



# FY 2021 Results

Keith Thornton | Chief Executive Officer

Sophie Moore | Chief Financial Officer

# FY 2021 Highlights

Record full year result driven by simplified business leveraging scale, geographic diversity and favourable market conditions

## Record Profit

Delivered through disciplined execution, cost out program and strong market conditions

## Strong Balance Sheet

Underpinned by substantial asset base and available liquidity

## Robust Outlook

Strong demand continues to outstrip supply with record order bank continuing to grow

## Strategy Execution

Continued progress against the 5 key pillars of our Next100 Strategy



Transformation



Consolidation

Growth

# Agenda

1. Financial Results
2. Operational Update
3. Strategic Priorities
4. easyauto123
5. Outlook
6. Q&A



# Financial Results



# Financial Highlights FY 2021

Disciplined focus on cost base underpinning sustainable Return on Sales performance

**Underlying Operating  
PBT<sup>1</sup>**

**\$401.8m**

**Statutory PAT**

**\$330.7m**

**Daimler Trucks Gain on  
Sale (Pre-Tax)**

**\$30.2m**

**Return on Sales  
(Underlying)**

**4.6%**

**Corporate Debt Net of  
Cash<sup>2</sup>**

**\$128.4m**

**Ordinary Final Dividend**

**42.5 cents per share**

(1) Underlying operating results refers to continuing operations outlined and reconciled to statutory results on slides 34 (FY2021) and 35 (comparative financial information) of this Investor Presentation. Underlying operating figures are non-financial measures and have not been subject to audit by the Company's external auditors.

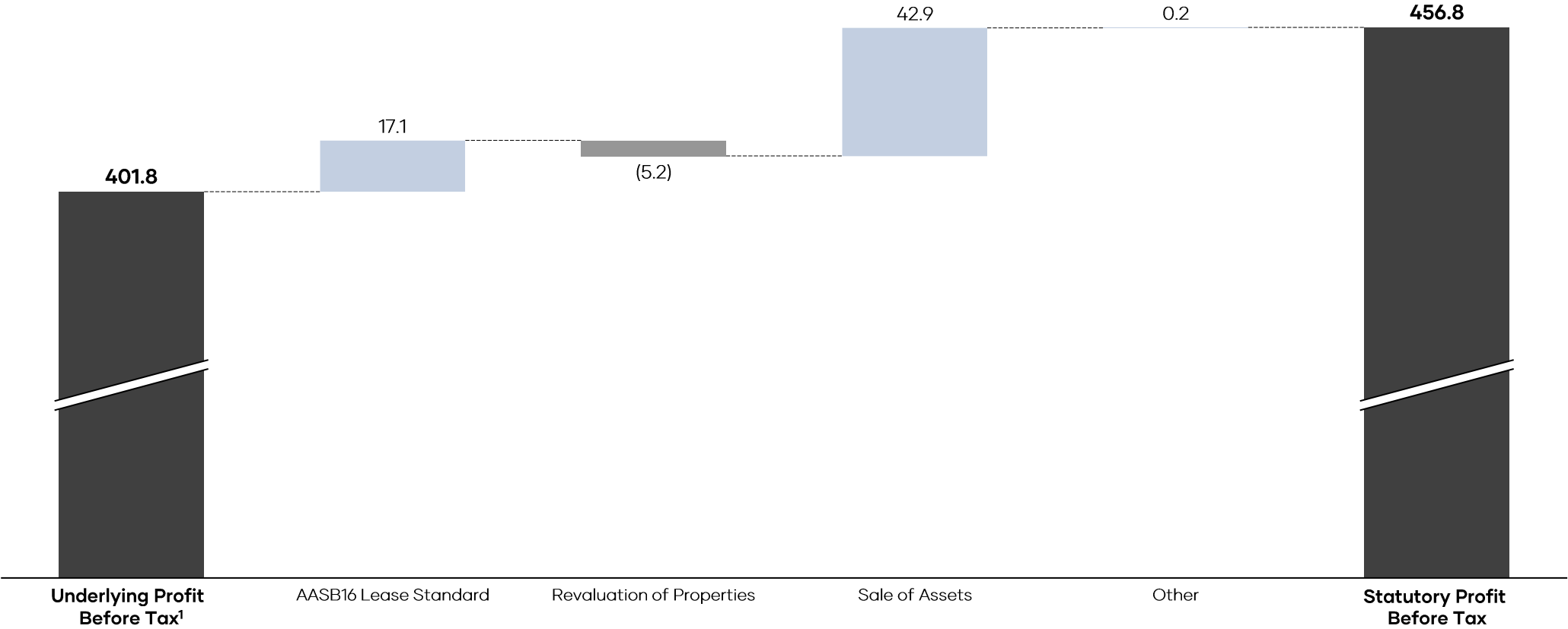
(2) At 31 December 2021.

# Summary P&L

\$ MILLION	FY21	FY20	
Revenue from continuing operations <sup>1</sup>	8,663.5	8,749.7	Underlying
Underlying operating EBITDAI from continuing operations <sup>1</sup>	455.9	284.2	
Underlying operating PBT from continuing operations <sup>1</sup>	401.8	209.4	
Specific items reported below underlying profit <sup>1</sup>	55.0	70.7	
Statutory profit before tax from continuing operations	456.8	280.1	Statutory
Statutory profit after tax from continuing operations	338.7	191.5	
Statutory profit after tax for the full-year	330.7	156.2	

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# Underlying to Statutory PBT – FY21



(1) Refer to Slide 34 for a detailed reconciliation between Underlying Profit Before Tax and Statutory Profit Before Tax for FY2021

# Segment Results

## Continuing operations

### Car Retailing

Strong performance on pcp driven by cost out initiatives, strong margins driven by sustained demand and supply chain dynamics and continued focus on the national pre-owned strategy.

### Truck Retailing

Decline in performance relative to pcp driven by sale of Daimler Truck operations in April 2021 and reallocation of Iveco and Hino operations into Car Retailing in FY2021.

