

17 November 2021

Markets Announcements Office  
ASX Limited

## Forecast for the 12 months ending 31 December 2021

Eagers Automotive Limited (ASX: APE) expects to record an Underlying Operating Profit Before Tax<sup>(1)</sup> from continuing operations for the 12 months ending 31 December 2021 of approximately \$390 to \$395 million, as compared to \$209.4 million for the previous corresponding period. On a Statutory Profit Before Tax basis, the expected result from continuing operations for 2021 is between \$440 and \$445 million.

The final results for 2021 will be subject to completion of the external audit and will be released in late February 2022.

### COVID-19 Lockdown and Supply Impacts

During the second half of 2021 the company has been impacted by Government mandated COVID-19 lockdowns across the key markets of New South Wales (Sydney and Newcastle regions), Victoria and Auckland. In total, 114 trading days were impacted and as much as 35% of the company<sup>(2)</sup> at any one time was restricted by lockdown conditions.

The lockdowns have resulted in a reduction of profit in the impacted markets, related to our service operations which have not been able to trade at normal capacity. In addition, deferral of new and used vehicle sales and deliveries associated with reduced sales activity during lockdown restrictions and continued variability in new vehicle supply from a number of key OEMs, has impacted the second half.

This impact is expected to result in a reduction in Underlying Operating Profit Before Tax in the order of \$20 to \$25 million and is reflected in the Full Year forecast provided above.

Pleasingly throughout the impacted period we experienced the continuation of strong trading conditions across the sections of the business unaffected by lockdowns, with Western Australia and Queensland, our two largest regions, particularly buoyant. Even in the regions operating with lockdown restrictions, demand for vehicles remained robust, with online business including click and collect sales and contactless delivery still available to our customers.

On a consolidated basis the company continued to grow its order bank, including throughout the lockdown period, with demand continuing to outstrip supply on a month-on-month basis since June 2020. The company is well placed to enter 2022 in a strong position when it is expected to benefit from some easing of supply restraints communicated by key OEM partners for Q1 2022, pent-up demand in lockdown markets and unrestricted service and parts trading, assuming no further extended lockdowns.

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## Strategic Developments

The company remains firmly focused on executing its Next100 Strategy and continues to actively pursue opportunities aligned with our strategic priorities that provide accretive growth for our shareholders.

Consistent with the strategy, Eagers Automotive has acquired a number of dealerships in the Toowoomba and Newcastle regions, which have completed or are expected to complete prior to 31 December 2021. These dealership acquisitions include the purchase of multiple properties in each region for a total property purchase price of \$45 million. The property transactions are expected to complete in multiple stages over the next 12 months.

### easyauto123 Update

Our trans-Tasman, fixed price, pre-owned vehicle business, easyauto123, is continuing to deliver growth with significant year-on-year improvement on a consolidated basis and strong performance continuing in locations not impacted by lockdowns.

-ENDS-

Authorised for release by the Board.

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- (1) Underlying Operating Profit Before Tax excludes business acquisition and divestment costs, property revaluation gains or losses, gain or losses on sales of assets and the impact of the lease accounting standard (AASB 16).
- (2) The proportion of the company restricted by lockdown conditions has been determined by reference to the number of employees within each of the regions.