

PIERER

Industrie AG 

**KTM**

**pankl**  
RACING SYSTEMS

**KTM**  **TECHNOLOGIES**

 **Husqvarna**  
MOTORCYCLES

**SHW**

**KTM**  **INNOVATION**

  
**Husqvarna**  
E-BICYCLES

  
**GASGAS**

**R** **RAYMON**  
GERMAN PERFORMANCE DIRECT

**AVOCODO**

**KISKA.**

**abatec** 

**DC**  
.DIGITAL

**Pierer Industrie AG**

**Company Presentation**

**Half Year 2020**

# Agenda

- **Pierer Industrie AG at a Glance**
- **Introduction PIERER Mobility-Group**
- **Introduction Pankl-Group**
- **Key Figures**
- **Appendix**



- Pierer Industrie AG is a globally operating **Austrian industrial investment group**
- **Family owned** by **Stefan Pierer** (via Pierer Konzerngesellschaft mbH)
- Majority Shareholdings in **PIERER Mobility AG** – Europe's leading Powered Two-Wheeler group – and **Pankl AG** – a high tech automotive components group
- Pierer Industrie AG has a major shareholding in the Austrian electronics developer **Abatec group AG**



## Key figures 2019

- **Revenues: 2,171 m€**  
Pierer Mobility: 1,520 m€  
Pankl AG: 655 m€
- **EBITDA: 313 m€**
- **Employees: 8,186**
- **Equity ratio: 39.0%**



**DI Stefan Pierer**

- CEO

Stefan Pierer started his career in 1982 at Hoval, a company for heating and room climate solutions in Upper Austria. In 1987 he founded today's PIERER Mobility-Group, in 2011 the Pierer Industrie-Group.



**Mag. Friedrich Roithner**

- CFO

After his studies Friedrich Roithner worked for one of the Big Four tax consulting and auditing firms. From 1992 Friedrich Roithner worked for Austria Metall AG. Since 2007 Friedrich Roithner has been a member of the management of the PIERER Mobility Group. Since 2010 he is CFO.



**Mag. Wolfgang Plasser**

- CEO Pankl AG

Wolfgang Plasser has joined the management board of Pankl Racing Systems AG in 2004 and has become CEO in 2006. Since June 2018, Wolfgang Plasser is also the CEO of SHW AG as well as a member of the board of Pierer Industrie AG and Pankl AG.

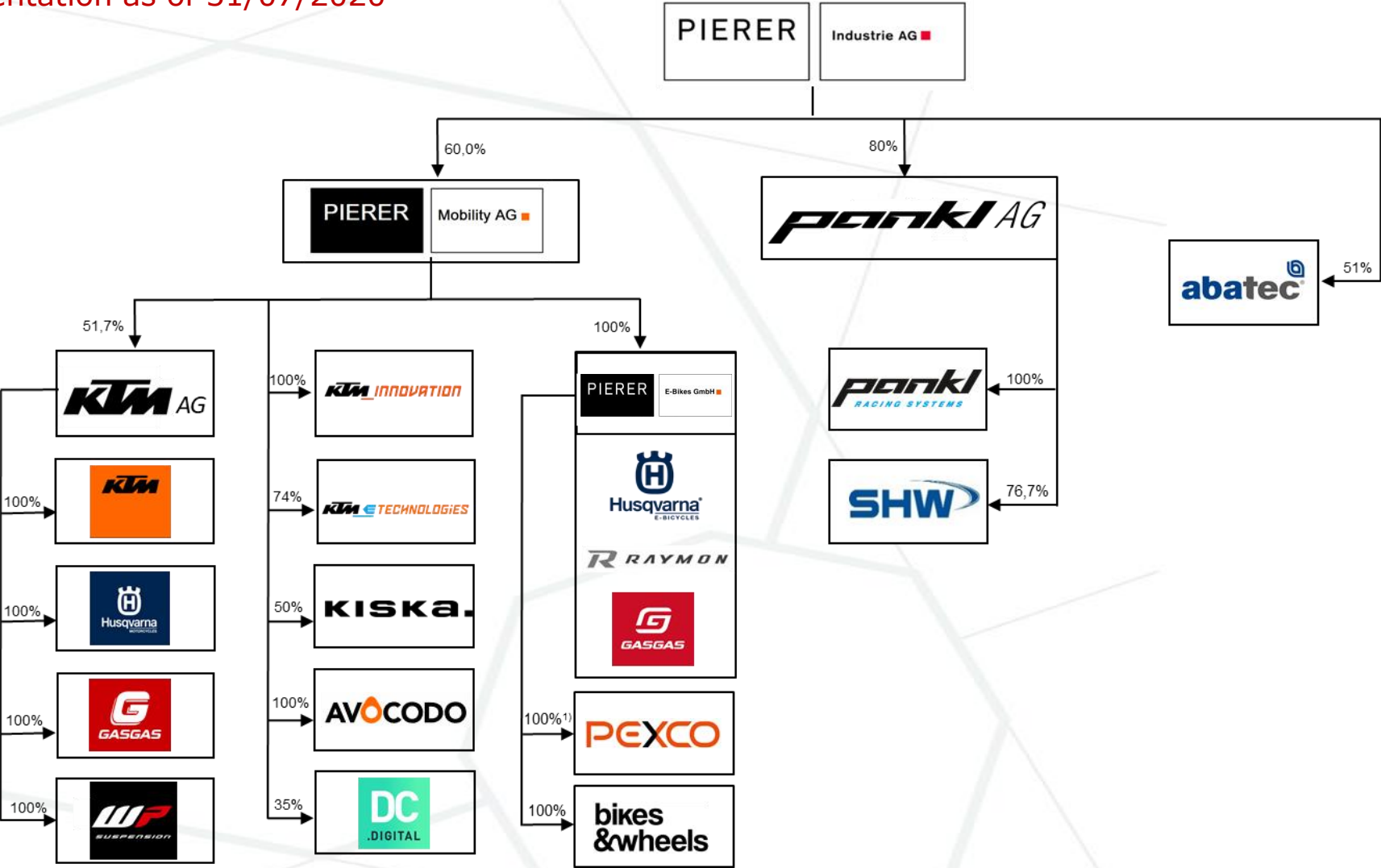
**Other members of the Board of Directors**

*(in alphabetical order)*

- Mag. Michaela Friepeß
- Mag. Hannes Haunschmid
- Dr. Thorsten Hartmann
- Mag. Alex Pierer
- Mag. Klaus Rinnerberger

# Group Structure Pierer Industrie AG

Simplified presentation as of 31/07/2020



1) Thereof 40% via Platin 1483 GmbH

Other shareholdings of PIERER Industrie AG: ACstyria Mobilitätscluster GmbH 12,3%; Platin 1483 GmbH 100%

Other shareholdings of Pierer Industrie AG: Moto Italia SRL 100%; WESS Promotion GmbH 100%; Pierer Beteiligungs GmbH 100%; P Immobilienverwaltung GmbH 100%; KTM Händlerbeteiligungen; A Round Capital GmbH 14,29%; Riser GmbH 25,1%



## Focus in sustainability activities 2019

### Research & Development

- Modernization of the existing building parts in Mattighofen (to ensure contemporary product development under changed conditions also in the future)
- Conversion work to expand the infrastructure at the Anif site (for further expansion of E-Mobility activities)
- Construction of a further photovoltaic plant in the size of 40,000 m<sup>2</sup>

### Product use

- Development and pre-development of new technologies for emission reduction (e.g. testing of new strategies for the reduction of raw emissions and for exhaust aftertreatment on large parts of the engine platforms)
- Commissioning of the acoustic roller test stand in Mattighofen, for a significant improvement in the quality of noise development and thus reduction of noise emissions of the products"
- Vehicle to vehicle (V2V) - communication" - great potential for accident prevention

### Occupational Safety

- Adjustment of the production processes and technical equipment of the production lines
- Optimization of work processes and organizational changes in the storage area and frame production

