63,362	72,052	8,690	13.7%
KTM	45,002	52,840	7,838	17.4%
HONDA	90,708	97,754	7,046	7.8%
BENELLI	1,682	6,029	4,347	258.4%
HUSQVARNA.	10,856	14,729	3,873	35.7%
SUZUKI	33,475	36,931	3,456	10.3%
APRILIA	4,081	5,544	1,463	35.9%
BETA	3,218	4,179	961	29.9%
GAS GAS	784	1,067	283	36.1%
MOTO GUZZI	3,958	4,024	66	1.6%
SHERCO	1,116	1,181	65	5.8%
MV AGUSTA	1,012	832	-180	-17.8%
DUCATI	27,195	24,860	-2,335	-8.6%
TRIUMPH	30,161	27,724	-2,437	-8.1%
YAMAHA	88,167	85,349	-2,818	-3.2%
BMW	65,516	61,846	-3,670	-5.6%
HARLEY-DAVIDSON	112,410	106,527	-5,883	-5.2%

Ranking

KTM and Husqvarna again leading the Performance ranking

Relative market position and momentum

	Units ranking by brand			
	2017	2018	Diff. to PY	Change
HARLEY-DAVIDSON	112,410	106,527	-5,883	-5.2%
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Ranking

KTM and Husqvarna among the biggest motorcycle manufacturers

Market and competitive environment July (cumulated)

Positioning and momentum

Brand performance

	Performance ranking by brand			
	2017	2018	Diff. to PY	Change
KAWASAKI	72,877	83,403	10,526	14.4%
KTM	52,913	61,570	8,657	16.4%
HONDA	105,298	113,337	8,039	7.6%
BENELLI	2,353	7,682	5,329	226.5%
HUSQVARNA	12,279	16,725	4,446	36.2%
SUZUKI	38,659	42,427	3,768	9.7%
APRILIA	4,912	6,497	1,585	32.3%
BETA	3,740	4,787	1,047	28.0%
GAS GAS	910	1,179	269	29.6%
SHERCO	1,209	1,318	109	9.0%
MOTO GUZZI	4,564	4,672	108	2.4%
MV AGUSTA	1,145	949	- 196	-17.1%
DUCATI	30,782	28,340	- 2,442	-7.9%
TRIUMPH	34,252	31,646	- 2,606	-7.6%
YAMAHA	102,102	98,917	- 3,185	-3.1%
BMW	75,195	70,455	- 4,740	-6.3%
HARLEY-DAVIDSON	131,949	123,291	- 8,658	-6.6%

