

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**

**November 2020**

# Agenda

- **Pierer Industrie AG at a Glance**
- **Introduction PIERER Mobility-Group**
- **Introduction Pankl-Group**
- **Key Facts & Sustainability**
- **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** – a leading European Powered Two-Wheeler producer – 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.

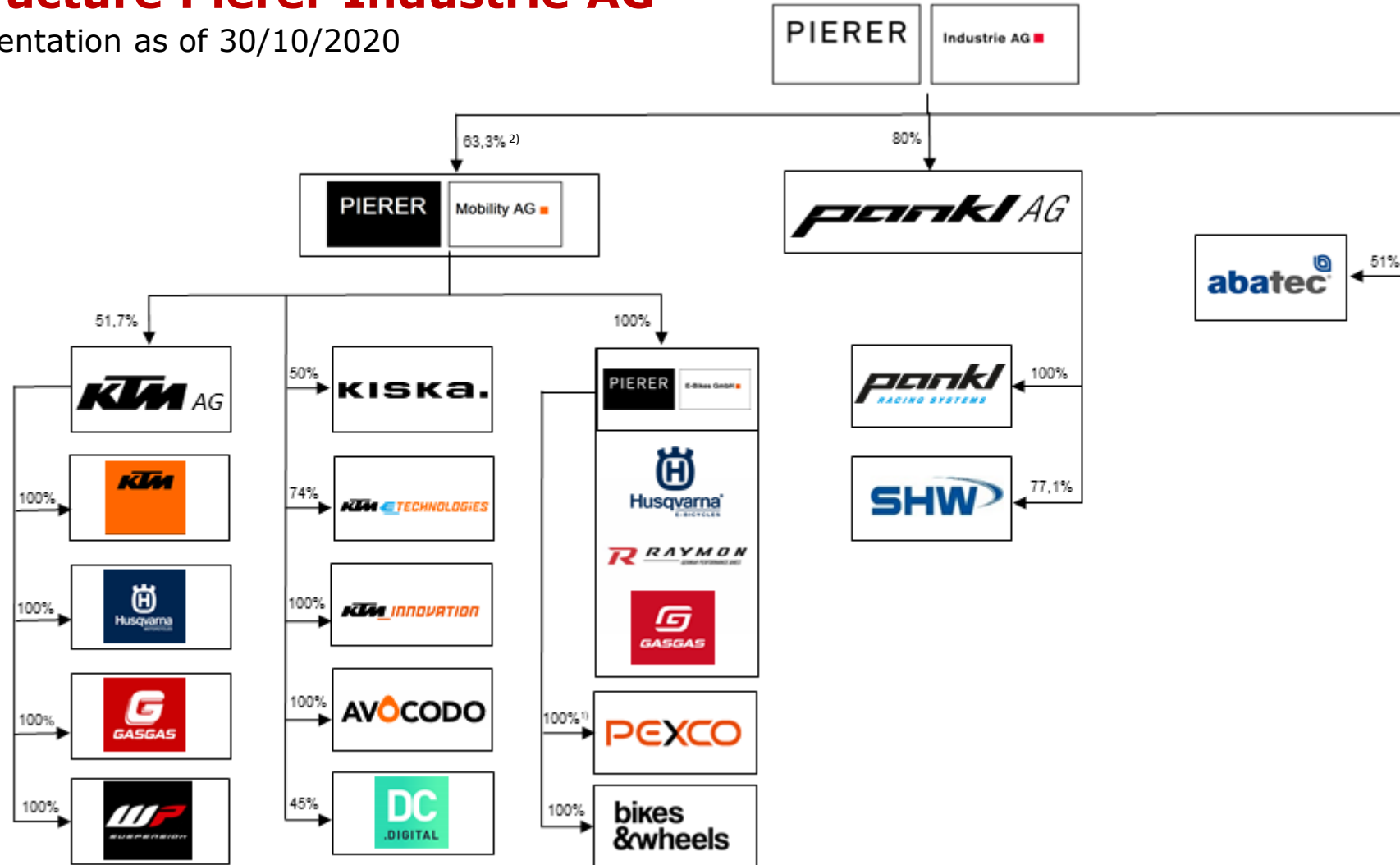
**Other members of the Board of Directors**

*(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 30/10/2020



1) Thereof 40% via Platin 1483 GmbH  
 2) Additional 3.2% are directly held by the parent company Pierer Konzerngesellschaft mbH



# PIERER MOBILITY AG

**KTM**



**Husqvarna**  
MOTORCYCLES



**GASGAS**



**Husqvarna**  
E-BICYCLES

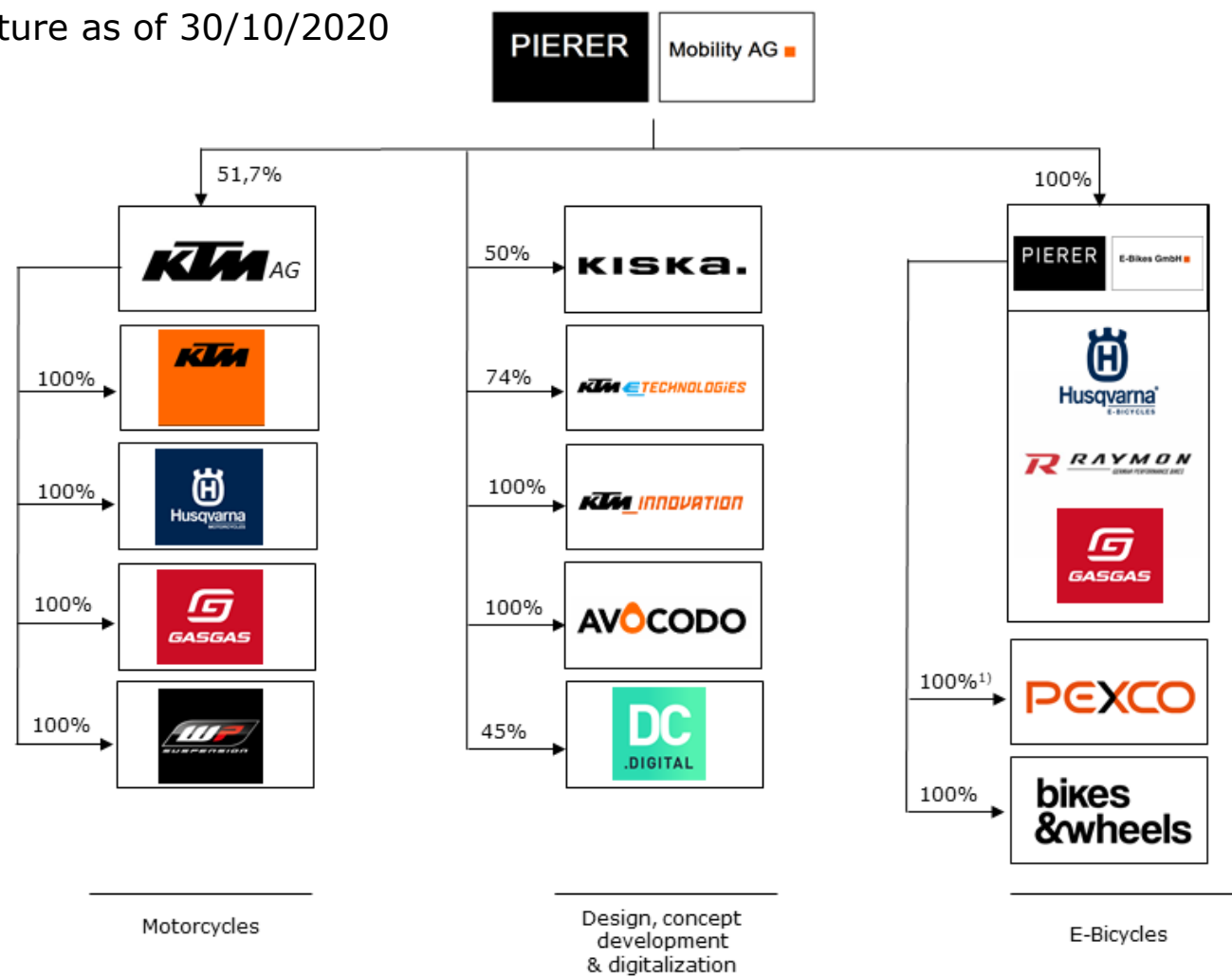
**R RAYMON**  
GENUINE PERFORMANCE PARTS