### Education and training

- Active cooperation with various colleges and universities in research projects and student research projects (e.g. JKU in the field of additive manufacturing)
- New career opportunities for employees with LIMAK (Austrian Business School): KTM Young Pioneers College and an exclusive KTM Digital Intrapreneurship MBA



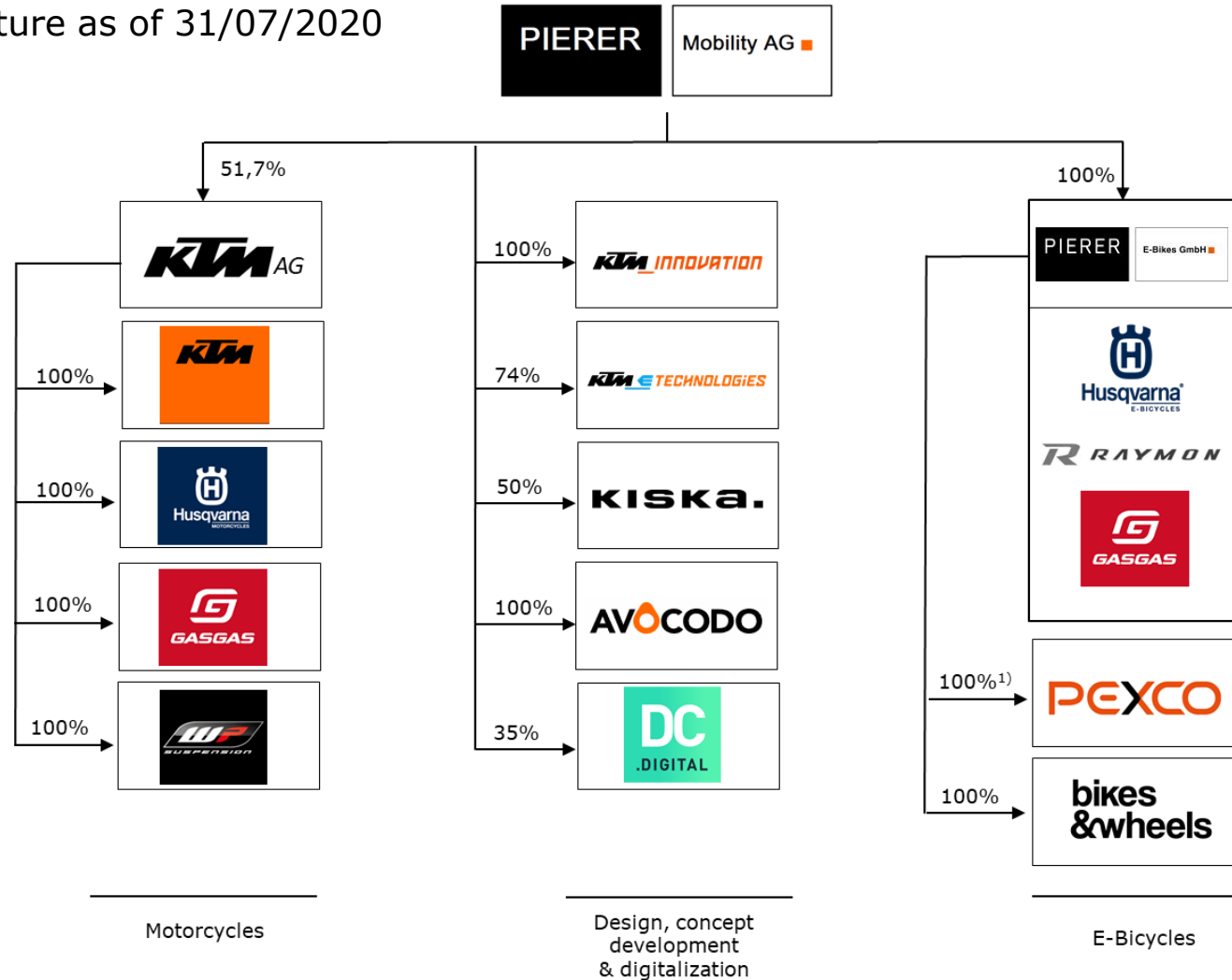
# PIERER MOBILITY AG



THE LEADING EUROPEAN POWERED TWO-WHEELER COMPANY.

# The Leading European Powered Two-Wheeler Group

simplified Group structure as of 31/07/2020



Other shareholdings: Acstyria Mobilitätscluster GmbH 12.3%; Platin 1483 GmbH 100%