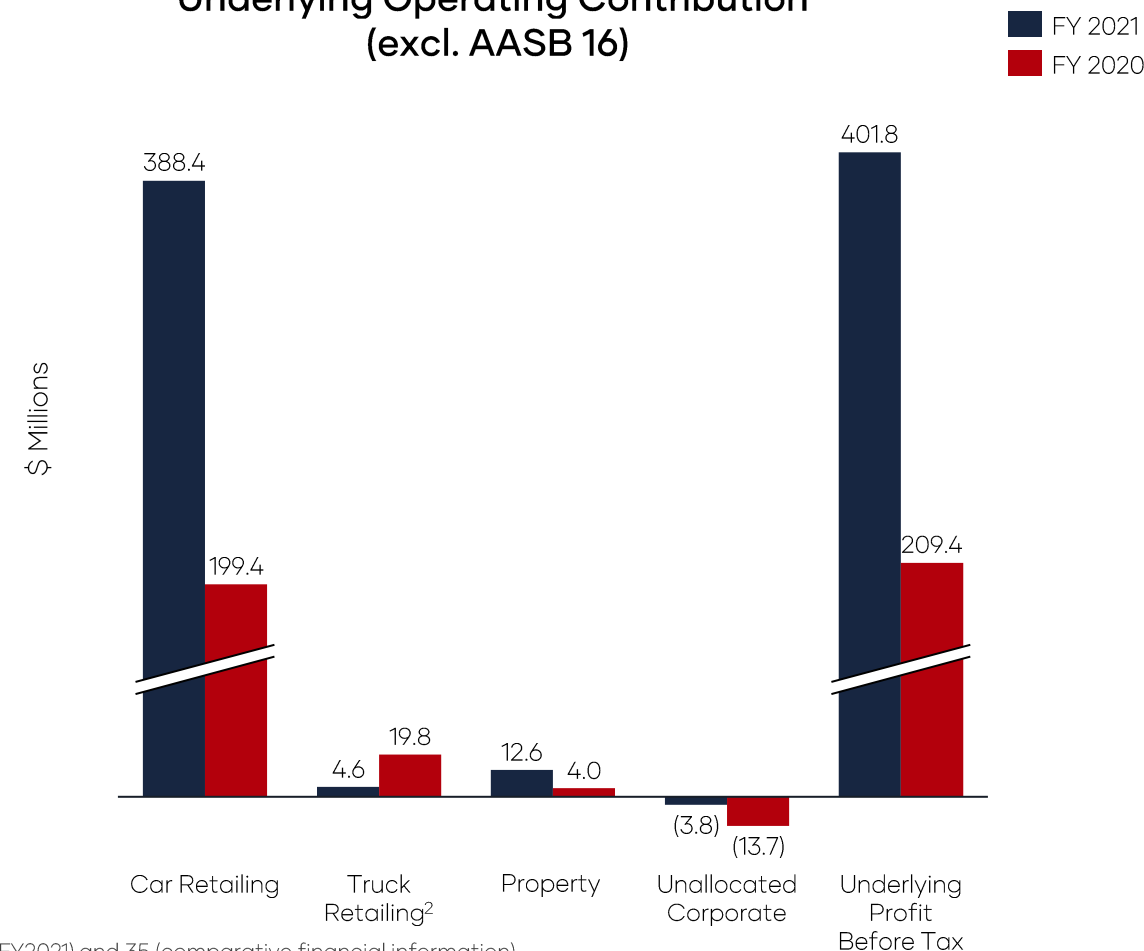
### Property

Uplift on pcp driven by internal rental income on strategic properties recently purchased.

### Unallocated Corporate

Unrecovered costs down driven by cost synergies and internal recoveries of corporate function.

## Underlying Operating Contribution<sup>1</sup> (excl. AASB 16)



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(2) Truck Retailing segment for FY2021 reflects the profit contribution from the Daimler Truck dealerships through to the completion of the divestment on 30 April 2021. The profit contribution for Hino and Iveco Truck dealerships for FY2021 is reflected within the Car Retailing segment.



# Strong Balance Sheet

Effective management of net working capital combined with strong liquidity position and owned property portfolio

- Effective working capital management, greater returns on a leaner base
- Owned property portfolio valued at \$451m at Dec-21 vs \$356m at Dec-20
- Net debt of \$128.4m vs \$129.3m at Dec-20. Rebalancing debt profile with \$137.5m of drawn syndicate debt at Dec-20 fully repaid in FY21 and \$138.2m fixed rate capital loans drawn in FY2021 to fund property acquisitions
- Strong financial position with significant available liquidity of \$733.1m. Temporary COVID-19 working capital facilities relinquished in FY21 (\$100.0m), with incremental available liquidity at Dec-21 driven by debt repayments generating increased headroom in undrawn term facilities
- Flexibility to pursue M&A opportunities in accelerating Next100 Strategy

	YE20 \$m	YE21 \$m	YoY Mvmt	YoY Mvmt
Inventory	1,026	874	(152)	(14.8%)
Bailment finance	(844)	(681)	163	(19.3%)
Receivables and prepayments	301	248	(53)	(17.6%)
Trade and other payables	(551)	(467)	84	(15.2%)
<b>Net working capital</b>	<b>(68)</b>	<b>(26)</b>	<b>42</b>	<b>(61.8%)</b>
Property, plant and equipment	494	514	20	4.0%
Intangible assets	786	775	(11)	(1.4%)
Other assets	40	49	9	22.5%
Provisions and other liabilities	(88)	(44)	44	(50.0%)
<b>Total capital employed</b>	<b>1,164</b>	<b>1,268</b>	<b>104</b>	<b>8.9%</b>
Net financial debt	(129)	(128)	1	(0.8%)
Net tax balances	146	152	6	4.1%
Net right-of-use asset / (lease liability)	(255)	(224)	31	(12.2%)
Assets classified as held for sale	-	19	19	100%
<b>Total net assets</b>	<b>926</b>	<b>1,087</b>	<b>161</b>	<b>17.4%</b>