**A LEADING EUROPEAN POWERED TWO-WHEELER COMPANY.**

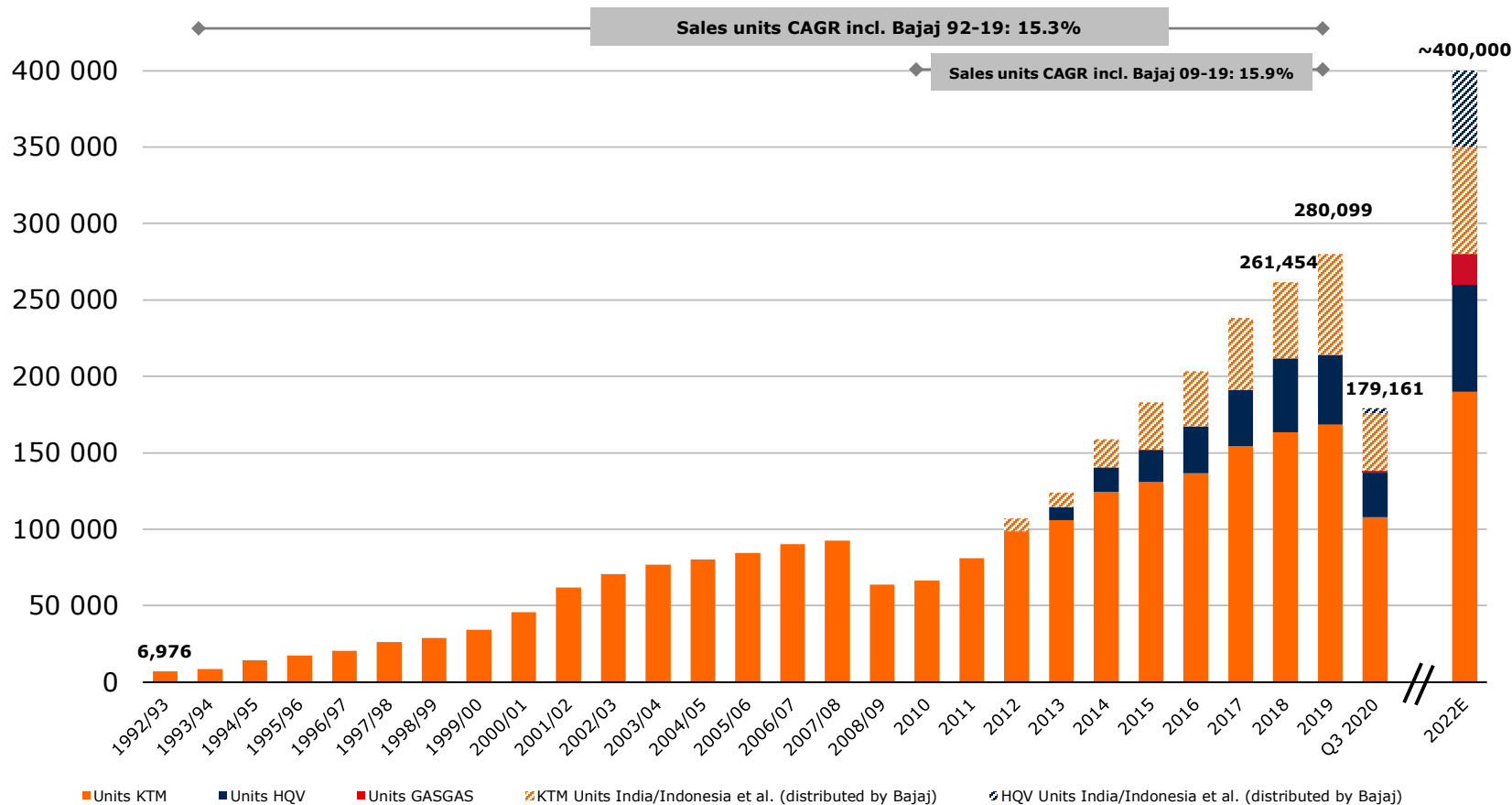
# A Leading European Powered Two-Wheeler Group

