

# **Morgans Queensland Conference**

Thursday 11 August

## **AP Eagers Presentation**

Martin Ward,

*Chief Executive Officer*



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- Tesla question
- Commute question



# Global Industry Changes

(NADA commissioned survey 2016)

Electric Vehicles (EV)

Autonomous Vehicle (AV's)

Mobility Services (MS)

The Connected Car (CC)



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# Private Vehicle Ownership (USA)

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- Going up
- Even in big cities
- Hate to share
- Do you want a commuting time of zero to and from work?  
Think about it carefully.



# What differentiates AP Eagers?

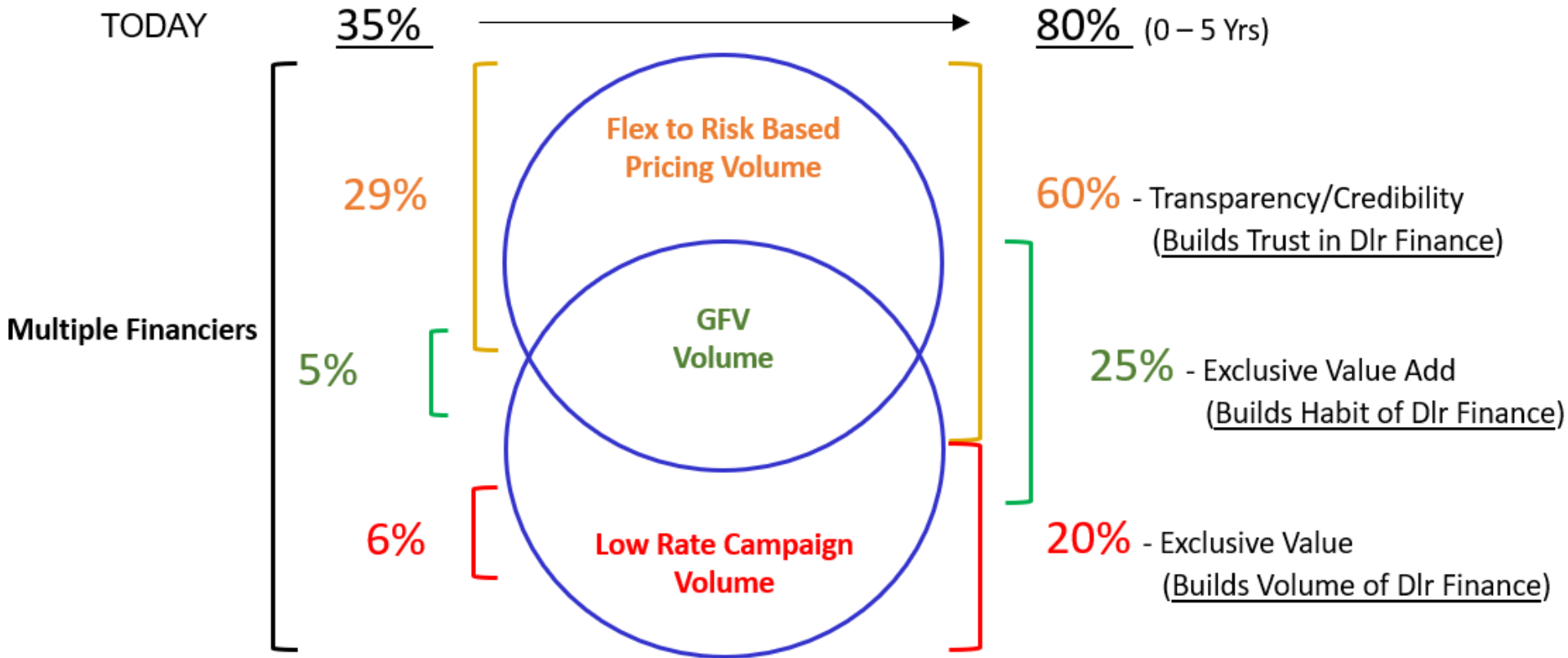
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- AP Eagers Board
- Shareholder base
- Management stability – everywhere
- Partnership relationships with stakeholders
- Property flexibility

# Outlook (From August result briefing)

- Implement new Risk Based Pricing (RBP) finance models from our multiple financiers
- Through superior process, procedures and training excel in RBP penetration
- Complete portfolio adjustments related to underperforming operations
- Continue to redevelop and reorganise our inner City Brisbane facilities to provide long term solutions for all stakeholders. These include the airport, satellites and shopping centres

# Industry Flex Commission to Risk Based Pricing – Starting Nov 2018



# The Result – UK and USA

## Consumer car finance market up by 9% in May

6 July 2018

New figures released today by the Finance & Leasing Association (FLA) show that new business in the point of sale (POS) consumer new car finance market grew 15% by value and 10% by volume in May, compared with the same month in 2017.