Ranking

KTM and Husqvarna again leading the Performance ranking

Relative market position and momentum

	Units ranking by brand			
	2017	2018	Diff. to PY	Change
HARLEY-DAVIDSON	131,949	123,291	- 8,658	-6.6%
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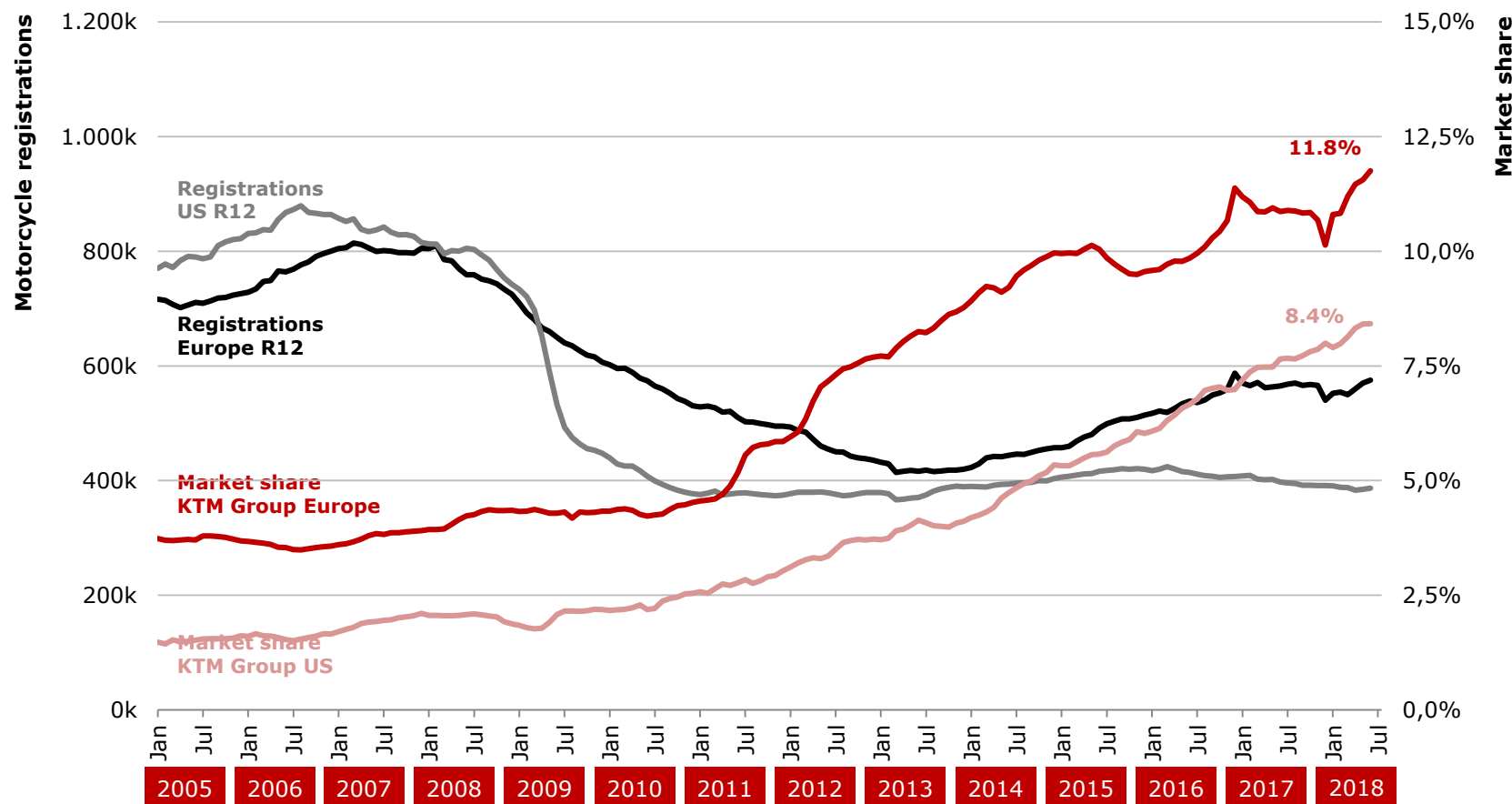
Ranking

KTM and Husqvarna among the biggest motorcycle manufacturers

Market and competitive environment

Overall trends in market size and share

Motorcycle registrations and market shares



- KTM Industries continues to gain market share in the US. These gains are mainly driven by the addition of Husqvarna to the KTM platform
- Despite the ongoing decline of Harley-Davidson, KTM and Husqvarna are able to gain market shares
- The loss in European market share in 2017 are more than offset in H1 2018
- Due to the introduction of EURO 5 standards in 2020, a consolidation among manufacturers is expected