simplified Group structure as of 30/10/2020



## Twenty-eight years of successful track record

Sales units Motorcycles

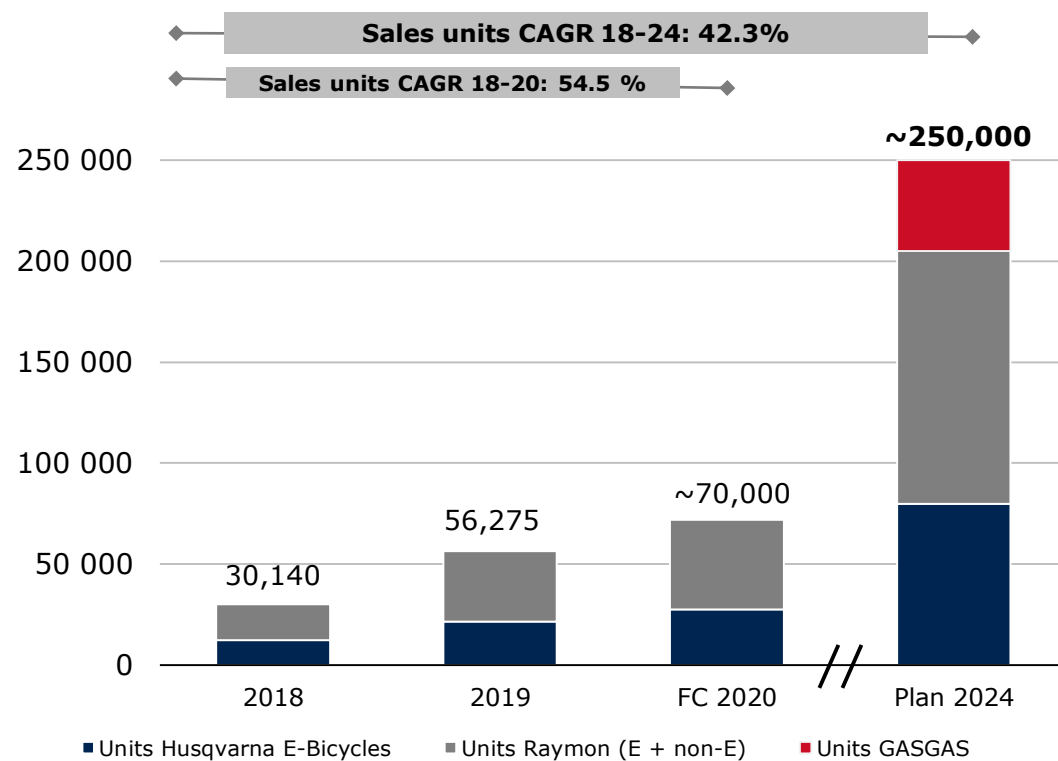


- **Sales Unit CAGR of 15.9%** since 2009 has resulted in operating leverage with **EBIT growth of ~ 18.0%** in the same period
- **280,099 units sold resulted in EUR 1.52bln.** Revenues in 2019 and Ebit of EUR 131.7 mln.
- **Group market share has quadrupled since 2009** to 12% in Europe and 10% in the USA
- **E-bicycle target of 250k units set to quadruple** from this years level by 2024 in addition to traditional combustion target of 400k



## Husqvarna / R Raymon / GASGAS

Sales units E-Bicycles



## Retail Registrations – Q3 2020

Relevant Market Environment Motorcycles > 120cc

### NORTH AMERICA

**370,000**

Registrations

+5%

**40,600**

Registrations

KTM & HQV

+27%

### SOUTH AMERICA

**6,300**

Registrations

KTM & HQV

+/-0%

### EUROPE

**525,000** Registrations

-1%

**63,000** Registrations KTM & HQV

+1%

### CHINA (Mainland)\* (Aug C)

**24,700**

Registrations +81%

3,450 Registrations

KTM & HQV +20%

### India

**470,000**

Registrations -30%

**40,000**

Registrations

KTM & HQV -18%

### AUS/NZ

**54,000**

Registrations +18%

**10,200** Registrations

KTM & HQV +43%

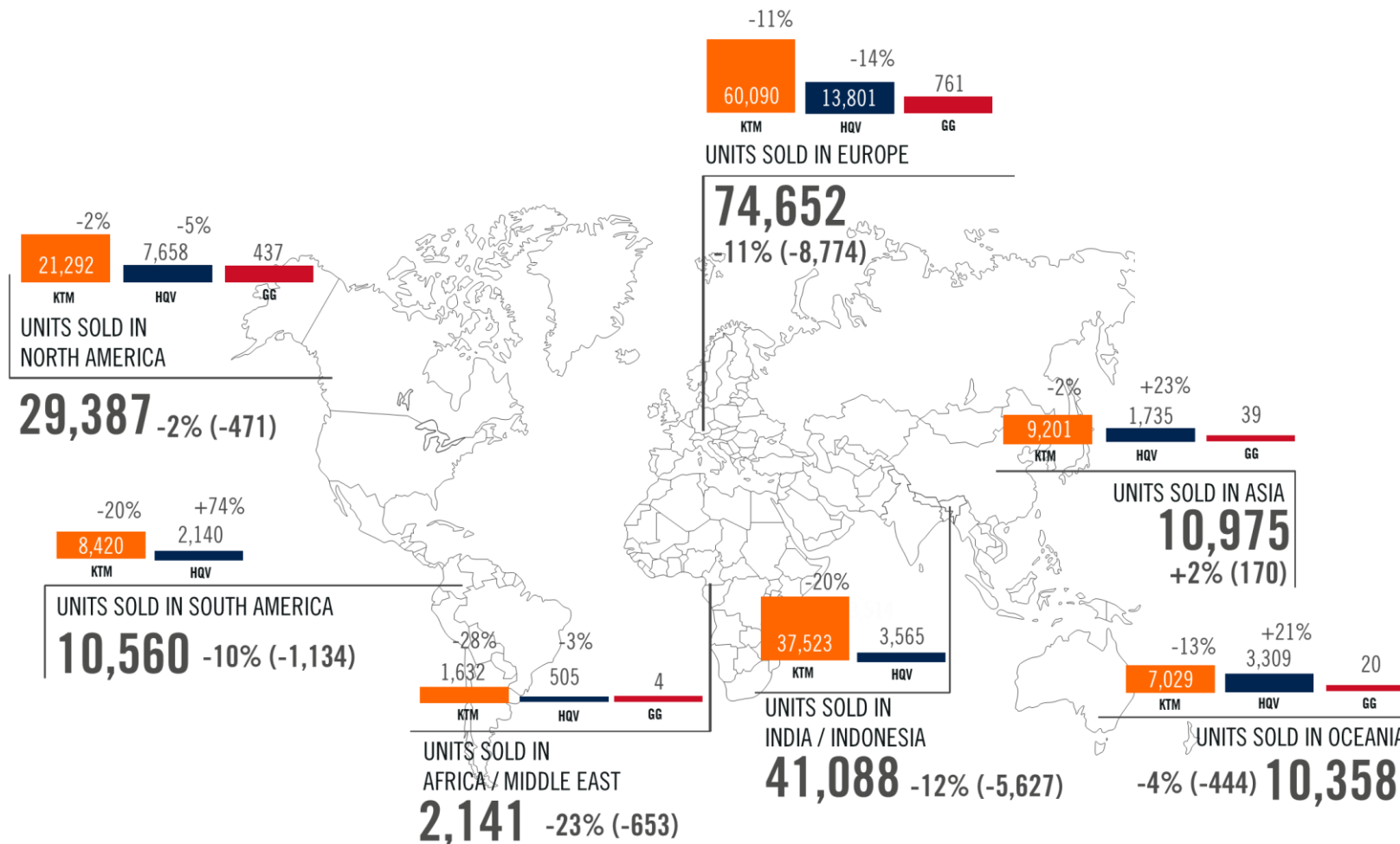
## Solid Market Share Growth in Key Markets:

- Europe: 12.0% (+2.1%)
- North America: 11.0% (+20.8%)
- AUS / NZ: 18.9% (+20.9%)

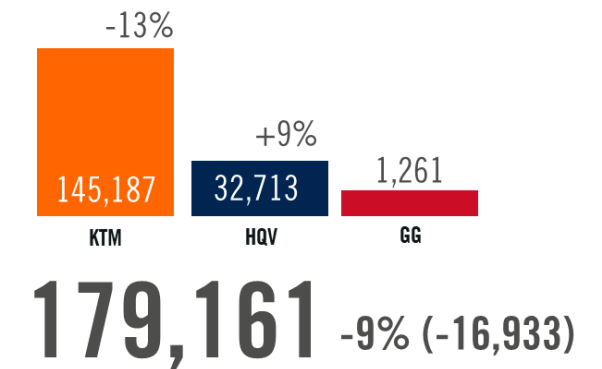


# Motorcycle Wholesales – Q3 2020

Deliveries to Motorcycle Dealer Network & General Importers

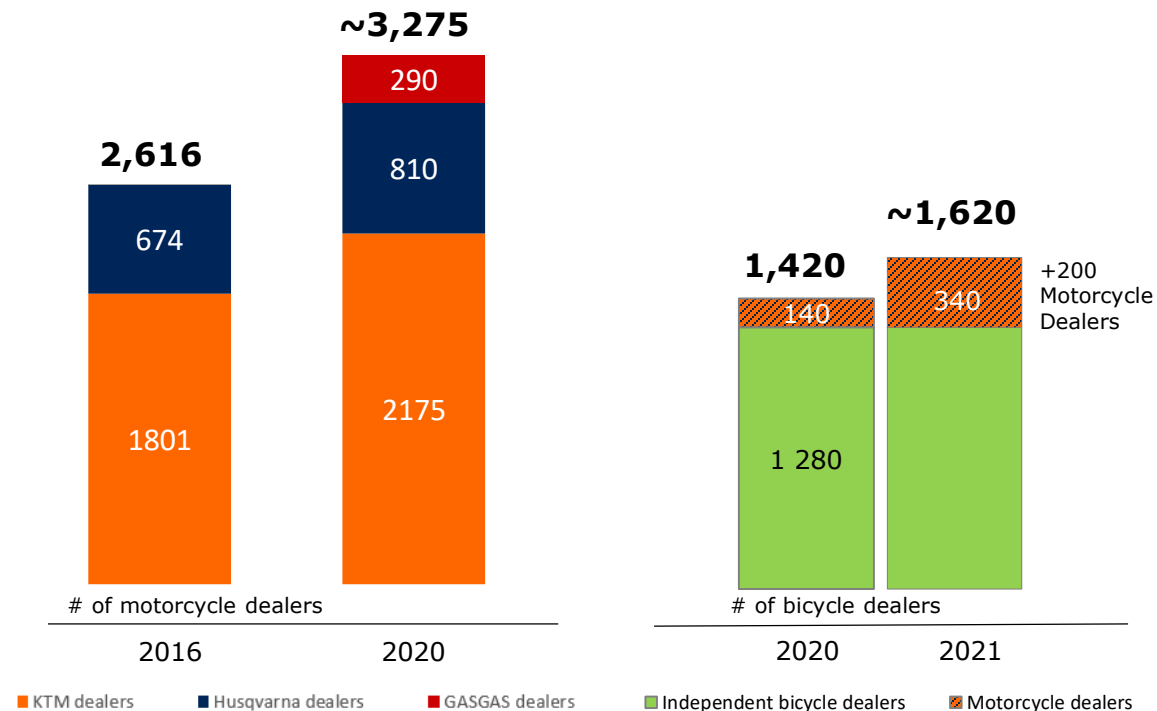


## Units sold Q3 2020



## Business Growth Driver – Dealers & Showrooms

Already more than 3,200 Motorcycle Dealers & more than 1,400 Bicycle Dealers



- Vertical and horizontal integration of motorcycle and bicycle dealerships

Source: PIERER Mobility AG; Note: Chart includes subsidiaries and importer dealers (including India)

**~3,275 Motorcycle Dealers** (2,175 KTM, 810 Husqvarna & 290 GASGAS), Europe: ~1,300 Dealers; North America: ~680 Dealers; India/Indonesia: ~500 KTM; More than 300 dual brand dealers

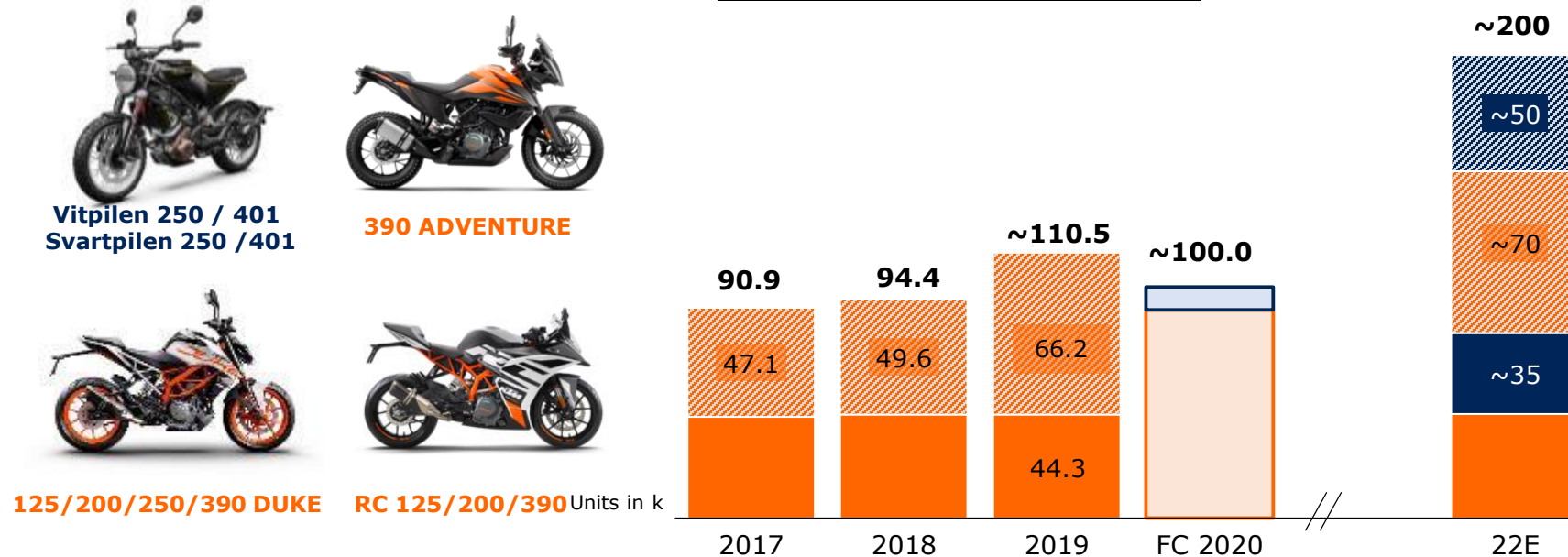
**~1,420 Bicycle Dealers** (1,280 independent bicycle dealers, 140 motorcycle dealers)