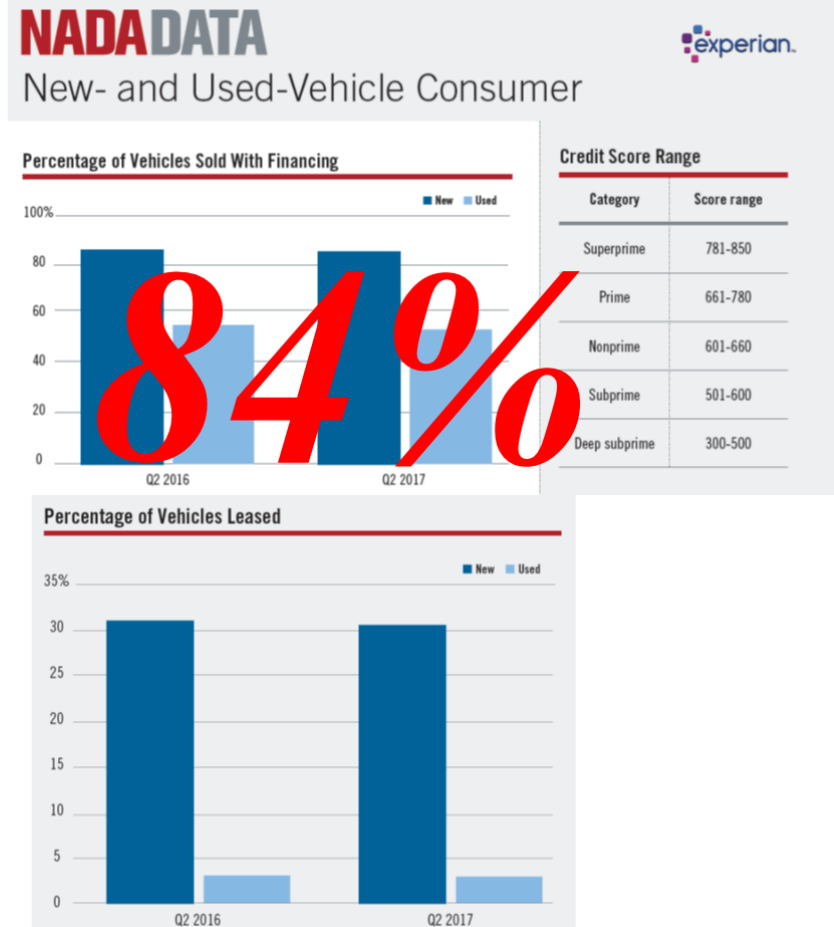
The percentage of private new car sales financed by FLA members through the POS was 89.3% in the twelve months to May 2018, unchanged compared with the same period to April 2018.

The POS consumer used car finance market also reported new business growth in May 2018 of 12% by value and 9% by volume.

Geraldine Kilkelly, Head of Research and Chief Economist, said:

“The POS consumer car finance market reported new business volumes overall up by 4% in the first five months of 2018, consistent with expectations for the year as a whole.”

Table 1: Cars bought on finance by consumers through dealerships





# Flexible Land and Building Portfolio

- 39 Properties (QLD / NSW / VIC / SA) owned \$298m (35%)
- 174 Leased Properties nationwide approx. value \$549m (65%)
- Average lease expiry 3 years 6 months
- Blended (\*) 2.6 years average = great flexibility
- Automotive retailing will adapt over the coming decades to accommodate a greater proportion of electric vehicles and then eventually more autonomous vehicles
- Along with the industry product changes, the private and business consumer (guest) needs and expectations will continue to evolve
- AP Eagers is extremely well placed due to its flexible land and buildings portfolio both owned and leased, coupled with its experience in shopping centres, to adjust if automotive retailing requires a different physical presence in 2025 and beyond

\*based on 1 year of flexibility to sell owned property

# Newstead





# Newstead



APPROXIMATE AREAS	SITE	GROUND FLOOR	FIRST FLOOR	MEZZANINE
EXISTING SPARE PARTS	7875m²	3485m²	200m²	
EXISTING SERVICE CENTRES	3700m²	2705m²	3135m²	200m²
EXISTING MAZDA SERVICE	1245m²	790m²		
EXISTING MAZDA SHOWROOM	1935m²	540m²		
EXISTING HONDA SHOWROOM (RAISED BACK OF HOUSE AREA ON GROUND FLOOR ~ 175m² INCLUDED IN GROUND FLOOR AREA)	1425m²	635m²		
EXISTING FORD SHOWROOM (RAISED BACK OF HOUSE AREA ON GROUND FLOOR ~ 240m² INCLUDED IN GROUND FLOOR AREA)	1875m²	795m²		
EXISTING SUBARU SHOWROOM LOWER LEVEL ALLOCATED TO SUBARU ~1035m²	1460m²	455m²		
EXISTING SUBARU SERVICE	1900m²	1040m²		65m²
EXISTING VW SHOWROOM LOWER LEVEL ALLOCATED TO VW ~1275m²	1455m²	800m²	270m²	
EXISTING VW PASSENGER SERVICE	2170m²	1180m²		145m²
EXISTING VW COMMERCIAL SERVICE	1215m²			
EXISTING JLR SHOWROOM LOWER LEVEL ALLOCATED TO JLR ~1645m²	2235m²	900m²	295m²	