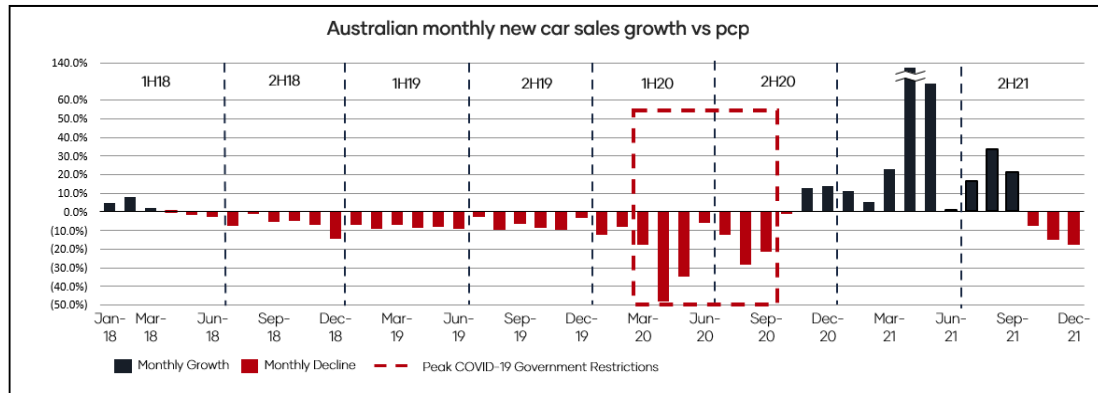
# Operational Update



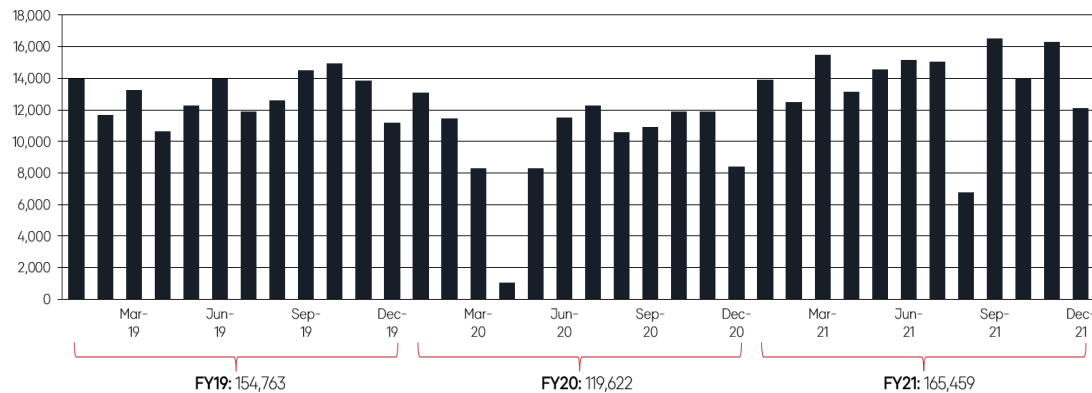
# Unique scale and diversity in strong market

National footprint & breadth of brand representation capitalising on strong market conditions in Australia & New Zealand

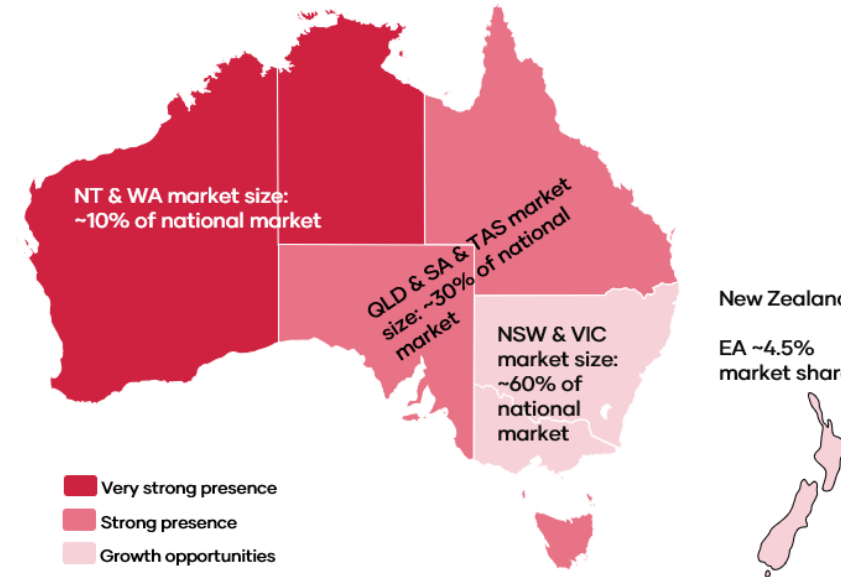
## Australian New Vehicle Market<sup>1</sup>



## New Zealand New Vehicle Market<sup>2</sup>



## Scale, Brand Representation & Market Share



Eagers brand representation covers 96.0% of new vehicles sales in Australia in 2021

State	EA Market Share	State	EA Market Share
QLD	11.4%	NT	27.8%
WA	20.2%	NSW	9.4%
SA	15.0%	VIC	5.4%
TAS	11.3%	ACT	-
<b>Australian Market</b>	<b>10.2%</b>	<b>New Zealand Market</b>	<b>4.5%</b>

(1) Source: VFACTS (as at 31 December 2021).

