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**Ad hoc announcement pursuant to article 17 Regulation (EU) No 596/2014 (MAR)**

**Ad hoc announcement pursuant to article 53 LR**

Wels, January 29, 2024

**PIERER Mobility: 2023 – Strong year in the motorcycle segment – Restructuring in the bicycle segment underway**

- **New record sales: EUR 2,661 million (+9%)**
- **EBIT: EUR 160 million (previous year: EUR 235 million)**
- **EBIT margin 6%: negatively impacted by the bicycle restructuring**
- **Outlook 2024: increasing profitability and strengthening the core business**

**Preliminary key financial figures for the 2023 financial year**

**Strong year in the motorcycle segment – restructuring in the bicycle segment begins**

The PIERER Mobility Group increased **consolidated sales** by around 9% to a **new record of EUR 2,661 million** in the 2023 financial year (previous year: EUR 2,437 million) despite difficult economic conditions and upheaval in the bicycle industry.

The preliminary operating result (**EBIT**) fell by around 32% to **EUR 160 million** (previous year: EUR 235 million), which corresponds to an EBIT margin of 6.0%. In the **motorcycle segment**, the **EBIT margin is around 9%**, which is within the originally planned range of 8-10%. On the other hand, the reorganization of the bicycle segment had a significant negative impact on earnings. At **EUR 324 million**, the operating result before depreciation and amortization (**EBITDA**) is around 15% below the previous year's figure, which corresponds to an EBITDA margin of 12.2%.

In the motorcycle segment, the cost of dealer inventories rose sharply due to significantly higher interest rates despite good demand. As a result, extended payment terms and higher discounts had to be granted to dealers in order to strengthen the dealer structure. Due to the sufficient liquidity reserves available, PIERER Mobility AG was able to support not only its dealers but also its suppliers accordingly in order to stabilize their financial situation and reduce the significantly increased burdens caused by the rise in interest rates. The associated negative impact on **free cash flow**, which totalled EUR -411 million in 2023 (previous year: EUR -3 million), was therefore consciously accepted. In addition, the level of investment in the 2023 financial year remained at a high level (EUR 284 million, +6%). In the past financial year, **investments in series development projects** including tools totalled EUR 195 million (+21%).

In the 2023 financial year, the PIERER Mobility Group increased its workforce by 96 to a total of **6,184 employees**. Of these, around 220 apprentices are employed in the training workshop at the Mattighofen site. Around 1,300 employees work in Research & Development, which corresponds to around 21% of the total workforce.

**Increase in market share in the most important motorcycle markets – Motorcycle sales: 381,555 (+2%)**

With 280,206 KTM motorcycles sold, 67,462 HUSQVARNA motorcycles sold and 29,532 GASGAS motorcycles sold in the 2023 financial year, in addition to the motorcycles sold by MV Augusta (1,852) and CFMoto (2,503), sales totalled 381,555 motorcycles (2022: 375,492 units). The motorcycles segment thus achieved a sales increase of 2 %. In the sales regions of Europe, sales totalled around 140,000 motorcycles (+15%) and around two thirds of motorcycles (around 240,000) were sold in markets outside Europe. Despite a slight decline in sales in North America, the subsidiary there still managed to sell more than 100,000 motorcycles for the second time in a row. While sales in South America (-26%) and Asia (-27%) declined in the past financial year, sales in Australia were up slightly (+1%) on the previous year with around 19,700 motorcycles sold.

Contrary to the difficult global economic conditions, demand in the core markets of Europe grew very strongly at +11% (~820,000 newly registered motorcycles) and in North America (USA & Canada) at +4% (485,000 motorcycles). The market share of all three brands (KTM, Husqvarna, GASGAS) will therefore be around **10.6% in Europe** and **12.6% in North America** in 2023. The Australian (including New Zealand) motorcycle market declined slightly, with a 3% drop to 67,000 newly registered motorcycles. Nevertheless, the total market share of the three brands in this market increased to 21%. The relevant Indian motorcycle market, on the other hand, is experiencing a significant upswing (+22%), as in the previous year. Bajaj sold almost 66,000 KTM and Husqvarna motorcycles in India, resulting in a market share of 5.3%.