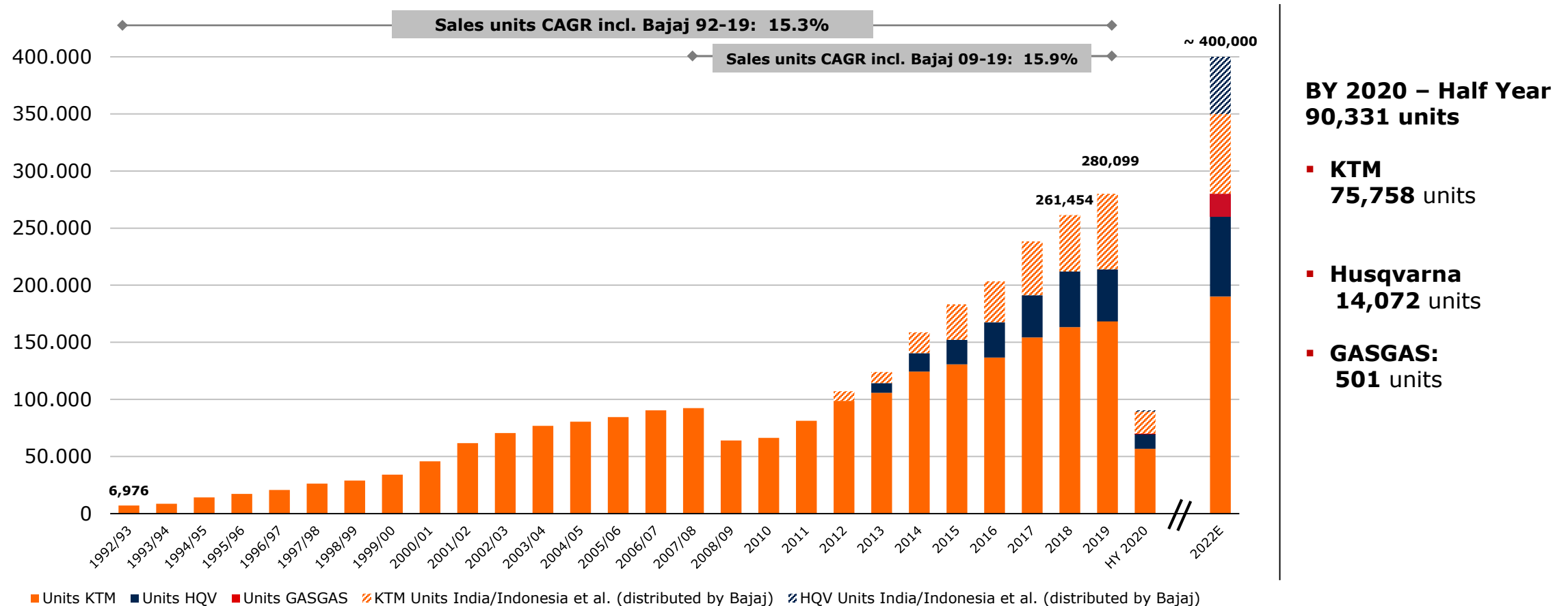
1) Thereof 40% via Platin 1483 GmbH

Source: PIERER Mobility AG



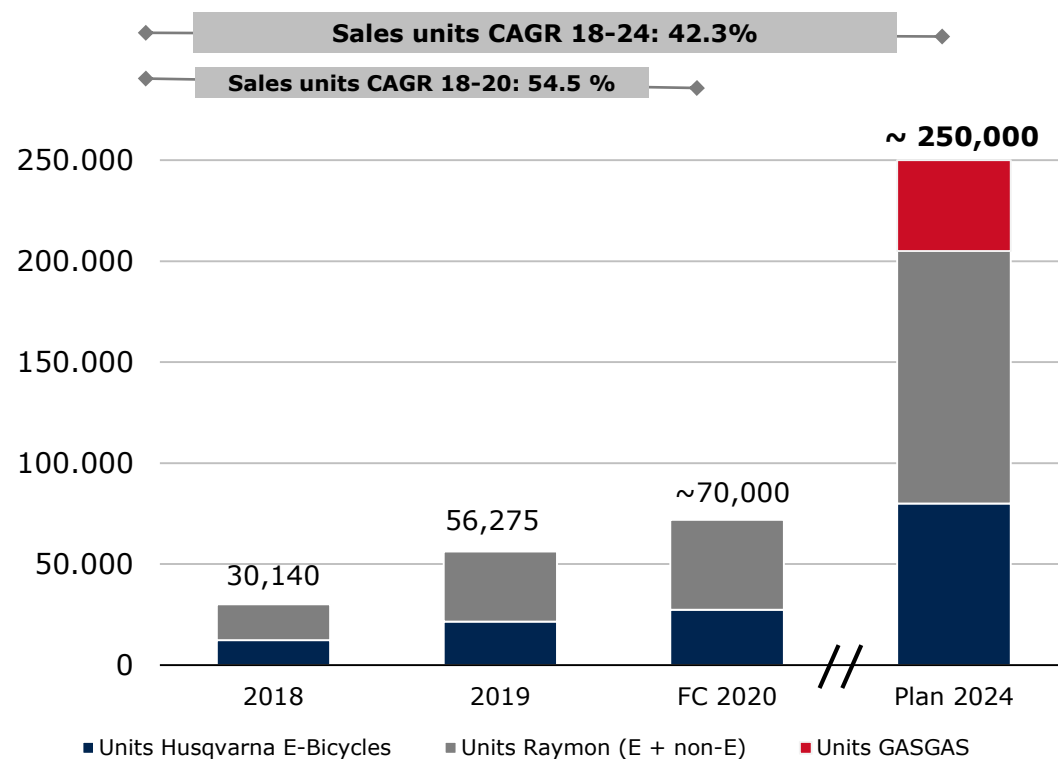
# Twenty-eight years of successful track record