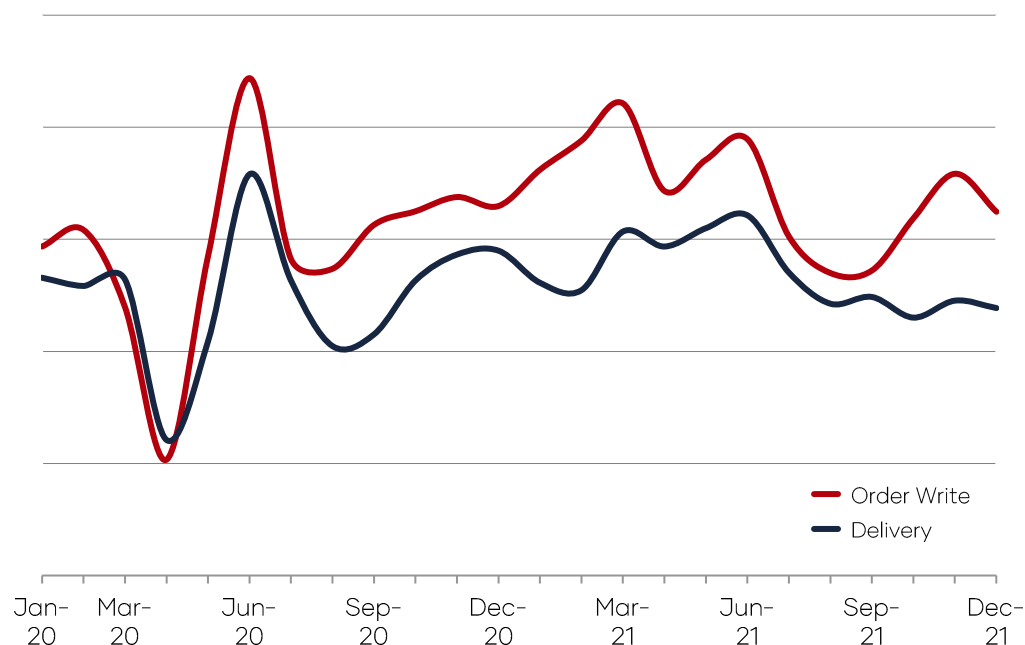
(2) Source: Motor Industry Association of New Zealand.

# Market dynamics drive our order bank

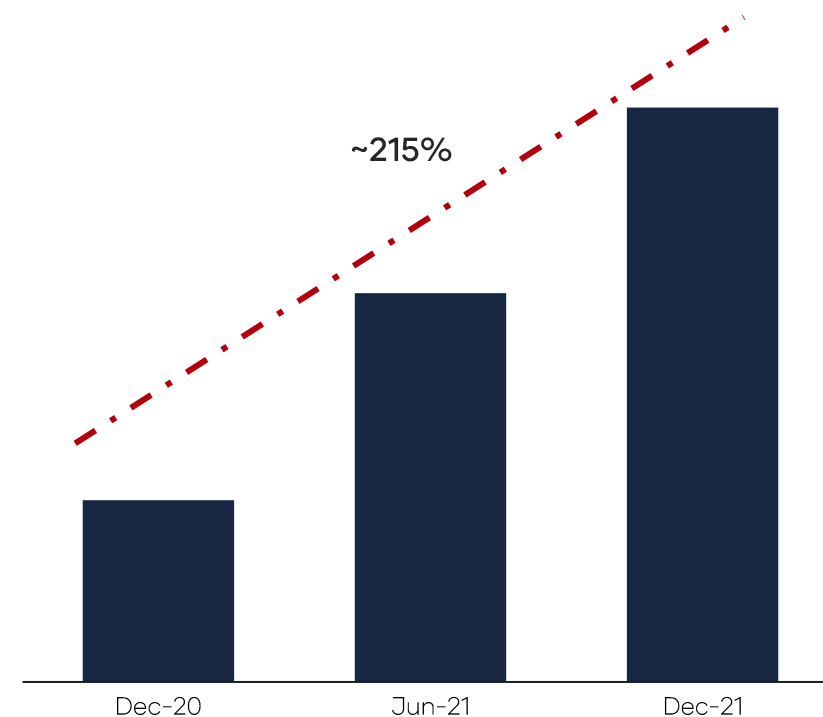
New vehicle demand continues to materially outstrip supply

- Reported new vehicle deliveries not reflective of consumer demand
- Supply chain constraints continued throughout FY2021 and contributed to further month-on-month order bank growth
- Order bank growth expected to continue as new vehicle demand remains strong and vehicle supply remains constrained

New Vehicle Order Write vs Deliveries  
January 2020 to December 2021



New Vehicle Order Bank Growth FY2021

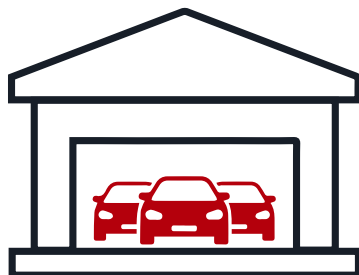


# Key drivers of our result

Strong market conditions supported by greater productivity and a more efficient cost base