Motorcycle growth driver –KTM 800cc Mid-class

Leveraging the new 800cc motor platform



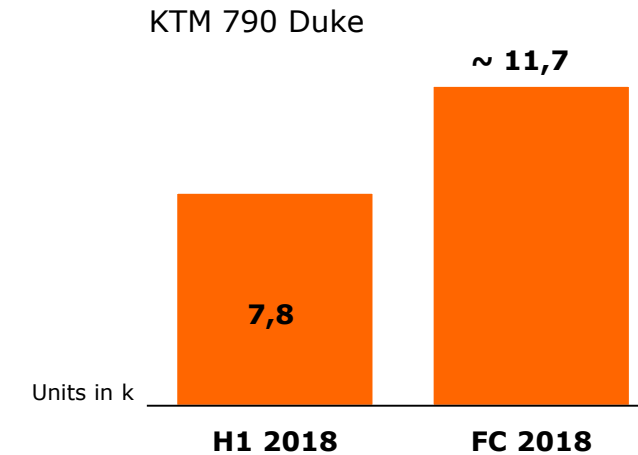
KTM 790 Duke

SOP 03/2018



KTM 790 Adventure

Model Year 2019 - SOP 11/2018
Production Volume 2019: ~13k units



Motorcycle growth driver – Husqvarna Street



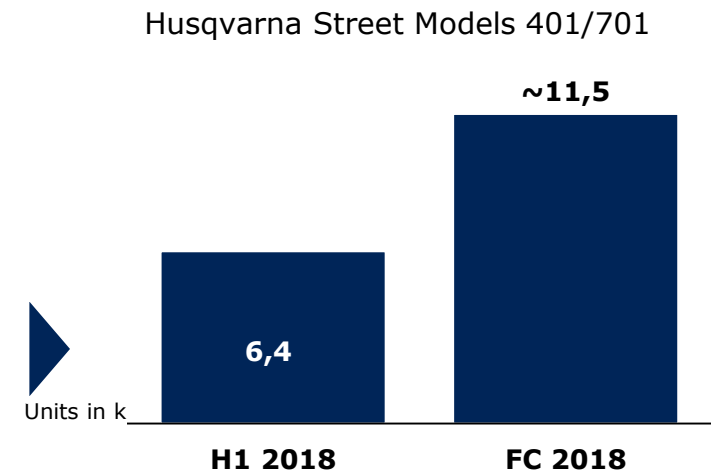
Husqvarna 701 Vitpilen
701 Svartpilen SOP 04/2018
SOP 2019



Husqvarna 401 Svartpilen SOP 03/2018
Transfer to India in 12/2019



Husqvarna 401 Vitpilen SOP 03/2018
Transfer to India in 12/2019

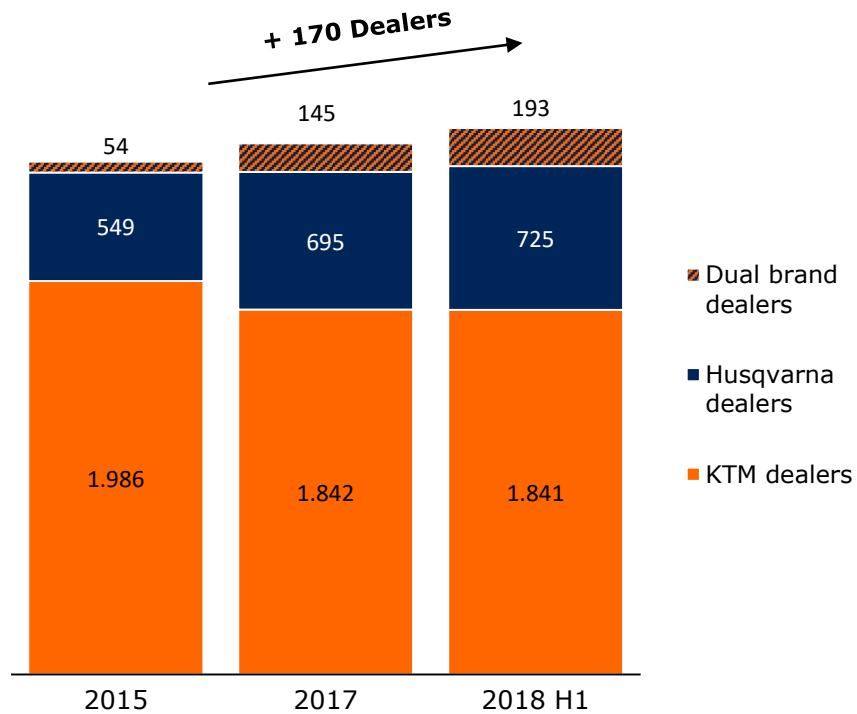


Husqvarna Vitpilen 701



Motorcycle growth driver – Dual brand dealers

Dual brand dealers more than tripled since 2015. 918 Husqvarna dealers by June 2018