## 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 40% p.a.

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



- CFMOTO is sole distributor for KTM in China
- **Sales Q3 C 2020: ~ 5,600 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**



Production capacity of around 50k motorcycles

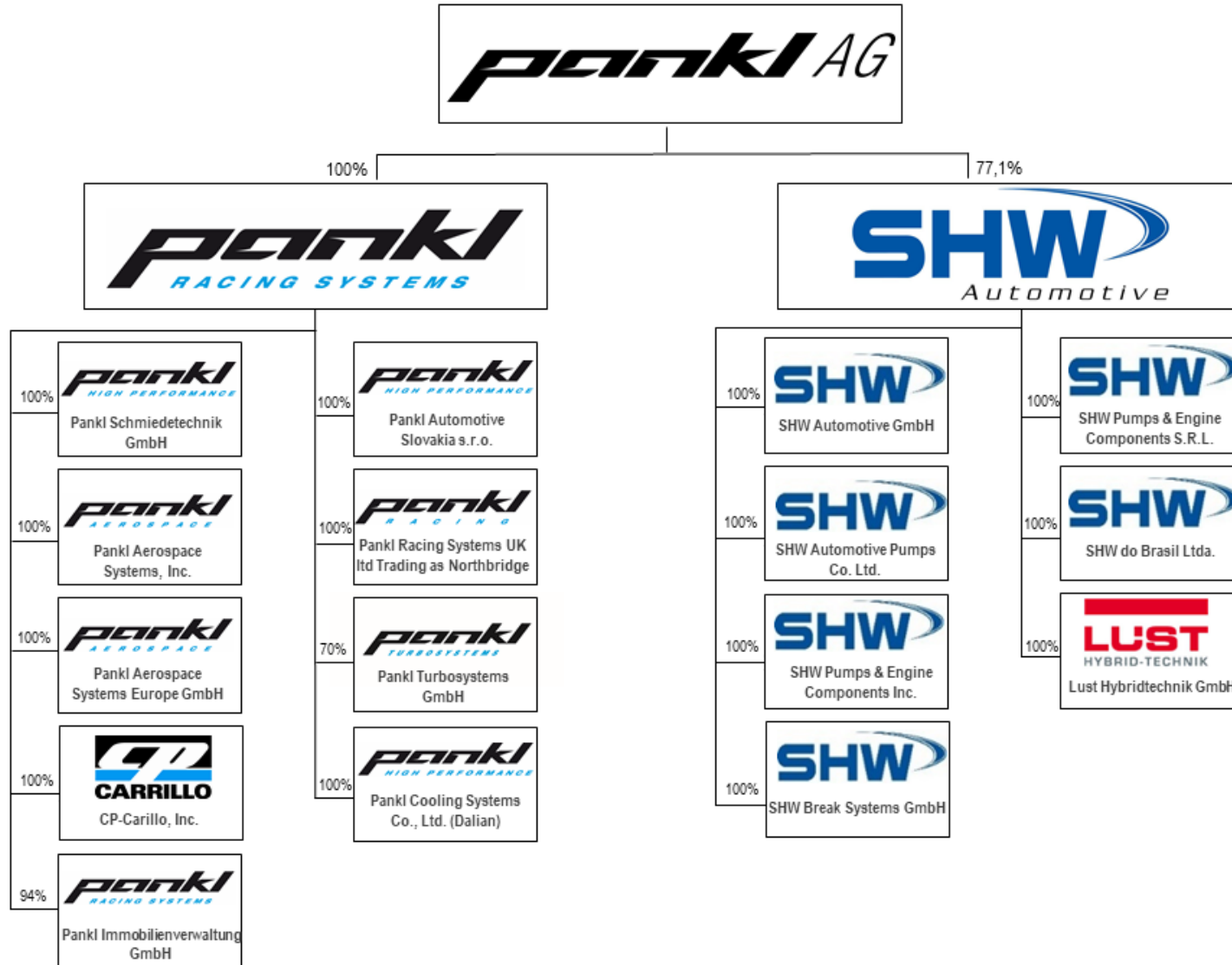
# ***pantki*** AG

953 0953  
5679 15679  
96842 96842

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# Pankl AG Group

simplified Group structure as of November 2020



## Who are we?

*panki*

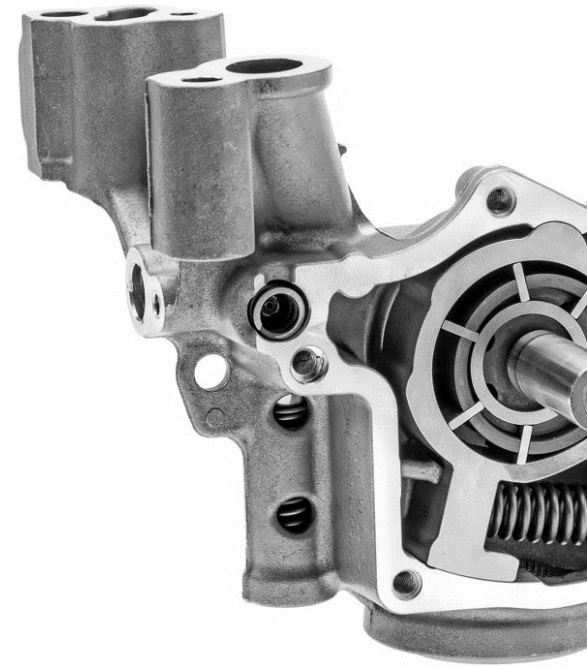
***panki***  
RACING SYSTEMS

... 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 CO2 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.