Sales units Motorcycles



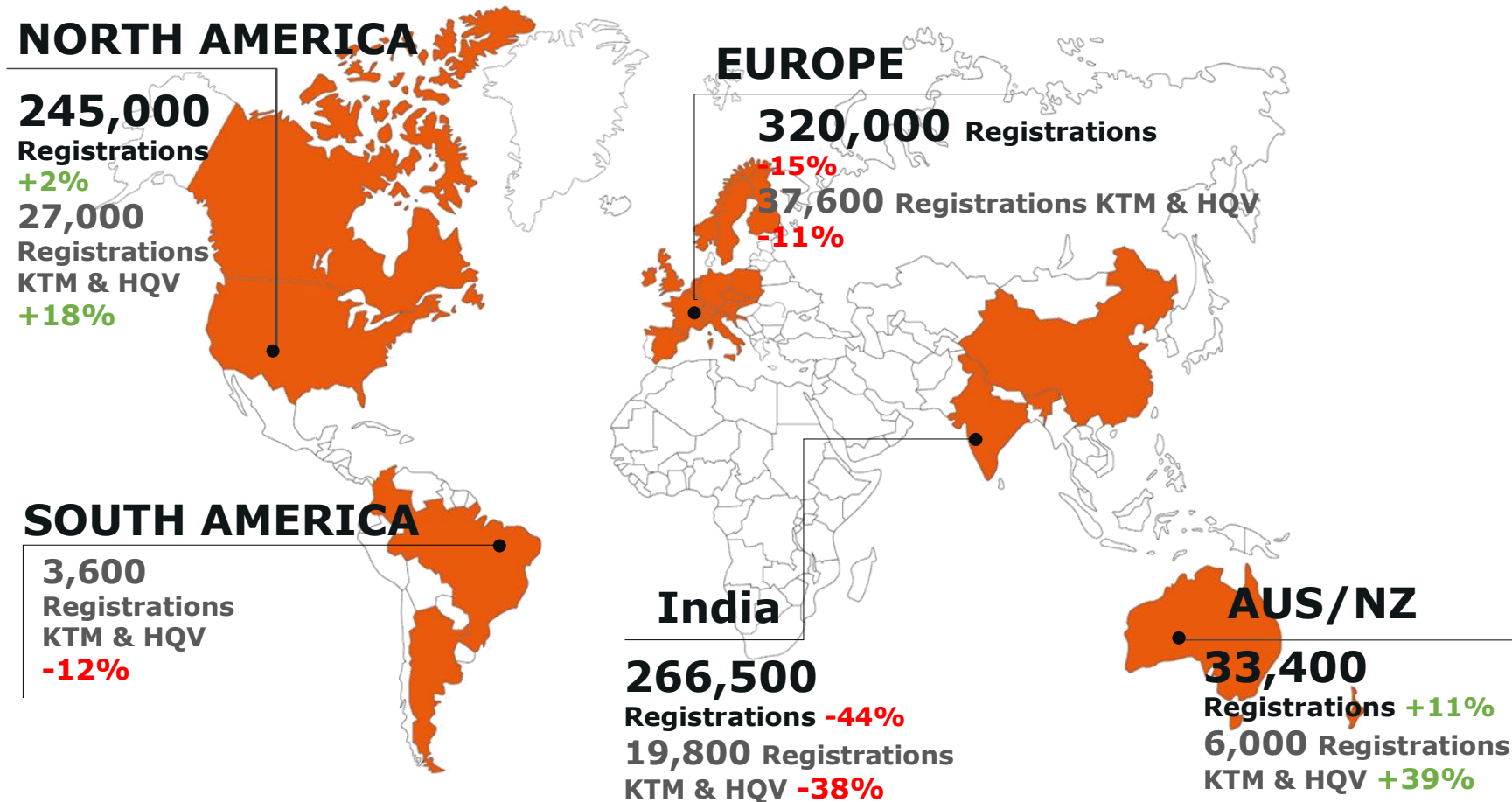
## Husqvarna / R Raymon / GASGAS

Sales units E-Bicycles



## Retail Registrations - Half-Year 2020 (COVID Lock-Down)

Relevant Market Environment Motorcycles > 120cc



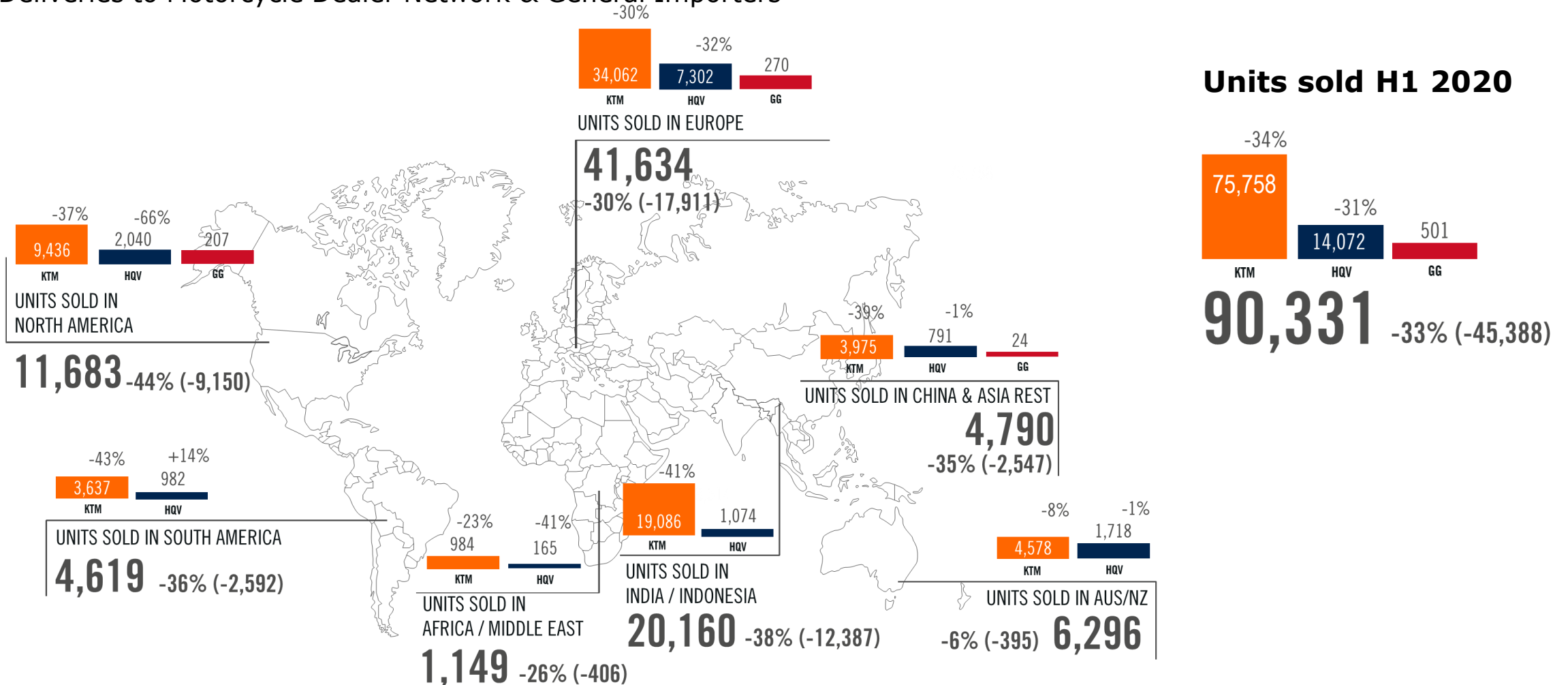
### Retail Registrations

**Overall Market: -7,4%**  
**KTM & HQV: +1,4%**



# Motorcycle Wholesales - Half-Year 2020 (COVID Lock-Down)

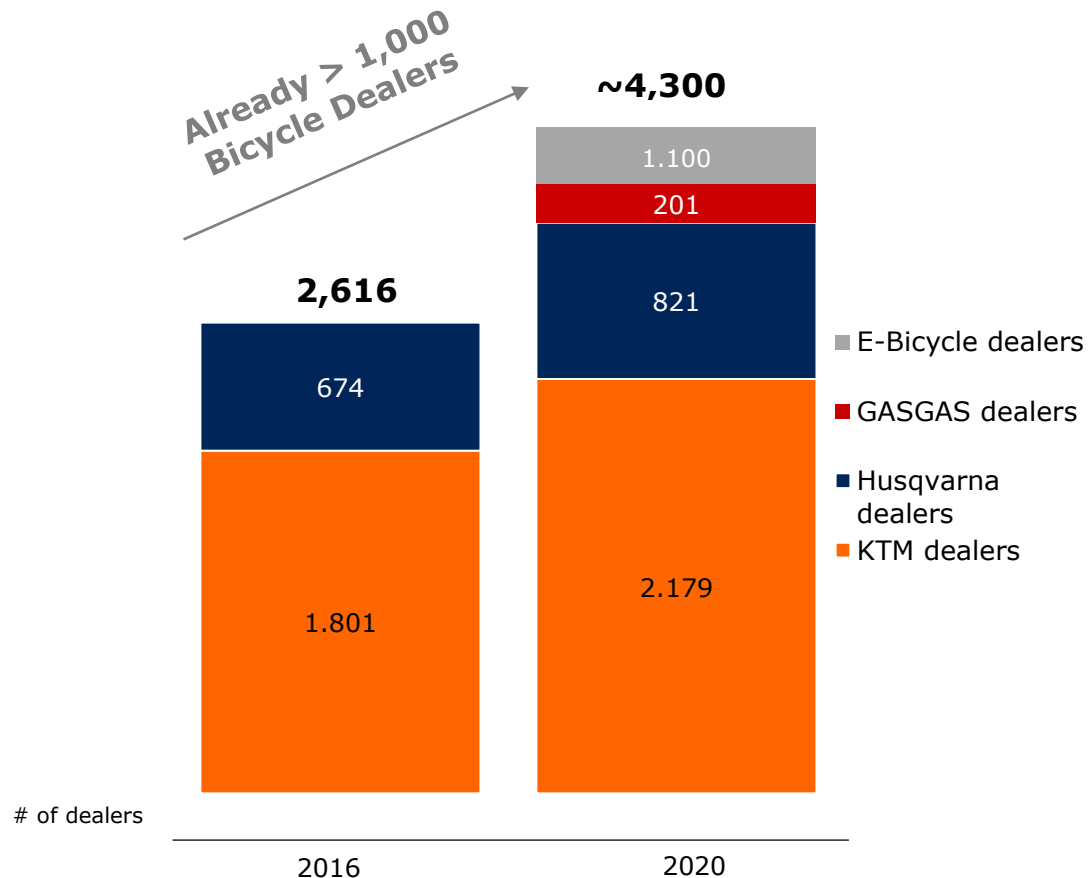
Deliveries to Motorcycle Dealer Network & General Importers





## Business Growth Driver– Dealers & Showrooms

Already more than 3,000 Motorcycle Dealers



**Flagship Store:**  
Wiesing / Austria



**GASGAS 2020:**  
413 planned dealers



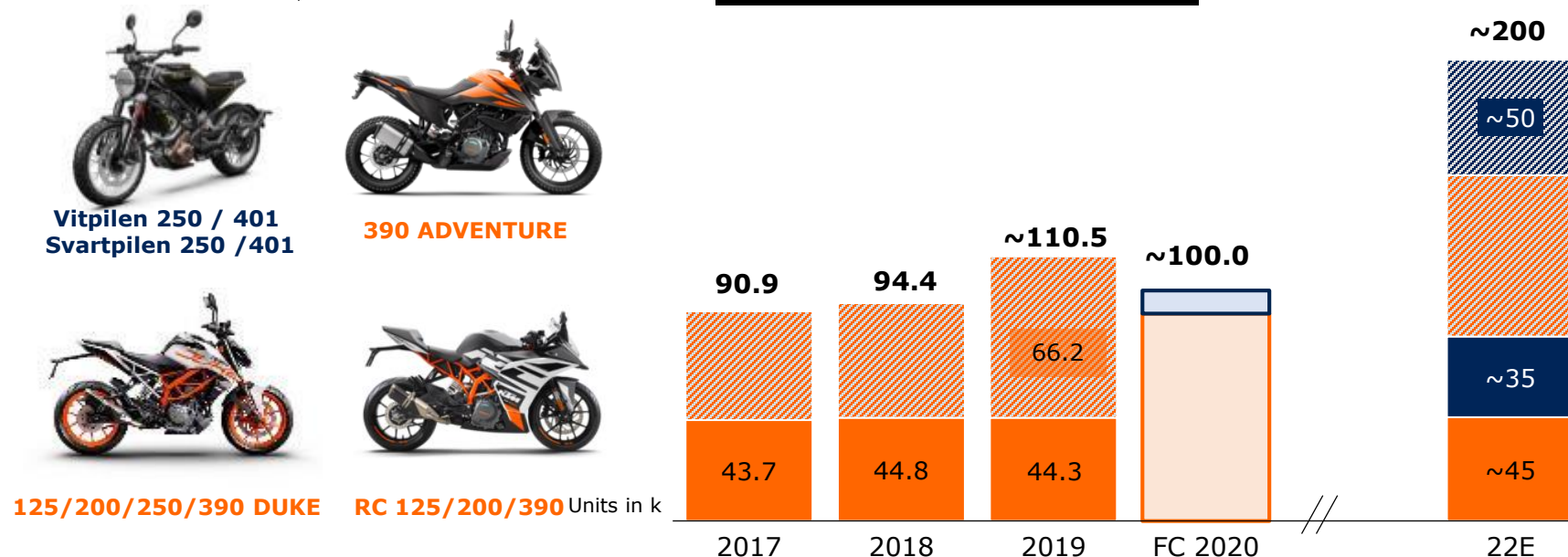
**E-Bicycles Brands:**  
Husqvarna, GASGAS, R Raymon