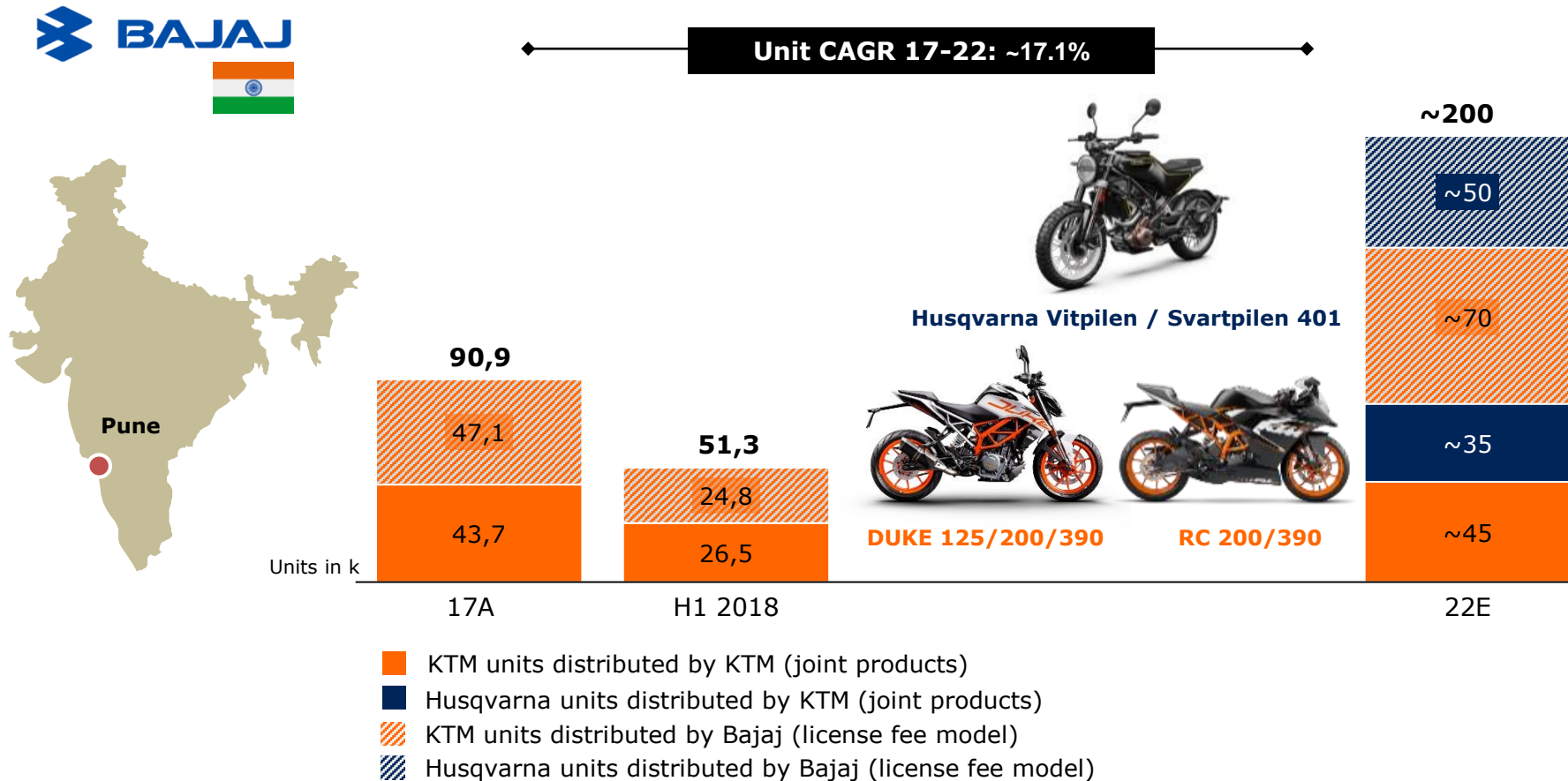


# of dealers	2,589	2,682	2,759
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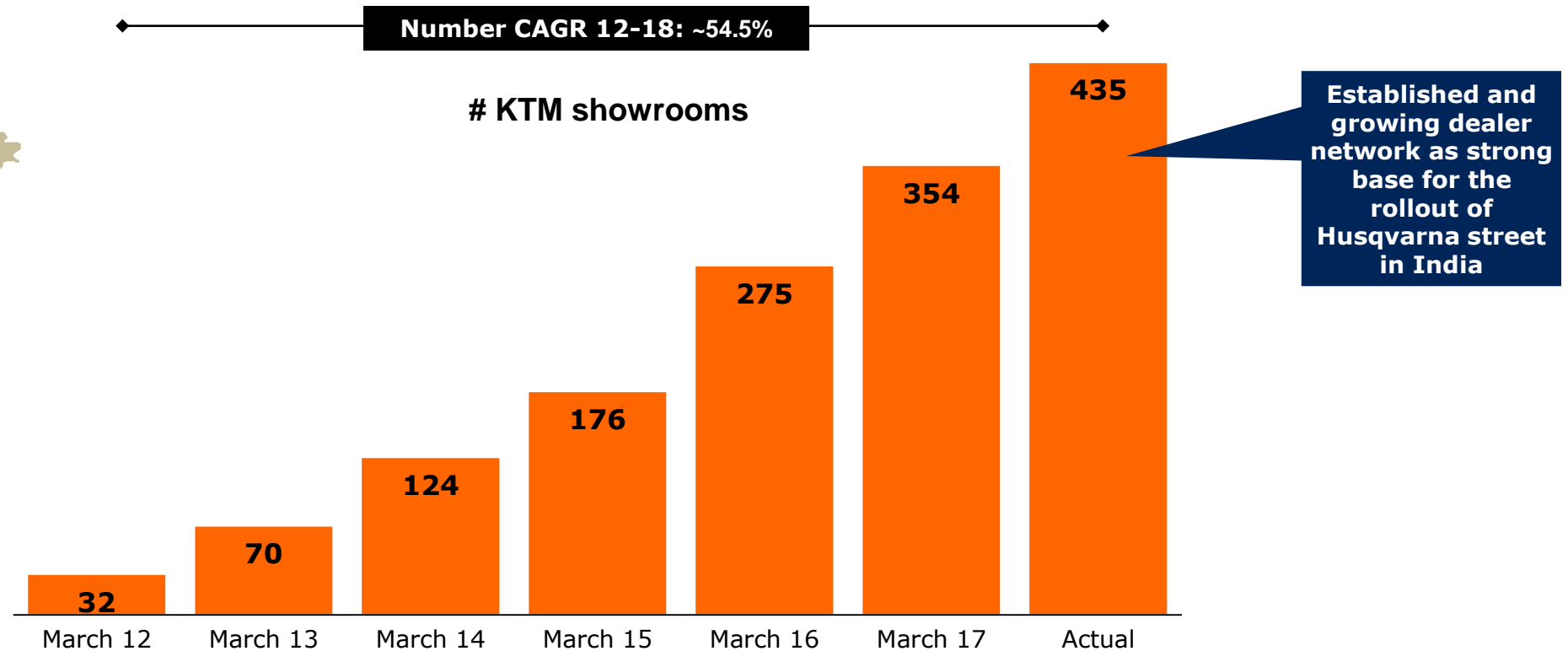
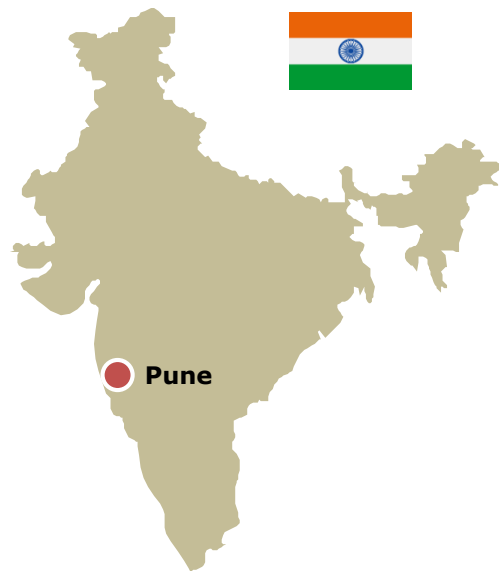
Motorcycle growth driver - Cooperation with Bajaj

Production volume is expected to increase to over 200,000 units during the next years