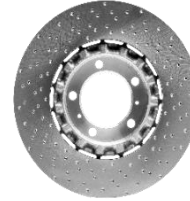
**1925**

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**

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**

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.



# Highlights



**Revenues 666 m€**

**Global footprint**      **18 factories**

**3.600 employees worldwide**

**Innovation leader**

**Global market leader: titanium connecting rods, driveshafts**

**Leading manufacturer of pumps, brakes, pistons, driveline systems and main- and tailrotorshafts**

**High Tech | High Speed | High Quality**

**Innovative High-Tech solutions**

**Global distribution network**

**State-of-the-Art technology**

# Development partner with system competence and a high level of added value



DEVELOPMENT



SINTERING  
TECHNOLOGY



CASTING  
TECHNOLOGY



FORGING  
TECHNOLOGY



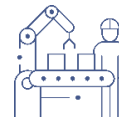
ADDITIVE  
MANUFACTURING



MACHINING



HEAT  
TREATMENT



ASSEMBLING



TESTING



SERVICE



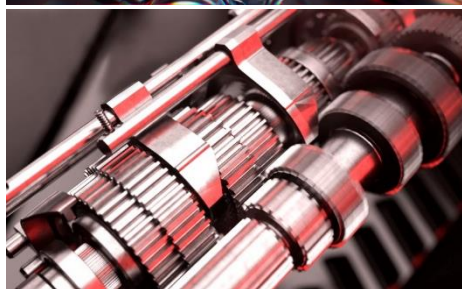


# Pankl Group Products



77%\*

## Powertrain | Chassis



Cranktrain



Motor Pumps



E-Turbo



Sinter Parts



Cooler



Additive Manufactured Parts



Driveshaft



Hub



Forged Aluminum Parts



Upright



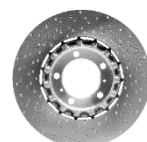
Gearing



Transmission Pumps

18%\*

## Brakes



Composite-Brake Discs



Monobloc-Brake Discs



Monobloc-Brake Discs raw

5%\*

## Aerospace



Engine Shaft



Main Rotorshaft



Tail Rotorshaft



Refuelling Tube

# Pankl Additive Manufacturing Competence Center



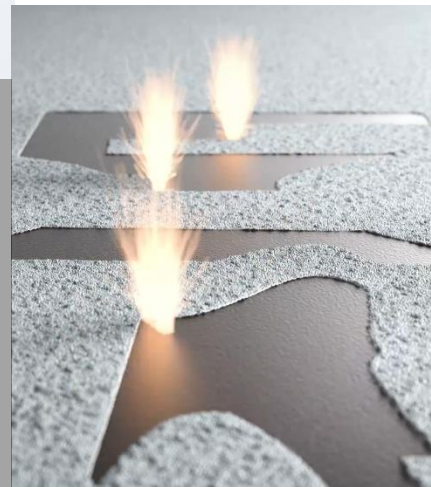
## COMPLETE PROCESS



- Powder Development & Atomization
- Design | FEA | Topology Optimization
- Printing
- HIP and Heat Treatment
- Post-Processing
- Material Investigation
- Laboratory Testing
- Components Testing

## Technology USP's

- EXTREME LIGHTWEIGHT CONCEPTS
- SHORT LEAD TIME
- REDUCED NUMBER OF COMPONENTS
- TOPOLOGY OPTIMIZATION
- INTEGRATED FUNCTIONS & NEW DESIGN POSSIBILITIES