## Cooperation with BAJAJ – stronger increase than planned

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



Unit CAGR 17-22: ~17.1%



- KTM units distributed by KTM (joint products)
- Husqvarna units distributed by KTM (joint products)
- KTM units distributed by Bajaj (license fee model)
- Husqvarna units distributed by Bajaj (license fee model)

**License fee model**  
KTM & Husqvarna  
2019: 4-5%

- **Transfer of production of Husqvarna model line 401 to Chakan/ India in Q4/2019 – Launch in India in 2020**
- **Production and Launch of KTM 390 ADVENTURE in 2020**
- **No capacity restriction in Chakan factory/India**
- **US Dollar natural hedge**
- **Development of a common 48 volt electric two-wheeler platform in the power range 3 to 10 kW for planned serial production in India**

## Joint-Venture with CFMOTO

High-end motorcycle market is growing 20% p.a.

### Joint venture with long-term Chinese partner CFMOTO



- CFMOTO is sole distributor for KTM in China
- **Sales HY1 2020: ~ 2,300 units**
- **Twin-cylinder platform** will be available for CFMOTO and KTM products
- **SOP** first product 'CFMOTO-MT800' in **Q1 2021**
- **Massive increase of cooperation level:**  
Production of **750 DUKE, 750 ADVENTURE, 750 SUPERMOTO T** for China domestic plus global markets in the **JV factory**
- 750 cc displacement as **additional product range for KTM**



Plant under construction

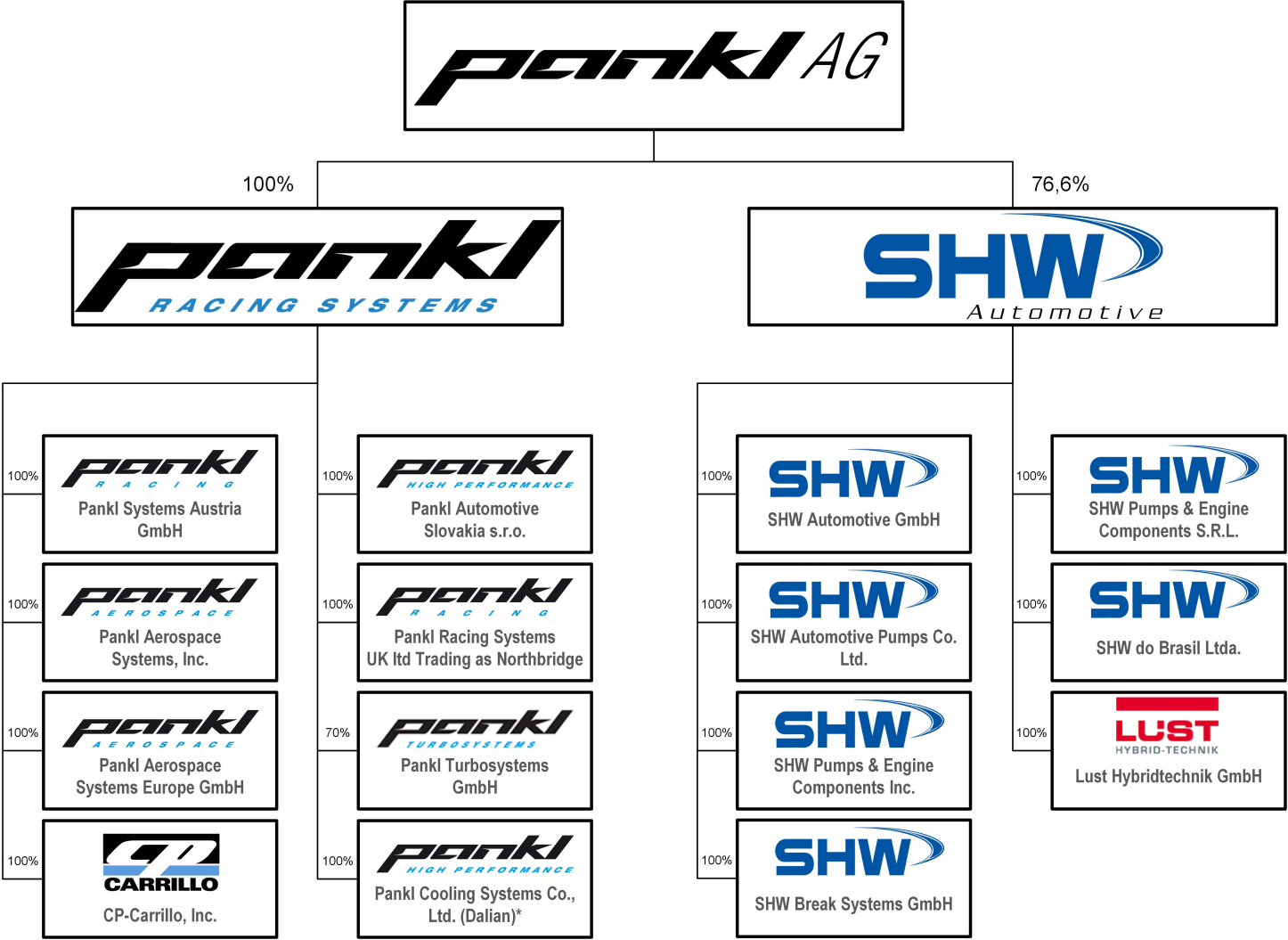
Production capacity of around 50k motorcycles;  
Expansion to around 100k motorcycles possible

# ***PANKI*** AG

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5679 15679  
96842 96842

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## Who we are

Focus on the Future – Innovation Leader - High synergy potentials within the group

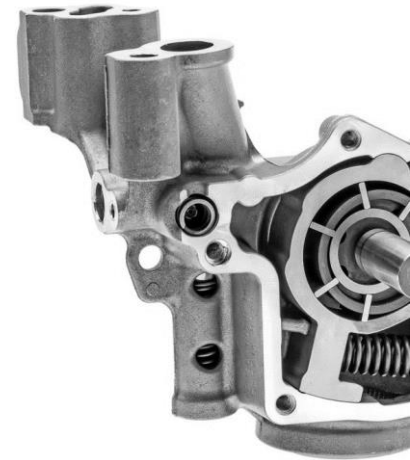
*pankl*

*pankl*

...specializes in developing and manufacturing engine and drivetrain components for **racing cars, high performance vehicles** and the **aerospace industry**.

SHW

... specializes in developing and manufacturing **pumps and engine components** for **passenger cars and trucks and off-highway applications** as well as **brake discs**.



