

15 July 2022

Market Announcements Office
ASX Limited

General Meeting

Acquisition of ACT Dealership Group

Attached are the following documents for the General Meeting set by Eagers Automotive Ltd (ASX:APE) for 15 July 2022:

1. Chief Executive Officer's address;
2. Presentation.

These documents are given to the ASX under listing rule 3.13.3.

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Authorised for release by the Chief Executive Officer.

15 July 2022

General Meeting
Acquisition of ACT Dealership Group
Chief Executive Officer's Address

Introduction

Thank you, Mr Chairman, and to all shareholders thank you for your interest today and for the opportunity to update you on a number of key areas of progress at Eagers Automotive.

The purpose of today's meeting is to allow shareholders the opportunity to have their say and ultimately provide approval for the acquisition of a portfolio of dealerships and associated property in the ACT. I will talk to this specific topic very shortly. Before I do, however, I wanted to provide a short summary of our Market Update provided by way of ASX announcement released earlier this week.

Slide 7

As is customary for the company, as soon as our trading results are available for a reporting period, we often provide an update to inform the market of our expected, yet unaudited, results.

On the screen you will see a summary of the results articulated in the release on 12 July 2022 which relates to the half year ended 30 June 2022.

- At a Statutory level, we expect to report a Net Profit Before Tax of approximately \$246 million versus our 16 May 2022 guidance of \$225-240 million
- On an underlying basis we expect to record a profit before tax of \$195 million versus our guidance range of \$183-189 million
- Our cash position for the half year was a record with \$326 million cash available at 30 June 2022
- Total liquidity was \$843 million with net corporate debt of only \$13 million as compared to \$128 million at 31 December 2021.

Our underlying Net Profit Before Tax was achieved despite material headwinds to new vehicle supply. The total number of new cars delivered in the Australian market in the half year was down 5.2% versus the prior period. This reflects the long lead times between

order and delivery being experienced by some of the largest brands represented in Australia. It also highlights the success of newer market entrants, gaining market share in an environment where demand materially exceeds supply and as such, supply becomes a competitive advantage. It is within this context that the strength of our underlying business is most evident.

In addition, this dynamic means our record order bank continues to grow month-on-month and is now 32% up on a like for like basis on our 2021 year-end position. This gives the company a line of sight into the second half of 2022, when many of these orders will be delivered and at which point the profit is realised.

In parallel to the strong performance of our Franchise Automotive new car business, the company continues to invest in scaling our easyauto123 independent used car business, with revenue up 44% and vehicle volumes increasing 34% in the first half of 2022 versus the same period last year.

Critically, the company continues to maintain an extremely disciplined approach to cost management, underwritten by company-wide cost-out programs and continued investment in technology and scale-based productivity improvements.

Supporting our underlying result, the Statutory Net Profit Before Tax benefited from the strategic divestment of the Bill Buckle Auto Group. The transaction settled on 30 June 2022, as expected, and delivered \$88 million in cash proceeds. These proceeds represented a \$48 million profit before tax across the dealership and property assets. This profit will be recognised in our Statutory Net Profit but not in our Underlying Net Profit numbers.

Slide 8

Turning to the specific purpose of today's meeting, the proposed acquisition of a portfolio of dealerships and associated properties in the ACT. The reason for shareholder approval is that these assets are part of the WFM Group, which is majority owned and controlled by Nick Politis. As shareholders are aware, Mr Politis has been the largest shareholder in Eagers Automotive since 2000 and is also a Director of the company.

Nick Politis and Dan Ryan, one of our other Directors and also a Director and Chief Executive Officer of WFM, have been excluded from all Board discussions and decisions in relation to this transaction. Mr Politis, Mr Ryan and their associates cannot vote their shares here today.

The acquisition of the ACT group represents a unique, high quality and highly sought-after asset within the automotive retail landscape.

The group has a broad brand portfolio including 5 of the top 10 selling brands in Australia and 9 brands in total. This balanced portfolio provides a scale business with turnover of approximately \$450 million per annum and selling >30% of all new vehicles in the ACT region.

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In addition to the dealership operations, the transaction includes prime, strategic property holdings to be acquired by Eagers, allowing us to continue the roll out of the property component of our Next100 Strategy. The ownership of property involved in the business is both compelling financially as well as giving us the flexibility to drive further consolidation and rationalisation of our operations in the future. This serves all shareholders as both a way to extract greater shareholder value over the long term as well as a hedge, reducing the risk profile of the business in the face of industry evolution.

Importantly, the acquisition will include approximately 400 highly capable employees that Eagers Automotive is excited to be able to work and grow with into the future.

The ACT dealerships provide an immediate and material footprint in a region where we have no current representation, with the opportunity to expand both our Franchised Automotive and easyauto123 independent used car strategic pillars.