# Top Ten Customers 2019

*panki*

*panki*  
RACING SYSTEMS

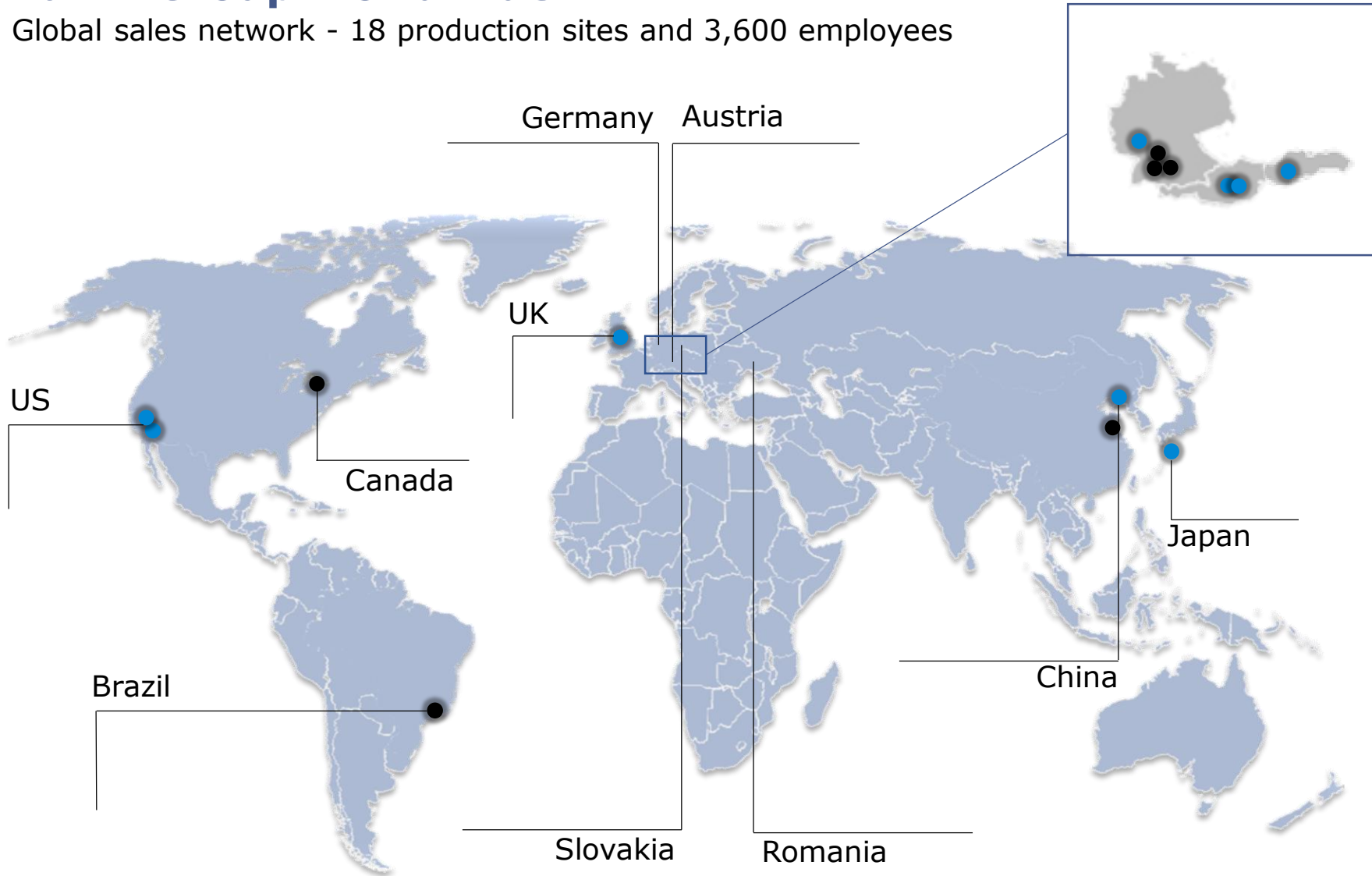


**SHW**



# Pankl Group worldwide

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



**pankl**

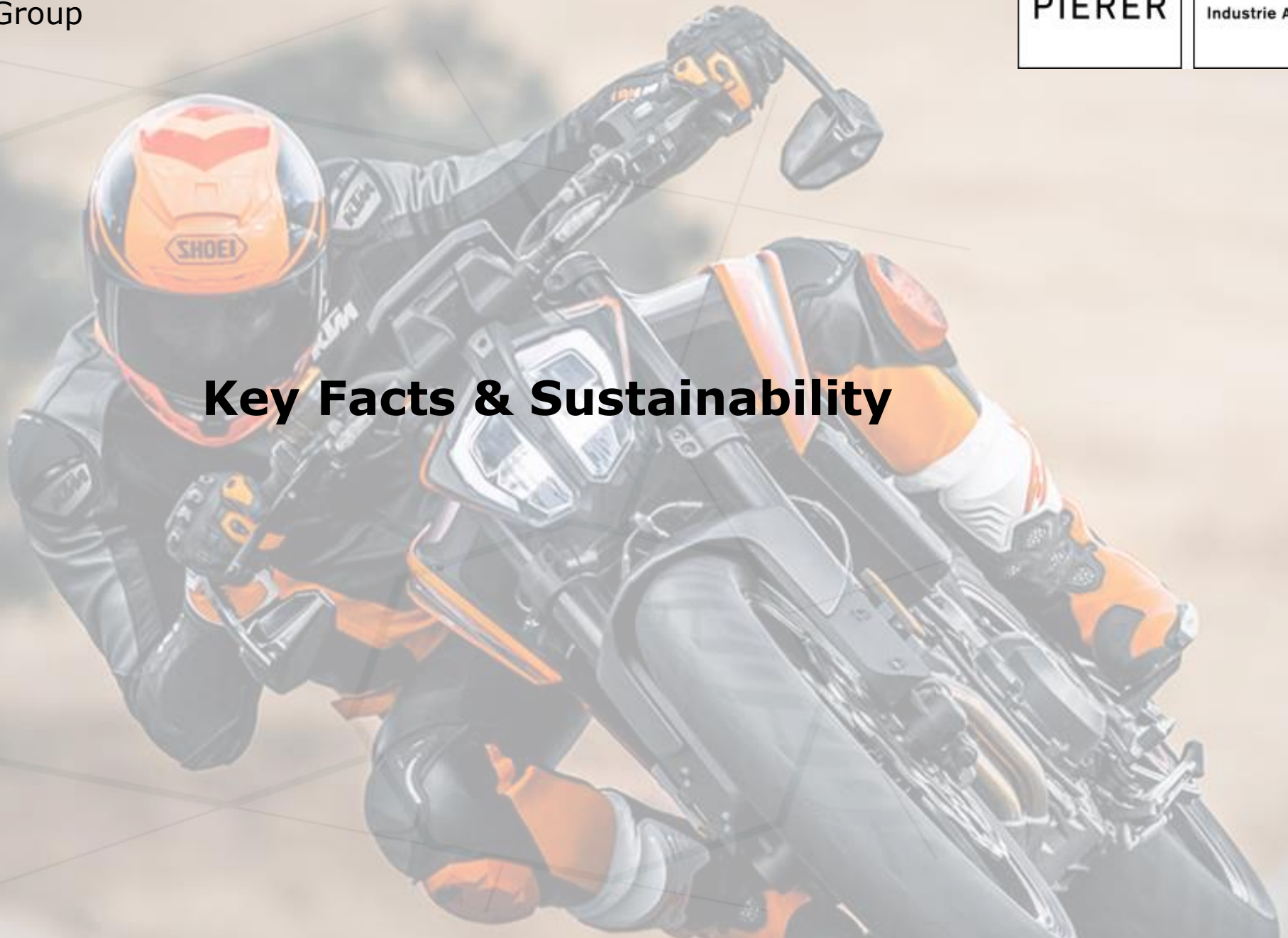
**pankl**  
RACING SYSTEMS

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

**SHW**

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

## Key Facts & Sustainability



# Pierer Industrie-Group

## Key figures

in EURm

Pierer Industrie Group	FY 2017	FY 2018	FY 2019	$\Delta$ 2018 / 2019
<b><u>Profit &amp; Loss:</u></b>				
Revenues	1,600.7	2,078.7	2,171.1	92.4
EBITDA	227.9	267.3	313.1	45.7
EBITDA margin	14.2%	12.9%	14.4%	1.6%
EBIT	136.6	138.7	149.4	10.7
EBIT margin	8.5%	6.7%	6.9%	0.2%
Earnings	54.7	82.2	104.0	21.8
<b><u>Balance sheet:</u></b>				
Balance sheet total	1,958.3	2,204.5	2,468.3	263.8
Equity	793.3	943.9	961.8	17.9
Equity ratio	40.5%	42.8%	39.0%	-3.9%
Net working capital (NWC)	281.6	395.0	422.9	27.9
Net debt	-412.0	-540.6	-678.8	-138.2
<b><u>Financing:</u></b>				
Gearing	51.9%	57.3%	70.6%	13.3%
Net debt / EBITDA	1.8	2.0	2	0.1



Stable capital structure

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

- Positive result in the first half year despite corona lock-down
- **Strong** market share **gains globally**
- **Boom in global two-wheeler demand** due to an apparently changed mobility behavior
- **Booming E-Bicycle business** with upgraded outlook
- To cover the **increasing demand** for **two-wheelers** and the necessary **increase in production capacity**, **~300 additional employees** have been hired since March