## Bicycle sales: 157,358 (+33%) – inventory adjustment distorts sales increase

The PIERER Mobility Group was also confronted with a sharp fall in market prices due to global overstocks in the bicycle sector. The sales growth **of more than 30%** in this segment with the HUSQVARNA, R RAYMON, GASGAS and FELT brands was characterized by inventory adjustments and the disposal of the R Raymon brand. In the 2023 financial year, **157,358 bicycles** were sold (previous year: 118,465), **of which 100,640 were e-bicycles** (previous year: 74,479). The DACH region remains the largest sales market for bicycles, accounting for around 60%. The share of sales in the bicycle division in North America will be 10% in 2023.

## At the top of the industry in terms of ESG risk rating

In January 2024, PIERER Mobility AG received the update of its ESG risk assessment by Sustainalytics. The company was classified as having a low risk of material financial impact from ESG factors (**score: 10.0**). With this ESG risk rating, the company thus achieved the **1<sup>st</sup> place** in the automotive sector assessed by Sustainalytics. In addition, PIERER Mobility AG was again recognized by Sustainalytics as an "ESG Regional Top Rated" and "ESG Industry Top Rated" company in 2024.

## Outlook 2024: increasing profitability and strengthening the core business

In the 2024 financial year, PIERER Mobility AG will focus on **strengthening its core business "Powered-Two-Wheelers (motorcycles and e-bicycles)"** with the brands KTM, Husqvarna, GASGAS and MV Agusta. In order to secure the Group's profitability, the management is implementing cost-cutting measures in the double-digit million range in the current **year of consolidation**. A key focus will be on streamlining product development cycles and a clear alignment of the product programs.

In the **motorcycle segment**, parts of production for individual mid-range models and certain R&D activities are being transferred to strategic partner **Bajaj Auto**, India, and **CFMOTO**, China. This affects products (road motorcycles) in very price- and competition-intensive markets. The model range previously produced by Bajaj (between 125 and 390 cubic centimetres) will be expanded. Road motorcycles between 790 and 950 cubic centimetres will be assembled by the Chinese partner CFMOTO. Among other things, this is intended to exploit cost advantages in these regions and accelerate development and industrialization processes.

These measures will be accompanied by a reduction in the number of employees by up to 300 in Mattighofen and Munderfing, in particular through the removal of temporary workers and employees leaving the company through natural fluctuation.

Against the backdrop of **difficult economic developments** worldwide, the Executive Board expects sales to remain virtually unchanged and the EBIT margin to be between 5% and 7% in the 2024 financial year.

## Preliminary key figures 2023 of the PIERER Mobility Group (consolidated)

### MOST SIGNIFICANT FINANCIAL PERFORMANCE INDICATORS:

Earnings figures		2022	2023	Chg.
Sales	mEUR	2,437.2	2,661.2	9.2%
EBITDA	mEUR	381.1	323.5	-15.1%
EBITDA margin		15.6%	12.2%	
EBIT	mEUR	235.3	160.0	-32.0%
EBIT margin		9.7%	6.0%	

### FURTHER FINANCIAL KEY FIGURES:

Earnings and cash flow indicators		2022	2023	Chg.
Earnings before taxes (EBT)	mEUR	215.9	92.1	-57.3%
Free Cash Flow	mEUR	-2.8	-411.1	<100%
Balance sheet figures		2022	2023	Chg.
Balance sheet total	mEUR	2,550.6	2,953.3	15.8%
Equity	mEUR	914.4	909.2	-0.6%

Equity ratio		35.8%	30.8%	
Net debt	mEUR	256.5	775.9	>100%
Gearing		28.0%	85.3%	
<b>Other</b>		<b>2022</b>	<b>2023</b>	<b>Chg.</b>
Capex <sup>1)</sup>	mEUR	267.5	284.0	6.2%
Employees	Headcount	6,088	6,184	1.6%

<sup>1)</sup> Excluding lease additions (IFRS 16) in the amount of mEUR 32.5

The annual financial report and the sustainability report for the 2023 financial year will be published on **27 March 2024** and will be available on the company's website [www.pierermobility.com](http://www.pierermobility.com) under the following links

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

<https://www.pierermobility.com/nachhaltigkeit/publikationen>

#### About the Group

PIERER Mobility AG is the holding company of Europe's leading manufacturer of powered two-wheelers, producing a full range of premium brands including KTM, GASGAS, Husqvarna and und MV Agusta Motorcycles. With its innovative strength, PIERER Mobility is a pioneering technology leader in two-wheeled e-mobility through its motorcycle brands. Husqvarna and GASGAS E-Bicycles complement the two-wheeler range. The premium brand range also includes high-performance components under the WP brand and special KTM X-BOW high-performance sports cars.

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End of Inside Information

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