# History

Growth into the leading system supplier and development partner of high-performance components

**1985**

Pankl Racing Systems was found as a supplier for the motorsport industry



**1994**

Second Company Division Aerospace



**1998**

Initial public offer (EASDAQ)

1. Expansion in Bruck/Mur and beginning of internationalization

**2003**

Expansion of the Kapfenberg location



**2004**

2. Expansion Bruck/Mur  
Founder sells his shares

**2006**

Entry of CROSS Industries



**2008**

Construction of the Topolcany factory  
Acquisition of Northbridge Motorsport



Acquisition of Carrillo Industries

**2012**

Acquisition of 51% in Pankl Turbosystems GmbH  
Extended factory space in Bruck an der Mur

**2014**

New automated forging press at Pankl Forging in Kapfenberg



**2017**

New high performance factory in Kapfenberg



**2017**

New technology at Pankl „Additive Manufacturing“



**2018**

Extended factory space at Pankl Automotive Slovakia



**2018**

Pierer Industrie AG acquires 98.2% of Pankl Racing Systems AG  
Majority stake in SHW AG reached after the purchase offer (50.2%)  
Platform for a strategic cooperation between Pankl and SHW established



**2019**

Pankl Cooling Systems  
New location in China (Dalian)



# History

World's leading manufacturer of CO<sub>2</sub> optimized pumps and engine components

**1365**

First documented mentioning of SHW.



**1921**

Foundation of Schwäbische Hüttenwerke GmbH (SHW GmbH). The business activities initially started in the mining sector, operating a foundry and trading in raw materials..

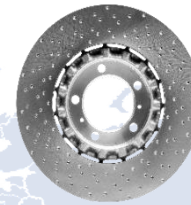
**1925**

SHW constructs a prototype of a car



**1954**

Start of brake discs production at its plant in Tuttlingen-Ludwigstal.



**1963**

SHW starts sintered component production.

**1978**

Hydraulic pump production begins in the new plant in Bad Schussenried.



**2005**

Spin-off of the non-automotive business units from the SHW Group.



**2011**

SHW, which operates as SHW AG, goes public.

**2017**

Acquisition of Lust Hybrid-Technik GmbH in Hermsdorf, Thuringia.



**2018**

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Majority stake in SHW AG reached after the purchase offer (50.2%)  
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**2019**

In June 2019 SHW AG moves from the regulated market (General Standard) of the Frankfurt Stock Exchange to the open market of the Munich Stock Exchange in the m:access segment.

**2020**

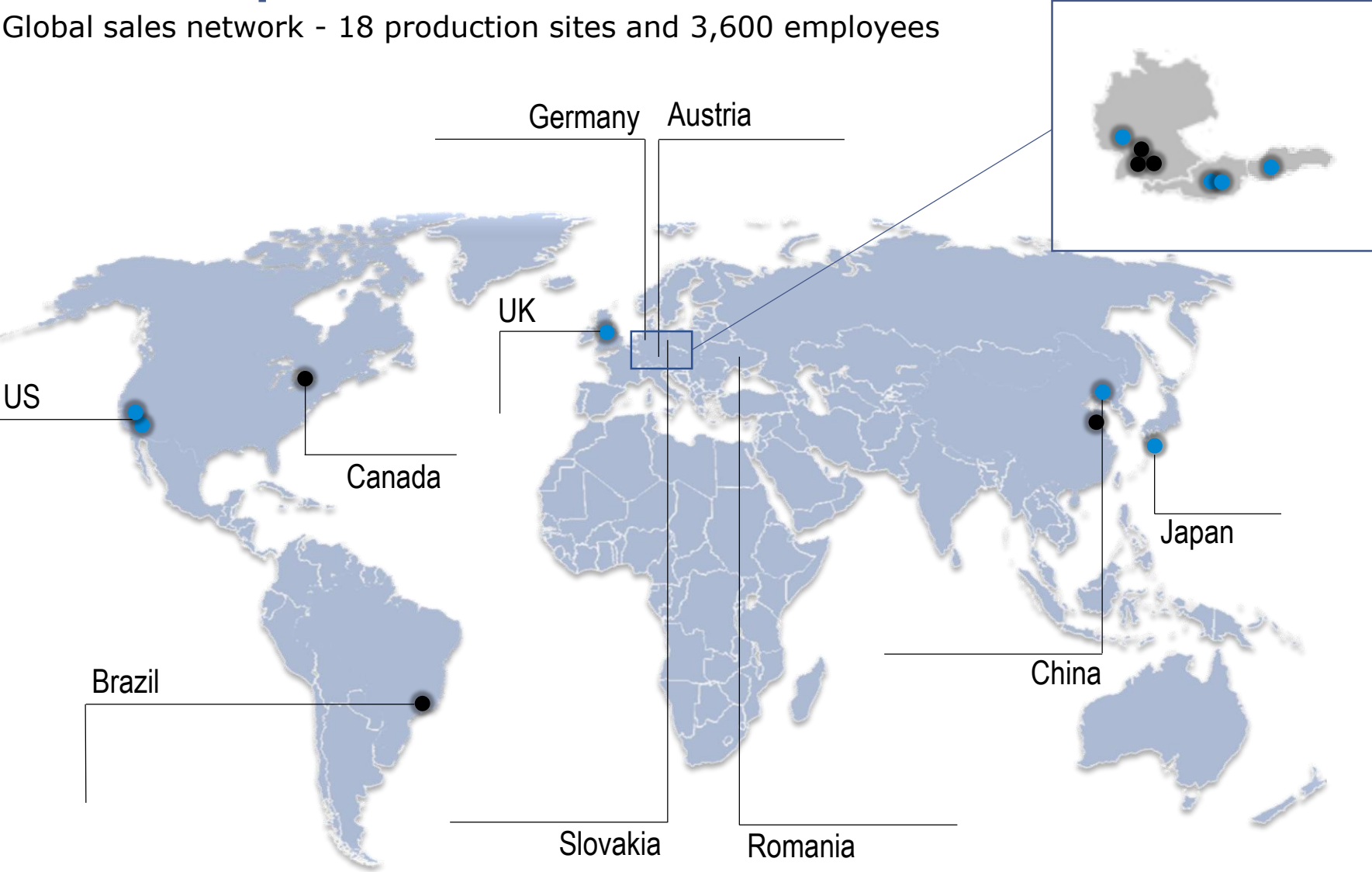
Legal independence of the brake discs subdivision to "SHW Brake Systems GmbH" and "SHW Gießerei GmbH & Co. KG". Both companies remain 100% SHW Group companies.





# Pankl Group worldwide

Global sales network - 18 production sites and 3,600 employees



Kapfenberg, Bruck/Mur,  
Mannheim, Topolčany, Irvine,  
Cerritos, Leicester, Dalian, Tokyo



Aalen, Bad Schussenried,  
Hermsdorf, Neuhausen ob Eck,  
Tuttlingen, Timișoara, Toronto,  
Sao Paulo, Kunshan