Slide 10

We believe the acquisition, even when viewed as a stand-alone business and independent of our consistently articulated Next100 strategy, is very well priced and will provide immediate Earnings Per Share (EPS) accretion to the benefit of all shareholders.

When combined with the clear strategic benefits, we see this as a truly compelling opportunity that will create long term sustainable value for the company and all shareholders.

On the screen you will see some images of this great asset.

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Finally, and before I pass back to our Chairman, I would like to briefly touch on our recently announced share buy-back.

The company announced on 16 June that we intended to undertake a share buy-back.

This announcement, in conjunction with the strength of our balance sheet and positive trading results, provides great flexibility to acquire on-market shares in our company should value be present and subject to prevailing market conditions and alternative uses of capital. As continued volatility in the equity markets persists, we see this as both a valuable and prudent tool for the company to have available.

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Thank you again for your attention and I will now pass back to our Chairman.



General Meeting
15 July 2022

Directors and Secretary



Tim Crommelin



Sophie Moore



Nick Politis



Dan Ryan



Greg Duncan



David Blackhall



Michelle Prater



Marcus Birrell



Denis Stark
Company Secretary

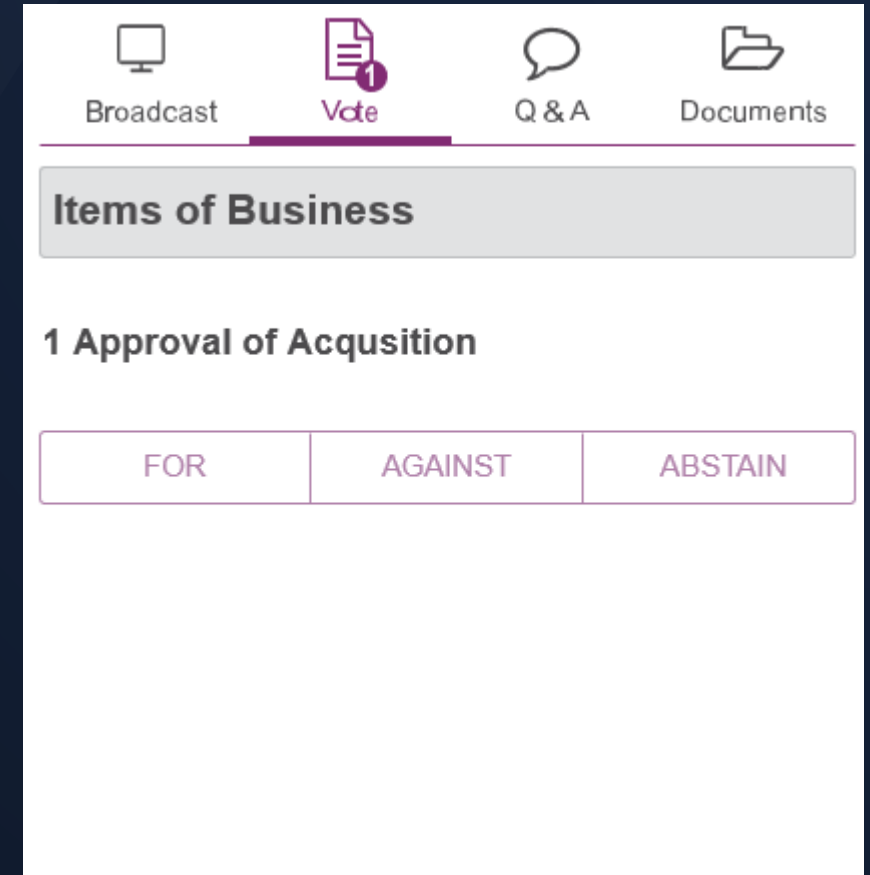
How to ask a question online

- To ask a written question select the Q & A icon
- Select the topic your question relates to from the drop-down list
- Type your question in the text box and press the send button
- To ask a verbal question follow the instructions below the broadcast window.

The screenshot displays a user interface for asking questions online. At the top, there are four navigation tabs: 'Broadcast' (with a monitor icon), 'Vote' (with a document icon), 'Q & A' (with a speech bubble icon and a red underline), and 'Documents' (with a folder icon). Below the tabs is a large text input area labeled 'Your question(s)'. Underneath this area, there is a prompt: 'You may enter a question using the field below.' followed by a dropdown menu labeled 'Select Topic'. Below the dropdown is a smaller text input field with a character count '0 character(s)' and a 'Send' button. A note above the smaller input field states 'Questions are limited to 2000 characters.'