Motorcycle growth driver - Cooperation with Bajaj

Bajaj built-up 435 KTM showrooms in India over the last 6 years





eMOBILITY

PEXCO eBike

Market development

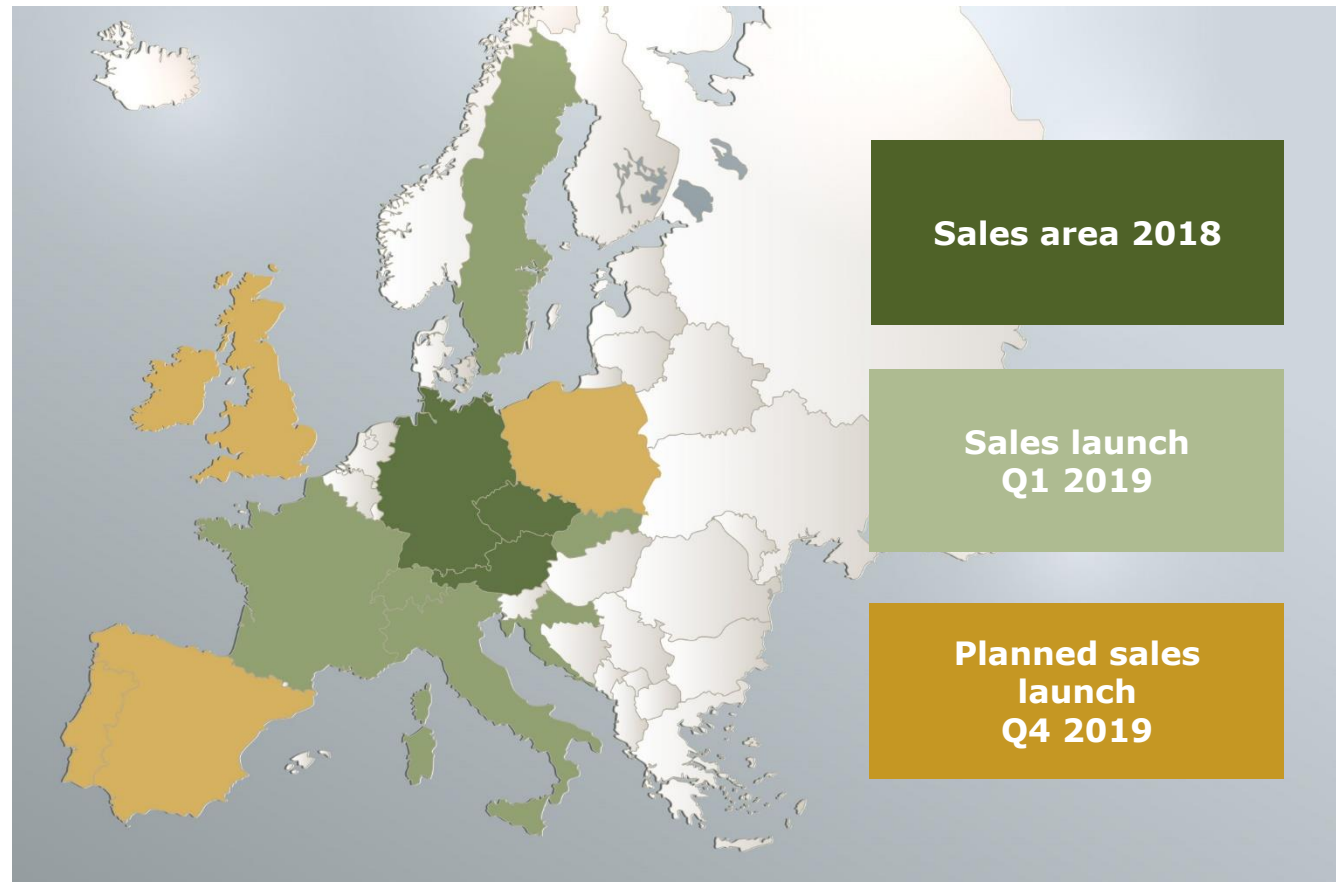
▪ Market data 2017

- Germany: 720,000 eBikes +19%
>> 2018: 800,000 – 900,000 units expected;
Actual share of E in the market: 19%
>> expected longterm: 35%
- Austria: 120,474 +39,2% >> share 29,1%
- In countries like Italy, UK, Spain unit sales of eBikes develops very rapidly; double-digit-% growth expected

▪ Expected unit sales Pexco 2018/2019

- Expected unit sales in the first year 2018:
35,000 – 40,000 units (Revenue: € 35- 40m)
- Budget 2019: 60,000 units (Revenue: € 80m)

International Roll-out Pexco 2018-2020



PEXCO eBike

Husqvarna and Raymon Model range 2019

GranUrban

- Retail price: EUR 3,400 – 4,200



21 models



GranTourer

- Retail price: EUR 3,000 – 4,400



20 models

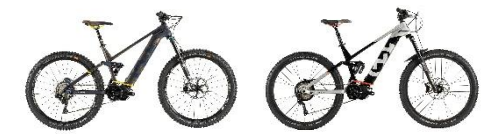


MountainCross

- Retail price: EUR 4,400 – 6,200



56 models



KTM E-Mobility

Zero emission product strategy

**Freeride E
16kW**



**Sport Mini 2kW
(5 kW Top Performance)**



**Freeride Light
4kW**



**Husqvarna Scooter
4kW / 11kW**



Market launch:

**On the market
since 2014**

- Retail price: EUR ~11,290
(incl. battery package
EUR ~3,600)

SOP 4/2019

- Expected retail price: EUR ~5,000

2020

2020/21



FINANCIALS AND OUTLOOK

Financials

Consolidated profit & loss figures under IFRS

in EURm	H1 2017	H1 2018	Δ H1	
Revenues	758.8	821.8	+8%	1
EBITDA	105.8	126.2	+19%	
EBIT	65.8	78.4	+19%	2
Earnings	41.4	52.7	+27%	
Earnings after minorities	23.4	33.7	+44%	
EBITDA margin	13.9%	15.4%	–	
EBIT margin	8.7%	9.5%	–	2
Employees (Headcount)	5.486	4.334	-21%	3

1

- Record sales of more than 126,800 motorcycles
- In all world regions, KTM gained significant market share

2

- Positive one-time effect from the sale of Pankl-Group in June 2018 of € 26.2 m
- The normalized EBIT - adjusted for the Pankl deconsolidation effect - of € 52.2 m is higher than planned
- Series launches in the first half 2018

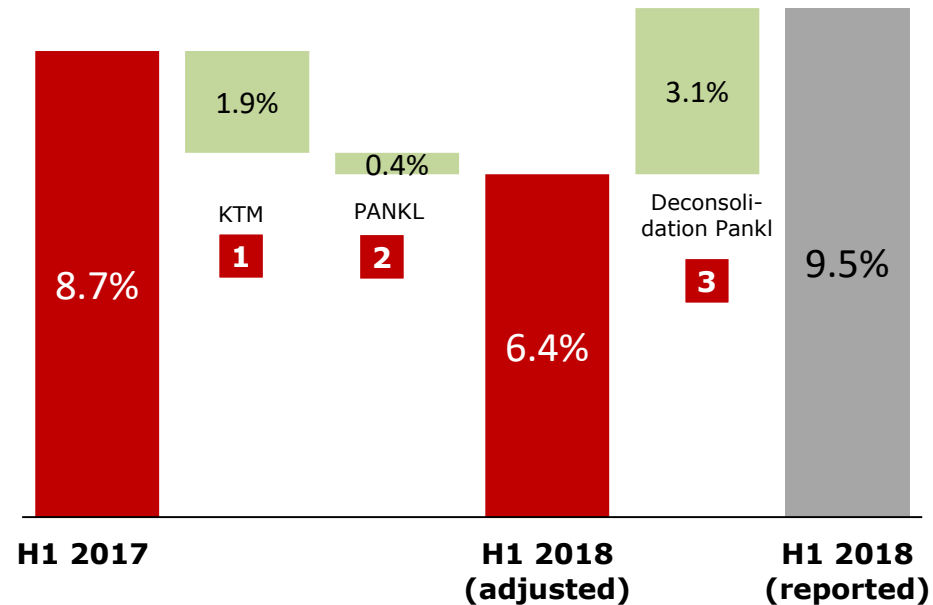
3

- As a result of the sale of the Pankl-Group the number of employees at the KTM Industries-Group is lowered by 1,800
- KTM employed 4,334 people at the end of June 2018 (+11% without Pankl effect)
- About 10% of the workforce are leased employees

Financials

EBIT margin bridge

Adjusted EBIT margin H1 2017 vs H1 2018



- 1 ▪ Budgeted four series launches in first half 2018
- 2 ▪ Due to moderate development in Racing the EBIT fell from € 9.1m to € 6.8m in the first half of the year
- 3 ▪ Sale of Pankl on June 26, 2018
→ Positive deconsolidation effect from € 26.2m on Group-EBIT in H1 2018