**Strong Demand**



**Property Consolidation**



**Greater Productivity**



**Reduced Cost Base**

## COVID-19 Impacts



Customers



Employees



Supply Chain & Logistics

## Financial Impact

\$25 million reduction  
in Underlying Operating PBT

114 trading days impacted by  
Government restrictions

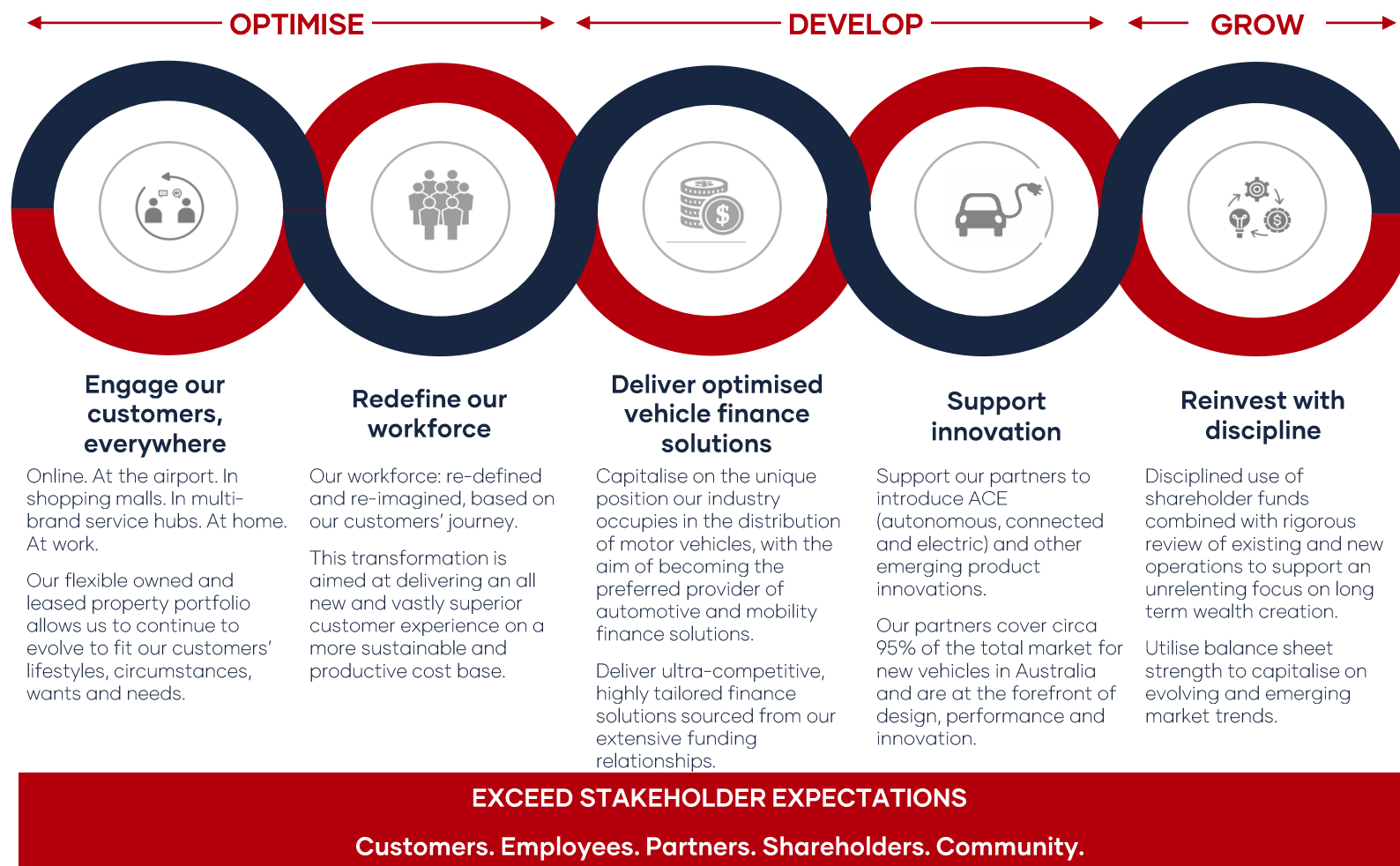


# Strategic Priorities



# NEXT100 Strategy

Providing integrated mobility solutions for the next 100 years



**Transformation**



**Consolidation**

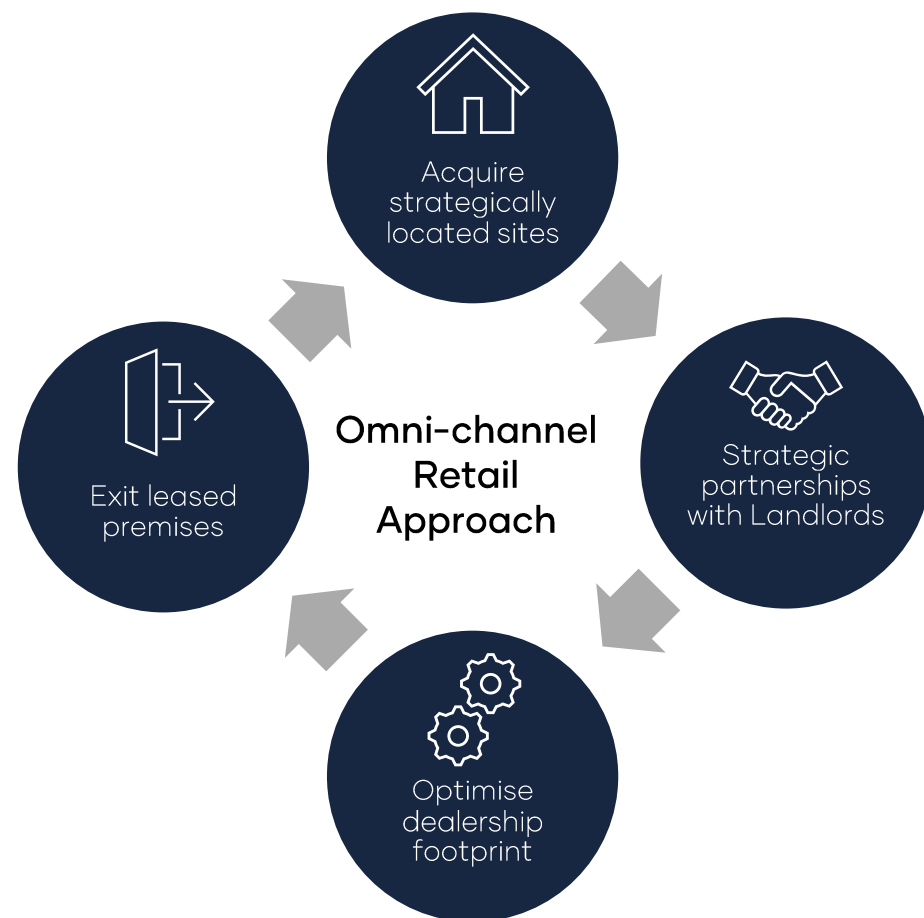
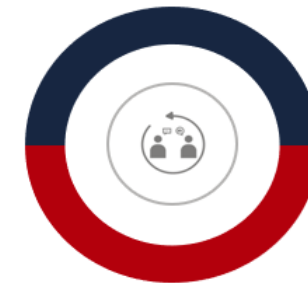


**Growth**



# Engage our Customers, Everywhere

Acceleration of our property strategy provides platform to implement omni-channel retail approach



	FY21	FY20
Value of Property Acquired	\$169 million	\$111 million
Exited Leases		
Number Exited due to Property Acquisitions	7	8
Number Exited due to Consolidation and Rationalisation	16	36
Number Exited due to Business Divestments	29	-
Value of Non-Core Property Divested	\$70 million	\$5 million
Owned Property Portfolio Valuation <sup>1</sup>	\$451 million	\$356 million

(1) Includes property classified as Held for Sale at 31 December 2021.