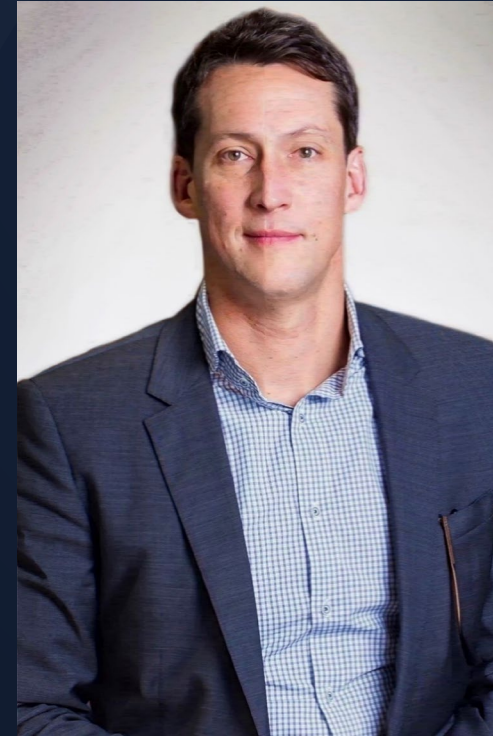
How to vote online

- When the poll is open, select the vote icon at the top of the screen
- To vote, select either For, Against or Abstain
- You will see a vote confirmation
- To change or cancel your vote “click here to change your vote” at any time until the poll is closed



Voting is now open

Chief Executive Officer's address



Keith Thornton

To find a copy of the CEO's address, please visit

<https://www2.asx.com.au/markets/trade-our-cash-market/announcements.ape>

Market Update – Half Year Ended 30 June 2022

Statutory Net Profit Before Tax

- Expected result approximately \$246 million
- Exceeds prior guidance of between \$225 million and \$240 million
- Includes estimated profit before tax of \$48 million associated with the sale of Bill Buckle Auto Group and associated properties

Underlying Operating Profit Before Tax¹

- Expected result approximately \$195 million
- Exceeds prior guidance of between \$183 million and \$189 million
- Improved result driven by consistent margin performance combined with disciplined cost management and despite continuing supply constraints on new car deliveries

Cash & Liquidity Position

- Cash position \$326 million at 30 June 2022
- Available liquidity \$843 million
- Net corporate debt \$13 million versus \$128 million at 31 December 2021

Note: All figures remain subject to external audit review. The final results for the six months ended 30 June 2022 will be released on 25 August 2022 following completion of the external audit review.

1- Underlying Operating Profit Before Tax excludes business acquisition and divestment costs, property revaluation gains, gain or loss on sales of assets (such as the Bill Buckle Auto Group) and impact of new lease accounting standard (AASB 16).

ACT Business Overview

BRANDS



KEY TRANSACTION METRICS

Turnover	~\$450 million	Goodwill	\$75 million
Maintainable Earnings	\$15.6 million \$15.0 million per IE ¹	Property Value	\$110 million
Return on Sales	3.3 %	Unit Sales	~30% of ACT new vehicle sales
Multiple	4.8 times	Employees	~400

PROPERTY PORTFOLIO

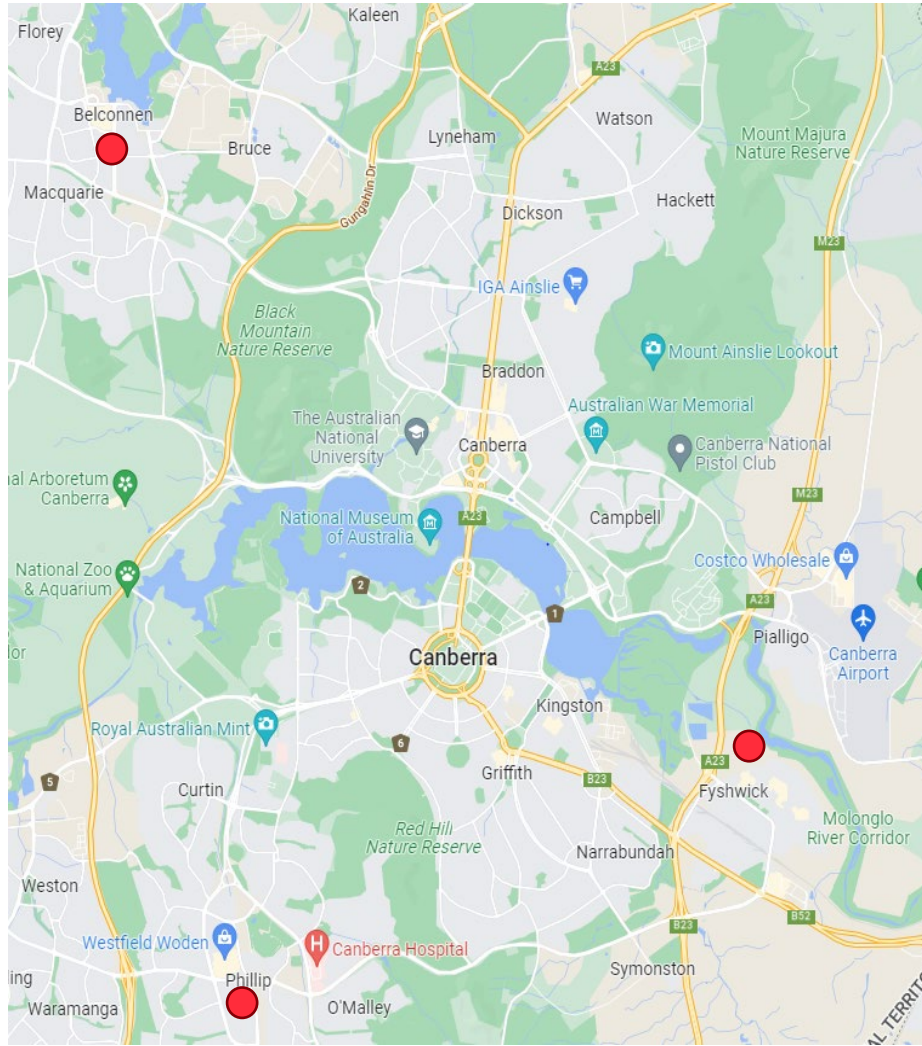
- **10 owned properties** including dedicated Pre-Delivery and Parts Warehouse
- Total owned property portfolio **approx. 56,800 m²**
- **3 leased properties** (Satellite Service, Storage & Rental business)