Financials

Consolidated balance sheet and cash flow figures under IFRS

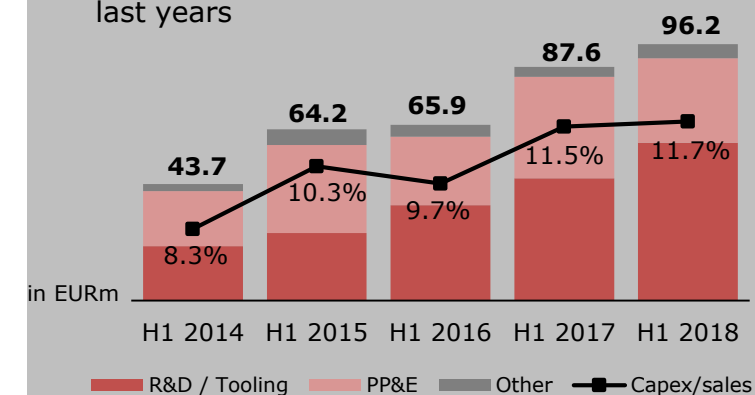
in EURm	FY 2017	H1 2018	Δ 2017/18	
Balance sheet total	1,465.2	1,425.6	-3%	
Equity	528.6	490.9	-7%	1
Total interest bearing debt	544.0	526.6	-3%	
Net working capital (NWC)	238.4	241.6	1%	
Net debt	375.0	382.9	2%	
Net working capital as % of sales	15.6%	15.1% ¹⁾	–	
Equity ratio	36.1%	34.4%	–	1
Gearing	70.9%	78.0%	–	
Net debt / EBITDA	1.7x	1.6x	–	

in EURm	H1 2017	H1 2018	Δ H1	
Cash flow from operating activities	-8.8	-49.6	<100%	2
Capex ²⁾	-87.6	-96.2	+10%	3
Cash flow from investing activities	-63.5	-38.6	-39%	4

1 ▪ Repayment of perpetual bond reduced Equity about € 60m

2 ▪ Seasonal intrayear increase of working capital

3 ▪ CAPEX driven by R&D to support high innovation rate
 ▪ Lower PP&E investments in 2018 after intensive investment program at the sites in last years



4 ▪ Positive cash-effect of disposal Pankl-Group on investing cash-flow

Source: KTM Industries AG

1) Calculated dynamically for the last 12 month

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

Financials

Impact of the sale of Pankl-Group on the key-figures

in EURm	H1 2018 before Pankl sale	H1 2018 after Pankl sale	Chg.
PROFIT AND LOSS 1			
Revenues	821.8	821.8	0.0
EBITDA	105.1	126.2	+26.2
EBIT	52.2	78.4	+26.2
EBITDA margin	12.8%	15.4%	+2.6ppts
EBIT margin	6.4%	9.5%	+3.1ppts
BALANCE SHEET 2			
Balance sheet total	1,606.2	1,425.6	-180.7
Equity	531.3	490.9	-40.3
Total interest bearing debt	639.6	526.6	-113.0
Net working capital (NWC)	320.5	241.6	-78.9
Net debt	554.4	382.9	-171.5
Net working capital as % of sales	20.0% ¹⁾	15.1% ¹⁾	-4.9ppts
Equity ratio	33.1%	34.4%	+1.3ppts
Gearing	104.4%	78.0%	-26.4ppts
Net debt / EBITDA	2.6x	1.6x	-1.0x

- 1**
- Positive deconsolidation effect from the sale of the Pankl-Group of € 26.2 m included in EBIT and EBITDA
 - Revenues and operating earnings of Pankl-Group from Jan-Jun are still contained in the Profit and Loss from H1 2018 of KTM Industries-Group

- 2**
- Strengthening of the balance sheet structure
 - Due to deconsolidation of Pankl-Group Net debt, Net debt/EBITDA and Gearing improved
 - Equity lower because perpetual bond in the amount of € 60 m was repaid as a result of cash inflow from the sale of Pankl

Outlook

Financial guidance

Short- and mid-term guidance	FC 2018	2021
Revenue in EUR / Revenue growth	~ 1,570 million	9 – 11% CAGR 2018-21
Number of motorcycles sold ¹⁾	~ 265,000	> 360,000 units
EBIT in EUR / EBIT margin	> 160 million	8 – 10%
Capex ²⁾ / sales in EUR / %	~ 165 million	8 – 10%
Net debt / EBITDA	1.0 - 1.2x	< 1.0 x
ROIC	12 – 13%	10 – 12%
Dividend policy	Stable and conservative payout level	Stable and conservative payout level

▶ Targeted sales of more than 400,000 motorcycles¹⁾ in 2022 confirmed



APPENDIX

Management team and contact details

KTM Industries AG



Stefan Pierer

- CEO
- DI



Friedrich Roithner

- CFO
- Mag.



Hubert Trunkenpolz

- CSO
- Mag. Ing.



Harald Plöckinger

- COO
- DI



Michaela Friepess

- IR
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