# Pankl Group Products / Revenue distribution by segments 2019

High Tech – High Speed – High Quality



in % of revenue

Powertrain | Chassis



Cranktrain



Motor Pumps



E-Turbo



Sinter Parts



Cooler



Additive Manufactured Parts



Driveshaft



Hub



Forged Aluminum Parts



Upright



Gearing



Transmission Pumps

Powertrain | Chassis

77%

Brakes



Composite-Brake Discs



Monobloc-Brake Discs



Monobloc-Brake Discs raw

Brakes

18%

Aerospace



Engine Shaft



Main Rotorshaft



Tail Rotorshaft



Refuelling Tube

Aerospace

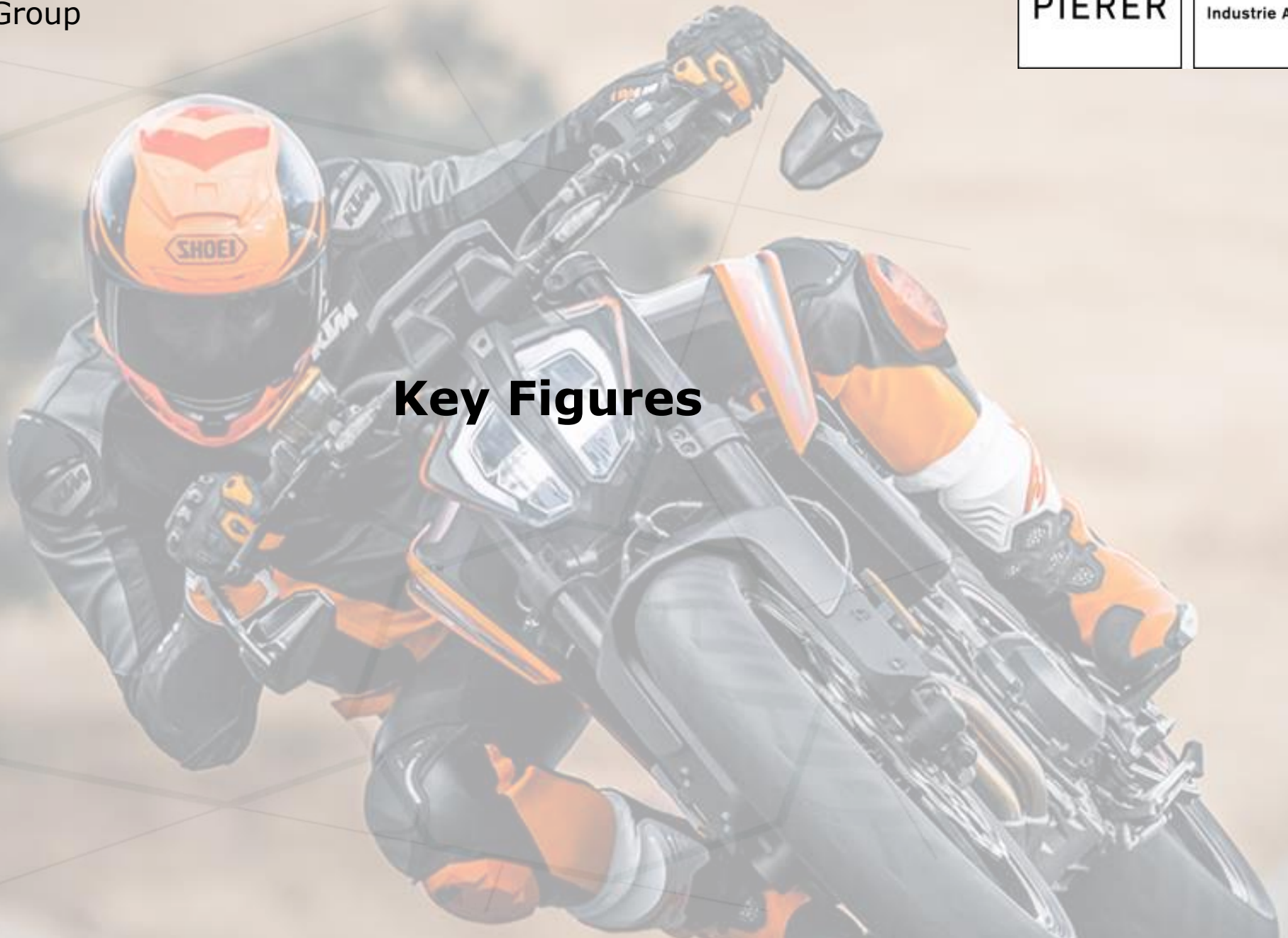
5%

# Top Ten Customers 2019

Leading automobile manufacturers as long-term customers



# Key Figures





# Pierer Industrie-Group

## Key figures

PIERER

Industrie AG

in EURm

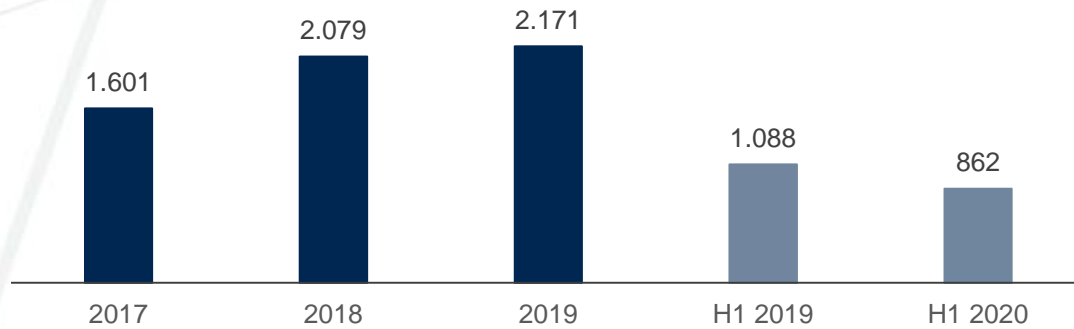
Pierer Industrie Group	FY 2017	FY 2018	FY 2019	$\Delta$ 2018 / 2019	H1 2019	H1 2020	$\Delta$ 2019 / 2020
<b><u>Profit &amp; Loss:</u></b>							
Revenues	1,600.7	2,078.7	2,171.1	92.4	1,087.8	862.3	-225.4
EBITDA	227.9	267.3	313.1	45.7	133.5	78.9	-54.6
EBITDA margin	14.2%	12.9%	14.4%	1.6%	12.3%	9.1%	-3.1%
EBIT	136.6	138.7	149.4	10.7	55.6	-12.0	-67.6
EBIT margin	8.5%	6.7%	6.9%	0.2%	5.1%	-1.4%	-6.5%
Earnings	54.7	82.2	104.0	21.8	32.5	-22.9	-55.4
<b><u>Balance sheet:</u></b>							
Balance sheet total	1,958.3	2,204.5	2,468.3	263.8	2,362.5	2,550.1	187.7
Equity	793.3	943.9	961.8	17.9	937.9	910.6	-27.3
Equity ratio	40.5%	42.8%	39.0%	-3.9%	39.7%	35.7%	-4.0%
Net working capital (NWC)	281.6	395.0	422.9	27.9	441.0	446.2	5.2
Net debt	-412.0	-540.6	-678.8	-138.2	-681.0	-789.4	-108.4
<b><u>Financing:</u></b>							
Gearing	51.9%	57.3%	70.6%	13.3%	72.6%	86.7%	14.1%
Net debt / EBITDA <sup>*)</sup>	1.8	2.0	2.2	0.1		3.05	



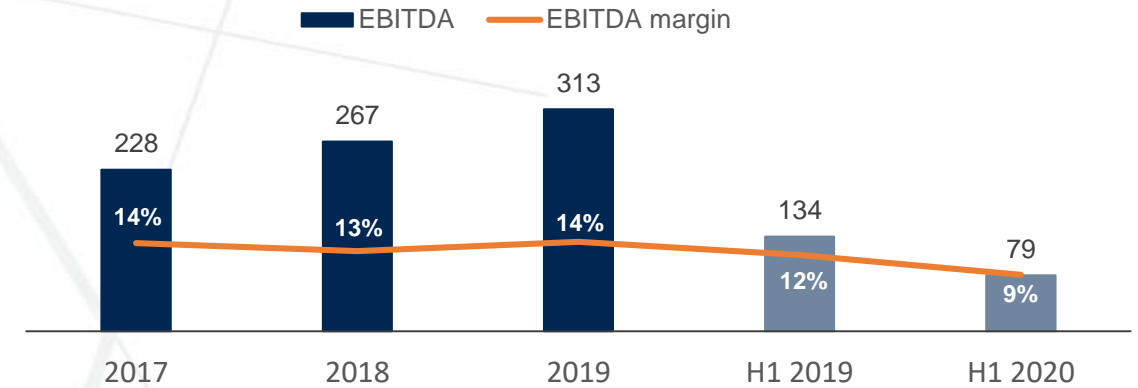
Stable capital structure

\*) H1 2020: calculated dynamically for the last 12 months. H1 2019: Restructuring of the Pierer Group within 2018; Key figures throughout the year not determined.