¹- Maintainable Earnings as assessed by the Independent Expert (IE) is \$15.0 million

STRATEGIC BENEFITS

- **Geographic Reach:** Expansion of national footprint with immediate sale and scope for future growth.
- **Property Flexibility:** Consistent with ongoing execution of our Next100 Strategy
- **Brand Portfolio:** Balanced & complementary to Eagers network
- **Complementary Businesses:** Platform to expand parallel businesses in ACT, including easyauto123

ACT Business Overview



ACT Business Overview



On-Market Share Buy-Back



Eagers Automotive announced on 16th June 2022 its intention to conduct an on-market share buy-back of up to 10% of its issued share capital



The buy-back reflects the strength of our balance sheet and the Board's prudent focus on active capital management

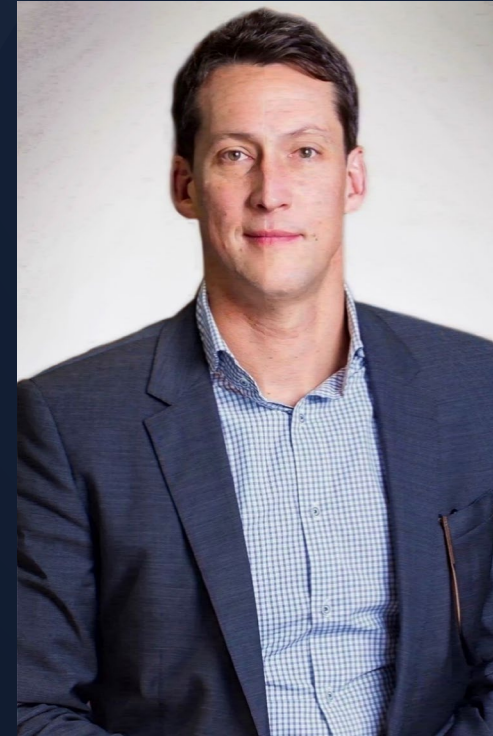


Regulatory notice periods & restrictions under the company's securities trading policy have now passed



Provides flexibility to acquire shares subject to market conditions, the company's securities trading policy and alternative uses of capital

Chief Executive Officer's address



Keith Thornton

To find a copy of the CEO's address, please visit

<https://www2.asx.com.au/markets/trade-our-cash-market/announcements.ape>

Approval of Acquisition

Item 1

Shareholder approval is being sought for an acquisition of a portfolio of automotive dealerships and associated properties, located in the Australian Capital Territory.

The sellers are entities associated with Mr. Nick Politis.

Mr. Politis is a director of Eagers Automotive Limited and has a substantial shareholding.

Proxy and Direct votes received prior to meeting

For	Against	Discretion of the Board	Discretion of person other than the Board	Abstain	% in favour or at the Board's discretion
Item no. 1 – Approval of Acquisition					
132,900,788	2,867,644	242,021	308,054	321,866	97.67%

Item 1 – Questions

**The meeting is paused for thirty
seconds so shareholders may finalise
their votes**

n

Voting is now closed

General Questions

Meeting has closed

Thank you for your participation