# Engage our Customers, Everywhere

AutoMall design concept finalised and design discussions commenced with OEM partners



# Engage our Customers, Everywhere

AutoMall West scheduled to open late Q1 2022



Refer to the Eagers Automotive website for a visual illustration of the concept design for the AutoMall West facility which is an example of the transformed and consolidated automotive retail formats which underpin our omni-channel retail approach.

<https://www.eagersautomotive.com.au/asx-announcement-eagers/>



# Engage our Customers, Everywhere

Strategic property acquisitions and redevelopment projects



## Osborne Park WA

- Strategic property acquisitions completed in Jan 2021
- Consolidate 8 brands across 2 locations
- Exit 6 external leases
- Expected completion 2023



## Maitland NSW

- Option to acquire property in 2022
- Consolidate 3 additional brands (2 currently represented)
- Expected to exit 3 external leases



# How technology enables NEXT100 Strategy

Controlled investment in in-house technology platform driving progress against three pillars of our strategy



Redefine our  
workforce



Deliver optimised  
vehicle finance  
solutions



Support  
innovation

Integrated technology platform  
In-house development & partnerships with key stakeholders



Greater Customer  
Experience



Equivalent or Improved  
Income vs Traditional  
Sales Processes



Integration Driving  
Productivity Gains

# How technology enables our NEXT100 Strategy



Refer to the Eagers Automotive website for a visual demonstration of some of the technology solutions that have been developed and rolled out over the last 12 months which are designed to complement the online component of our omni-channel strategy.

<https://www.eagersautomotive.com.au/asx-announcement-eagers/>

# Deliver Optimised Vehicle Finance Solutions

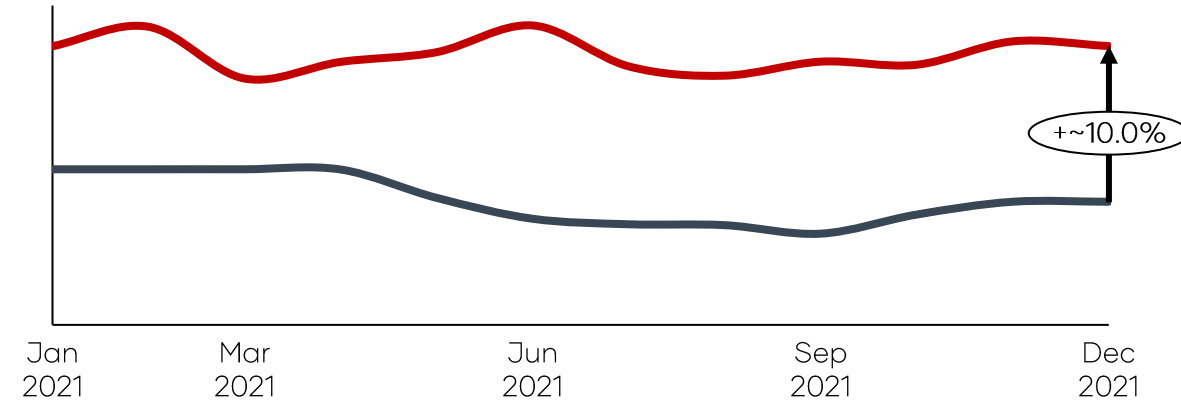
Optimising digital capabilities to ensure we win the race to our customers

## Financial Services

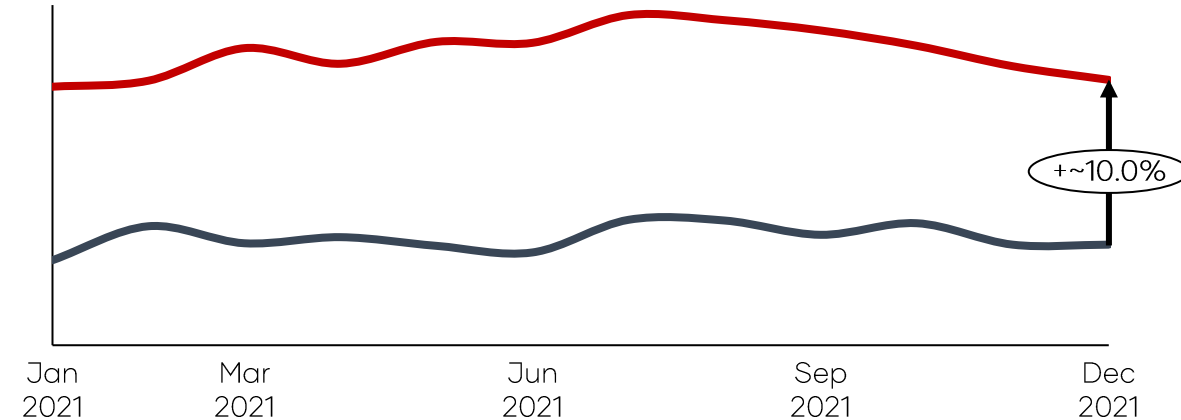
- Record new business volumes ~\$2 billion
- New & Used Car Finance Penetration increased despite challenging market conditions
- 4Q income per retail - best since 1Q 2019
- Eagers outperformed general market throughout FY21
- Expansion of digital online finance & insurance offerings
- Accelerating profitable growth across proprietary businesses

— Eagers  
— Industry Benchmark

## New Vehicle Finance Penetration

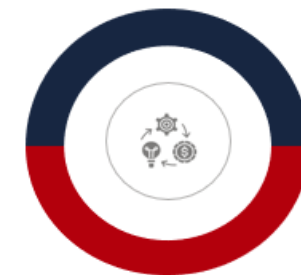


## Used Vehicle Finance Penetration



# Reinvest with Discipline

Reinvestment strategy focused on disciplined M&A activity across core pillars of Scale, Strategic, Enablers & Consolidation



## Scale

Automotive retail groups that offer benefits of size and scale, building on operational efficiencies

## Strategic

Disciplined focus on acquisitions aligned with our Next100 Strategy

Delivering incremental financial upside through our Property, People, Finance & Insurance and Technology solutions

## Enablers

Complementary businesses that accelerate the execution of our strategic priorities