- Leading market position with **PIERER Mobility** in a growing **Powered Two-Wheeler industry** with a scalable business model
- **Pankl** as a **leading supplier** of engine and drivetrain systems to the motor racing, luxury automobiles and the aviation industry
- Sustainable long-term growth perspectives and business opportunities
- Good diversification through geographic regions and product range
- Strong and long-lasting customer base
- Conservative dividend policy
- Solid financing strategy
- Stable and committed management/shareholder structure with high sector expertise

## Focus on 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)

### 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)

### 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



# Appendix



	12/31/2019 EURk	12/31/2018 EURk
<b>Assets:</b>		
<b>Non-current assets:</b>		
Property, plant, and equipment	628,070	537,491
Goodwill	205,641	173,173
Intangible assets	563,051	496,839
Investments accounted for using the equity method	17,719	33,202
Deferred tax assets	32,221	14,801
Other non-current assets	18,992	33,937
	<b>1,465,694</b>	<b>1,289,443</b>
<b>Current assets:</b>		
Inventories	453,697	423,962
Trade receivables	253,515	229,154
Receivables and other assets	98,543	115,517
Tax refund claims	6,440	16,261
Cash and cash equivalents	190,409	130,124
	<b>1,002,604</b>	<b>915,018</b>
	<b>2,468,298</b>	<b>2,204,461</b>



	12/31/2019 EURk	12/31/2018 EURk
<b>Equity and liabilities:</b>		
<b>Equity:</b>		
Share capital	1,000	1,000
Perpetual Bond	37,700	37,700
Other reserves including retained earnings	422,327	400,820
<b>Equity of the owners of the parent company</b>	<b>461,027</b>	<b>439,520</b>
Non-controlling interests	500,758	504,343
	<b>961,785</b>	<b>943,863</b>
 <b>Non-current liabilities:</b>		
Financial liabilities	699,415	531,670
Liabilities for employee benefits	68,589	60,075
Deferred tax liabilities	130,878	111,671
Other non-current liabilities	21,036	15,265
	<b>919,918</b>	<b>718,681</b>
 <b>Current liabilities:</b>		
Financial liabilities	169,829	139,053
Trade payables	284,311	258,088
Provisions	21,364	20,955
Tax liabilities	4,897	7,410
Other current liabilities	106,194	116,411
	<b>586,595</b>	<b>541,917</b>
	<b>2,468,298</b>	<b>2,204,461</b>

	FY 2019 EURk	FY 2018 EURk
Revenue	2,171,132	2,078,744
Production costs of the services provided to generate the revenue	-1,608,377	-1,538,694
<b>Gross profit from sales</b>	<b>562,755</b>	<b>540,050</b>
Selling and racing expenses	-240,623	-211,504
Research and development expenses	-52,052	-53,842
Administration expenses	-137,607	-131,851
Other operating expenses	-5,481	-8,387
Other operating income	26,236	9,915
Earnings from at-equity holdings	-3,868	-5,715
<b>Result from operating activities</b>	<b>149,360</b>	<b>138,666</b>
Interest income	3,205	3,635
Interest expenses	-23,271	-22,542
Other financial and investment income (expenses)	-853	-2,409
<b>Result before taxes</b>	<b>128,441</b>	<b>117,350</b>
Income taxes	-24,419	-35,174
<b>Profit or loss for the financial year</b>	<b>104,022</b>	<b>82,176</b>
thereof owners of the parent company	39,307	21,498
thereof non-controlling shareholders	64,715	60,678

	06/30/2020 EURk	12/31/2019 EURk
<b>Assets:</b>		
<b>Non-current assets:</b>		
Property, plant, and equipment	653,418	628,070
Goodwill	206,009	205,641
Intangible assets	580,178	563,051
Investments accounted for using the equity method	14,602	17,719
Deferred tax assets	32,645	32,221
Other non-current assets	18,338	18,992
	<b>1,505,190</b>	<b>1,465,694</b>
<b>Current assets:</b>		
Inventories	471,275	453,697
Trade receivables	243,325	253,515
Receivables and other assets	112,890	98,543
Tax refund claims	7,933	6,440
Cash and cash equivalents	209,523	190,409
	<b>1,044,946</b>	<b>1,002,604</b>
	<b>2,550,136</b>	<b>2,468,298</b>

	06/30/2020 EURk	12/31/2019 EURk
<b>Equity and liabilities:</b>		
<b>Equity:</b>		
Share capital	1,000	1,000
Perpetual Bond	37,700	37,700
Other reserves including retained earnings	393,762	422,327
<b>Equity of the owners of the parent company</b>	<b>432,462</b>	<b>461,027</b>
Non-controlling interests	478,172	500,758
	<b>910,634</b>	<b>961,785</b>
 <b>Non-current liabilities:</b>		
Financial liabilities	728,671	699,415
Liabilities for employee benefits	68,791	68,589
Deferred tax liabilities	127,977	130,878
Other non-current liabilities	21,281	21,036
	<b>946,720</b>	<b>919,918</b>
 <b>Current liabilities:</b>		
Financial liabilities	270,293	169,829
Trade payables	268,356	284,311
Provisions	23,132	21,364
Tax liabilities	5,352	4,897
Other current liabilities	125,650	106,194
	<b>692,783</b>	<b>586,595</b>
	<b>2,550,136</b>	<b>2,468,298</b>



	H1 2020 EURk	H1 2019 EURk
Revenue	862,320	1,087,763
Production costs of the services provided to generate the revenue	-683,976	-813,974
<b>Gross profit from sales</b>	<b>178,344</b>	<b>273,789</b>
Selling and racing expenses	-100,823	-112,731
Research and development expenses	-18,224	-32,165
Administration expenses	-71,585	-75,288
Other operating expenses	-3,527	-1,304
Other operating income	4,207	4,453
Earnings from at-equity holdings	-414	-1,198
<b>Result from operating activities</b>	<b>-12,022</b>	<b>55,556</b>
Interest income	786	1,269
Interest expenses	-11,634	-11,880
Other financial and investment income (expenses)	-1,238	-761
<b>Result before taxes</b>	<b>-24,108</b>	<b>44,184</b>
Income taxes	1,256	-11,683
<b>Profit or loss for the period</b>	<b>-22,852</b>	<b>32,501</b>
thereof owners of the parent company	-12,267	10,392
thereof non-controlling shareholders	-10,585	22,109

PIERER

Industrie AG 

**KTM**

**pankl**  
RACING SYSTEMS

**KTM** **TECHNOLOGIES**

**Husqvarna**  
MOTORCYCLES

**SHW**

**KTM** **INNOVATION**

**Husqvarna**  
E-BICYCLES

**G**  
**GASGAS**

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