## LOCALITY PLAN - EXISTING DEVELOPMENTS - APPROXIMATE AREA CALCULATIONS -

BREAKFAST CREEK ROAD, EVELYN STREET, AUSTIN STREET, WATERLOO STREET, NEWSTEAD

EAGERS RETAIL PTY LTD

SK 01(A)

1453-105-0

NOVEMBER 2017

SCALE: NTS



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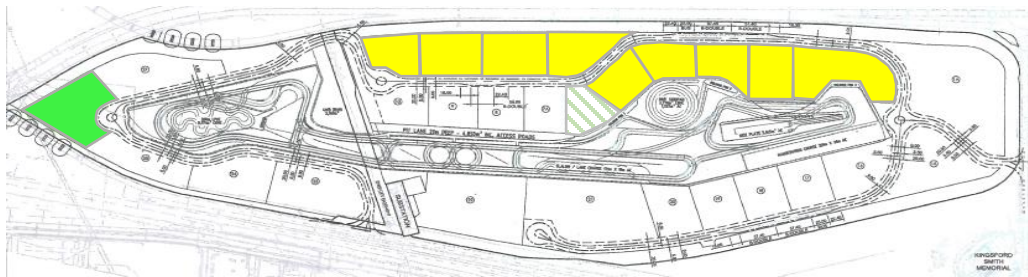


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# BNE Auto Mall, Brisbane Airport

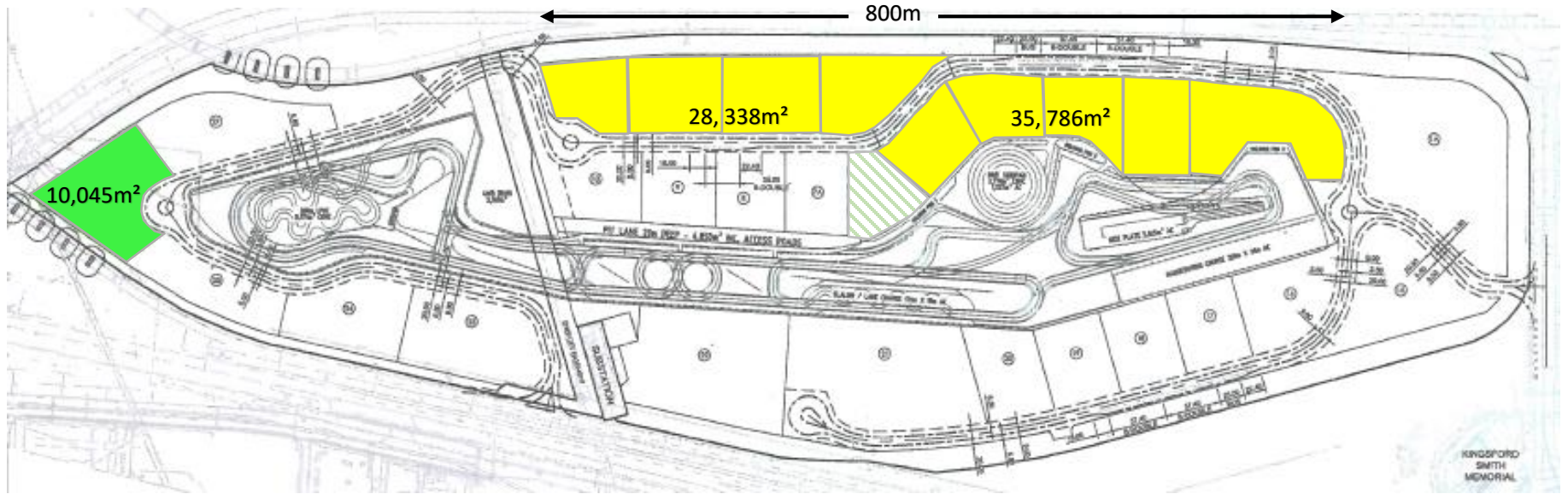


# BNE Auto Mall, Brisbane Airport





# BNE Auto Mall, Brisbane Airport



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**Thank You**

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**Questions**



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