## Consolidation

Resolute focus on core automotive retail business

Ongoing optimisation of our franchised automotive dealership portfolio

### 2021 Acquisitions Overview

- **Kelly Trotter Motor Group (Cardiff)**
  - **Heritage Motor Group (Maitland)**
  - **Toowoomba Ford**
- 
- Complementary brands
  - Strategic property acquired
  - Significant upside opportunities through our Next100 Strategy





easyauto123





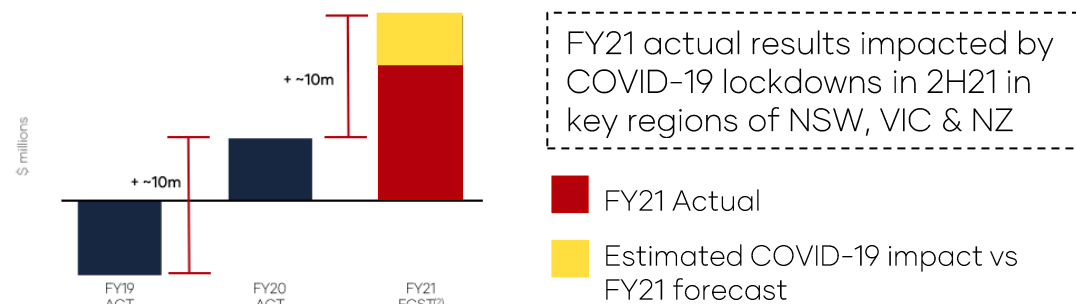
# 2021 Key achievements

Strong financial performance despite impacts of COVID-19 lockdowns, improved digital experience driving increase in online engagement

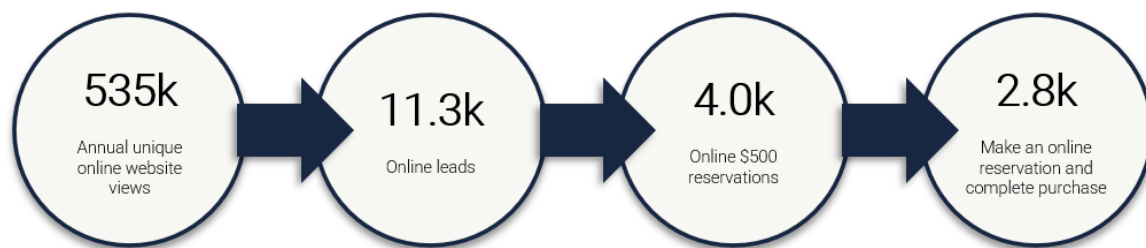
**easyauto123**

## Financial Performance<sup>1</sup>

Independent Used financial performance post AHG Merger



## Organic Growth in Online Website Engagement



Website traffic up +45% YoY

19.2% of all units sold in FY21 reserved online prior to purchase

## Key Metrics<sup>1</sup>

METRICS	FY2019 vs FY2021 <sup>2</sup>
Average Volume per Store per Month	+ 27.0%
Average Revenue per Store per Month	+ 48.5%
Average Total Gross per Unit	+ 17.1%
Finance Penetration	+ 9.9 percentage points
Sales Revenue per Employee per Month	+ 48.7%

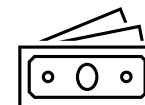
## Digital Experience



Buy a car online



10 minute sales app



Unconditional finance approval online



360 degree internal & external imagery

**Simplr**  
Australia's largest range of subscription cars  
FIND OUT MORE



Eligible vehicles linked to our subscription business

(1) Figures not adjusted for the impacts of COVID-19 lockdowns in FY2021.  
(2) Figures for FY19 represent the average across 5 stores operational during the 2019 calendar year and figures for FY2021 represent the average across 7 stores operational throughout the entire 12-month period in FY2021 (excluding new sites opening in FY2021).

# How we will win



Sourcing

Buying the right vehicles at the right price – at scale



Reconditioning

Large scale fulfilment centres driving economies of scale



Customer Experience

Your Car, Your Way – let the customer decide



Data & Analytics

Underpinned by data and analytics driving the right decisions and enhancing productivity



Build a trusted category killer brand

easyauto123

# Sourcing & Reconditioning

Buying the right vehicles at the right price, at scale, with cost effective reconditioning solutions

**easyauto123**

## Private Buying



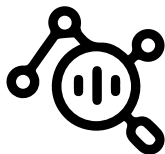
Dedicated  
buying teams

- Dedicated private buying teams
- Proprietary technology & data driving the Eagers Buyers Portal



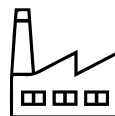
Centralised  
operations

- Centralised "call-centre" operations with flexible workforce
- Average of 500+ vehicles purchased per month from the private market in Q4 2021



Data & machine  
learning

- Centralised trade-in valuation services for Franchised Auto & Independent Used



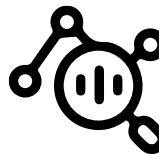
Factory  
Approach

- Assembly line facility in Brisbane opening Q2 2022
- End-to-end process from vehicle arrival / inspection through to paint, detail & photography



Enabled by  
Technology

- Enabled by technology to drive continuous process improvement & a lower cost



Data drives  
sourcing &  
valuation

- Extensive data set for cost estimates and valuations
- Designed to support current Hendra (QLD) operations and ultimately flagship easyauto123 AutoMall store plus future South East QLD sites





# Outlook



# Outlook

Disciplined focus on accelerating our Next100 Strategy



# THANK YOU



Q&A



# Disclaimer

The information in this document (information) does not contain all information necessary for investment decisions, is not intended to be an offer, invitation or recommendation with respect to shares, is not financial product advice, and is intended to be general background information on Eagers Automotive Limited (EA).

Investors should consult with their own professional advisers.

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## Non-IFRS information

EA's results are reported under International Financial Reporting Standards (IFRS). However, EA also uses certain measures to manage and report on its business that are not recognised under Australian Accounting Standards or IFRS. These measures are collectively referred to in this presentation as 'non-IFRS financial measures' under Regulatory Guide 230 'Disclosing non-IFRS financial information' published by Australian Securities and Investment Commissions (ASIC). Management uses these non-IFRS financial measures to evaluate the performance and profitability of the overall business for internal management reporting as it better reflects what EA considers to be its underlying performance and EA believes that they are useful for investors to understand EA's financial condition and results of operations. The principal non-IFRS financial measure that is referred to in this presentation are Underlying Operating financial results. Management uses these and other measures to evaluate the underlying performance of EA. Unless otherwise specified, non-IFRS financial measures have not been subject to audit or review in accordance with Australian Accounting Standards. A reconciliation of Underlying Operating financial results to IFRS financial information is included in slides 34 (FY2021) and 35 (comparative financial information) of this Investor Presentation.