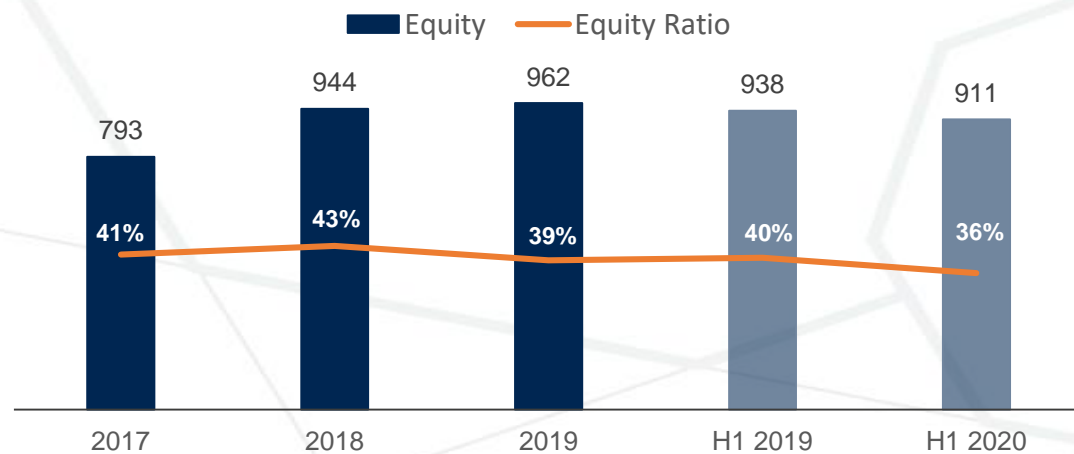
Revenues (in EUR mn)



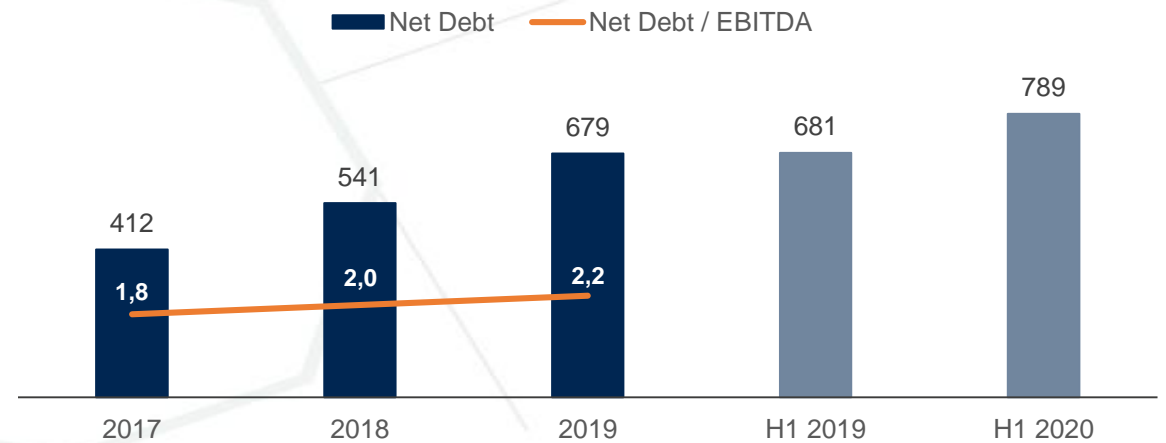
EBITDA and EBITDA margin (in EUR mn)



Equity and Equity Ratio (in EUR mn)



Net Debt and Net Debt / EBITDA (in EUR mn)



## PIERER Mobility-Group

## Key figures

in EURm

PIERER Mobility Group	FY 2017	FY 2018	FY 2019	Δ 2018 / 2019	H1 2019	H1 2020	Δ 2019 / 2020
<b>Profit &amp; Loss: <sup>1)</sup></b>							
Revenues	1 354,1	1 462,2	1 520,1	57,9	754,9	600,0	-154,9
EBITDA	193,1	211,0	240,8	29,8	98,5	64,2	-34,3
EBITDA margin	14,3%	14,4%	15,8%	1,4%	13,1%	10,7%	-2,4%
EBIT	121,9	128,7	131,7	3,0	46,6	1,7	-44,8
EBIT margin	9,0%	8,8%	8,7%	-0,1%	6,2%	0,3%	-5,9%
Earnings	79,1	85,2	95,7	10,5	29,3	-9,6	-38,9
<b>Balance sheet:</b>							
Balance sheet total	1 465,2	1 353,9	1 613,9	260,0	1 462,3	1 666,0	203,7
Equity	528,6	550,8	618,6	67,9	557,8	589,8	32,0
Equity ratio	36,1%	40,7%	38,3%	-2,3%	38,1%	35,4%	-2,7%
Net working capital (NWC)	238,4	245,3	274,2	28,9	270,6	285,9	15,3
Net debt	-375,0	-323,3	-395,8	-72,5	-420,4	-489,4	-69,0
<b>Financing:</b>							
Gearing	70,9%	58,7%	64,0%	5,3%	75,4%	83,0%	7,6%
Net debt / EBITDA	1,7	1,5	1,6	0,1	1,87	2,37	0,50

# Pankl AG - Group

## Key figures

in EURm

Pankl AG Group	FY 2017 <sup>1)</sup>	FY 2018	FY 2019	Δ 2018 / 2019	H1 2019	H1 2020	Δ 2019 / 2020
<b>Profit &amp; Loss:</b> <sup>2)</sup>							
Revenues	66,4	638,1	665,2	27,2	338,0	263,6	-74,4
EBITDA	6,7	59,3	72,5	13,2	37,1	16,6	-20,5
EBITDA margin	10,1%	9,3%	10,9%	1,6%	11,0%	6,3%	-4,7%
EBIT	1,9	13,0	17,9	4,9	11,2	-12,0	-23,2
EBIT margin	2,8%	2,0%	2,7%	0,7%	3,3%	-4,5%	-7,9%
Earnings	-0,7	6,3	9,1	2,8	5,3	-11,3	-16,6
<b>Balance sheet:</b>							
Balance sheet total	370,2	694,1	744,3	50,2	742,7	774,0	31,3
Equity	143,2	269,9	276,3	6,4	273,6	262,5	-11,1
Equity ratio	38,7%	38,9%	37,1%	-1,8%	36,8%	33,9%	-2,9%
Net working capital (NWC)	43,9	139,4	137,0	-2,5	161,6	150,0	-11,6
Net debt	-95,7	-235,6	-264,8	-29,1	-272,7	-279,4	-6,7
<b>Financing:</b>							
Gearing	66,8%	87,3%	95,8%	8,5%	99,7%	106,4%	6,8%
Net debt / EBITDA	n.a.	4,0	3,7	-0,3	3,97	5,38	1,41

1) Shortened fiscal year: November 1, 2017 until December 31, 2017

2) Including Pankl Group in FY 2018



## COVID crisis is changing mobility behavior towards “Powered Two-Wheelers”

- **Short-time work** for all employees of KTM for two months (Mid of March-Mid of May)
- Motorcycle **production restarted** to full operation on May 18, 2020
- Positive market developments after the end of the shutdown in various world regions
- **Boom in global two-wheeler demand** due to an apparently changed mobility behavior
- To cover the **increasing demand** for **two-wheelers** and the necessary **increase in production capacity**, **~200 additional employees** have been hired since June
- **Positive outlook** for the 2nd half 2020

PIERER

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RACING SYSTEMS

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**SHW** 

**KTM**  **INNOVATION**

  
**Husqvarna**  
E-BICYCLES

  
**GASGAS**

**R** **RAYMON**  
GERMAN PERFORMANCE DIRECT

**AVOCODO**

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**abatec** 

**DC**  
.DIGITAL

## Pierer Industrie AG

### Contact details

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#### **PIERER Industrie AG**

Edisonstrasse 1

4600 Wels

Austria

[www.piererindustrie.at](http://www.piererindustrie.at)

E-Mail: [info@piererindustrie.at](mailto:info@piererindustrie.at)

Phone: +43 7242 / 69 402-0