

**Corporate News**

Wels, March 26, 2019

**KTM Industries AG: Earnings Forecast for 2018 confirmed  
– Eighth record result in a row!****Publication of Annual Financial Report 2018**

- Sales volume: 261.454 motorcycles / + 10% compared to the previous year
- Revenues: 1,559.6 m€ / + 2% compared to the previous year
- EBIT: 161.2 m€ / + 22% compared to the previous year
- Above-average market share increase in the key markets
- Investments of 184 m€ in the Austrian operating site
- Outlook 2019
- Proposed dividend payment of EUR 30 cent per share

**Revenue and earnings in the financial year 2018**

The KTM Industries-Group can look back on a successful financial year in 2018. For the eighth record year in a row, KTM was able to increase sales and revenue and make disproportionate gains in market shares in the major markets. KTM Industries confirms the preliminary results for the financial year 2018, already published on January 28, 2019, with record revenue in the amount of 1,559.6 m€ (+2%). The operating result (EBIT) increased to 161.2 m€ (+22 %) after 132.5 m€ in the previous year. The effect on earnings of the sale of the Pankl Group amounted to approximately 26 m€. Earnings before taxes increased from 117.1 m€ to 143.5 m€. At the end of the business year 2018, the KTM Industries Group employed 4,303 people, 3,625 of them in Austria (over 80%).

The annual financial report of KTM Industries-Group is available from now under

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

**Maintaining the dividend policy**, it will be proposed to the Annual General Meeting that a dividend of 30 cents per share is paid out for the financial year 2018. This years' dividend corresponds to the dividend of the previous year.

With **212,899** sold **KTM** motorcycles and already **48,555** sold **Husqvarna motorcycles** sold in the financial year 2018, KTM AG has further expanded its position as the largest European motorcycle manufacturer. Sales increased by around 10% compared to the previous year.

**Investments in the Austrian operating sites**

In 2018 around 106 m€ were invested in product development (including tools) for the further growth; around 78 m€ were invested in plants and infrastructure. Due to the intensive program of investment in recent years in capacities and infrastructure, the required production capacities in Austria are secured for the next few years. The investment focus for 2019 will in particular be on new series development projects. Investments in research & development will remain at the high level of previous years. The opening of the KTM brand world ("KTM Motohall") is planned for May 2019.

## **Outlook 2019**

KTM anticipates the European market growth to slow down. A further market decline is expected for North America. KTM expects the highest relative growth rates above all in the ASEAN region and in India.

Despite a still volatile and very challenging market environment, the development strategy of the KTM Industries-Group continues to focus on organic growth. Among other things, this will be achieved by expanding the existing dealer network and introducing new products. Overall, a positive outlook can be provided for the 2019 financial year. The goal is to maintain the EBIT margin and increase the free cash flow potential to 3-5 % of revenue (p.a.).

With the transfer of the production of Husqvarna road motorcycles up to 400 cm<sup>3</sup> to the strategic partner Bajaj planned in Q4 2019, KTM expects a continuation of its growth course. KTM expects further sales increases in the emerging markets due to the competitive manufacturing costs. The relocation to India also creates additional free production capacities in Mattighofen.

KTM Industries AG confirms its sales target of 400,000 motorcycles for 2022. In addition, KTM has set itself the goal of developing Husqvarna Motorcycles into the third largest European motorcycle manufacturer.

## **About KTM Industries-Group**

The KTM Industries-Group is a leading European vehicle group with a strategic focus on the global sports motorcycle segment. With its worldwide renowned brands KTM, Husqvarna Motorcycles and WP 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. Further information can be found at [www.ktm-industries.com](http://www.ktm-industries.com), [www.ktmgroup.com](http://www.ktmgroup.com) and [www.wp-group.com](http://www.wp-group.com).

## Key figures 2018 of KTM Industries-Group (consolidated)

Earnings figures		2017	2018	Chg. in %
Revenues	m€	1,533.0	1,559.6	2%
EBITDA	m€	218.9	252.5	15%
EBIT	m€	132.5	161.2	22%
Earnings after taxes	m€	83.9	114.2	36%
Earnings after minorities	m€	44.7	67.5	51%
EBITDA margin		14.3%	16.2%	
EBIT margin		8.6%	10.3%	

Balance sheet ratios		12/31/2017	12/31/2018	Chg. in %
Balance sheet total	m€	1,465.2	1,353.9	-8%
Equity	m€	528.6	550.8	4%
Equity ratio	in %	36.1%	40.7%	
Net debt	m€	375.0	323.3	-14%
Gearing	in %	70.9%	58.7%	
Net debt / EBITDA		1,71x	1,28x	
Capex	m€	-178.6	-183.6	3%
Employees (reporting date) *)	Headcount	5,887	4,303	

\*) in 2018 without Pankl Group

Cash-Flow figures		2017	2018	
Cash-Flow from operating activities	m€	161.3	85.5	-47%

### 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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