# Appendix

# Statutory to Underlying EBITDAI & PBT – FY 2021

\$ MILLION FY21	EBITDAI	Depn & Amort	Interest Expense	Interest Income	Impairment	PBT	Tax Expense	NPAT
<b>Underlying Continuing Operating<sup>1</sup></b>	<b>455.9</b>	<b>(23.2)</b>	<b>(30.9)</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>401.8</b>	<b>(112.9)</b>	<b>288.9</b>
Brand Restructure Compensation	0.2					0.2	(0.1)	0.1
AASB16 Lease Standard	152.6	(97.2)	(48.7)	10.4		17.1	(5.1)	12.0
Revaluation of Properties	-				(5.2)	(5.2)	-	(5.2)
Business Acquisition & Integration Costs	(1.8)					(1.8)	0.5	(1.3)
Sale of Assets	42.9					42.9	-	42.9
Dividends received	1.1					1.1	(0.3)	0.8
Miscellaneous	0.7					0.7	(0.2)	0.5
<b>Total significant items</b>	<b>195.7</b>	<b>(97.2)</b>	<b>(48.7)</b>	<b>10.4</b>	<b>(5.2)</b>	<b>55.0</b>	<b>(5.2)</b>	<b>49.8</b>
<b>Statutory Continuing</b>	<b>651.6</b>	<b>(120.4)</b>	<b>(79.6)</b>	<b>10.4</b>	<b>(5.2)</b>	<b>456.8</b>	<b>(118.1)</b>	<b>338.7</b>

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# Statutory to Underlying EBITDAI & PBT – FY 2020

\$ MILLION	EBITDAI	Depn & Amort	Interest Expense	Impairment	PBT	Tax Expense	NPAT
<b>Underlying Continuing Operating<sup>1</sup></b>	<b>284.2</b>	<b>(39.8)</b>	<b>(35.1)</b>		<b>209.4</b>	<b>(69.0)</b>	<b>140.4</b>
Impairment	-			(80.7)	(80.7)	24.2	(56.5)
Govt Wage Subsidy Income COVID-19	133.8				133.8	(40.1)	93.6
Brand Restructure Compensation	31.8				31.8	(9.5)	22.2
AASB16 Lease Standard	163.8	(126.5)	(53.3)		(16.0)	6.2	(9.8)
Revaluation of Properties	-			(10.0)	(10.0)	-	(10.0)
Rent Waivers COVID-19	9.5				9.5	(2.9)	6.6
Business Acquisition & Integration Costs	(3.5)				(3.5)	1.1	(2.4)
Employee Underpayments	(5.1)				(5.1)	1.5	(3.6)
Sale of Assets	8.2				8.2	-	8.2
DealerMotive share of profit	2.8				2.8	-	2.8
<b>Total significant items</b>	<b>341.3</b>	<b>(126.5)</b>	<b>(53.3)</b>	<b>(90.7)</b>	<b>70.7</b>	<b>(19.5)</b>	<b>51.2</b>
<b>Statutory Continuing</b>	<b>625.5</b>	<b>(166.3)</b>	<b>(88.4)</b>	<b>(90.7)</b>	<b>280.1</b>	<b>(88.6)</b>	<b>191.5</b>

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# AASB 16

Increase in PBT of \$17.1 million during the period

	FY21 \$m Impact	FY20 \$m Impact	Mvmt \$m Impact	Mvmt % Impact
Lease Liability	(1,126.1)	(1,270.9)	144.8	(11.4%)
Right-of-use asset	631.1	801.1	(170.0)	(21.2%)
Lease Receivable	270.6	215.3	55.3	25.7%
Deferred tax asset	67.0	79.9	(12.9)	(16.1%)
EBITDAI up	152.6	163.8	(11.2)	(6.8%)
EBIT up	55.4	37.3	18.1	48.5%
Profit/(Loss) before tax	17.1	(16.0)	33.1	(206.9%)
Operating cash flows up	100.1	118.4	(18.3)	(15.5%)
Financing cash flows down	100.1	118.4	(18.3)	(15.5%)

# Definitions

## Non-IFRS Financial Information

**AHG** is defined as Automotive Holdings Group Limited

**CX** is defined as customer experience

**EA** is defined as Eagers Automotive Limited (formerly AP Eagers Limited)

**EBIT** is defined as earnings before interest and tax

**EBITDA** is defined as earnings before interest, tax, depreciation and amortisation

**EBITDAI** is defined as earnings before interest, tax, depreciation, amortisation and impairment

**EBITDA margin** is calculated as EBITDA before significant items as a percentage of revenue

**F&I** is defined as Finance & Insurance

**Independent Used** is defined as the combined easyauto123 and Carlins auction businesses

**NPAT** is defined as net profit after tax

**PAT** is defined as profit after tax

**PBT** is defined as profit before tax

# Definitions

## Non-IFRS Financial Information

**PBT margin** is calculated as profit before tax before significant items as a percentage of revenue

**PCP** is defined as prior corresponding period

**POS** is defined as Point-of-Sale

**ROS** is defined as Return on Sales which is defined as Underlying Operating Profit Before Tax divided by Revenue from Continuing Operations

**Significant items** are items that are non-recurring in nature, individually material or do not relate to the operations of the existing business. Refer to slides 34 (FY2021) and 35 (comparative financial information) of this Investor Presentation for a breakdown of these items

**Underlying Operating Profit** is defined as statutory profit adjusted for significant items

**VFACTs** is published by the Federal Chamber of Automotive Industries (FCAI) and provides a breakdown of monthly new motor vehicle sales statistics, outlining the number of new cars sold by brand by model

**YoY** is defined as the movement year on year



eagers  
automotive