

24 August 2023

Market Announcements Office
ASX Limited

Half Year 2023 Results Presentation

Attached is the Half Year Results Presentation for Eagers Automotive Ltd (ASX:APE) for the half year ended 30 June 2023.

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Authorised for release by the Board.



HY 2023 Results

Keith Thornton | Chief Executive Officer

Sophie Moore | Chief Financial Officer

Agenda

- 1 1H 2023 Overview
- 2 Financial Results
- 3 Operational Update
- 4 Strategic Priorities
- 5 Outlook
- 6 Q&A

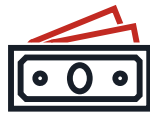
Financial highlights HY 2023

Growth delivered via sustainable operating leverage and underpinned by strong balance sheet



Revenue

\$4.8bn



Statutory
PBT

\$216.1m



Underlying
Operating PBT⁽¹⁾

\$207.4m



Return on Sales
(Underlying)

4.3%



Cash at Bank

\$353.0m



Available
Liquidity

\$758.1m



Owned Property

\$559.4m



Ordinary
Interim Dividend

24.0 cents per share

Key Takeouts

Record Half Year
Revenue
+14.3% on pcp

Underlying
Operating PBT
+6.3% on pcp

Strong Available
Liquidity

Record Ordinary Interim
Dividend
+9.1% on pcp

(1) Underlying operating results refers to continuing operations outlined and reconciled to statutory results on slides 31 (HY23) and 32 (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.

2023 Outlook & Beyond

Disciplined focus on accelerating our Next100 Strategy

ON TRACK

Top Line Growth

\$8.5 billion
2022

\$9.5 - \$10.0 billion
2023 est.

2023 &
Beyond...

Franchised Auto consolidation and rationalisation

Material new partnerships

easyauto123 growth

Disciplined & targeted M&A activity

Strategic alliances



Return on Sales Growth

3.0%
10-yr avg

4.6%
2021

4.7%
2022

2023 &
Beyond...

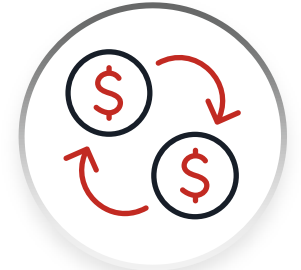
New economics established

Scale & cost base advantages

Proprietary technology investment & productivity gains

Financial services driving higher returns

Structural move to higher industry return on sales



1H 2023 Scorecard



Exceeding FY23
top line growth
expectations



Strong margins
& disciplined cost
management



Profitable
growth in
easyauto123



Strategic
partnerships
driving competitive
advantage



Accretive
portfolio
management

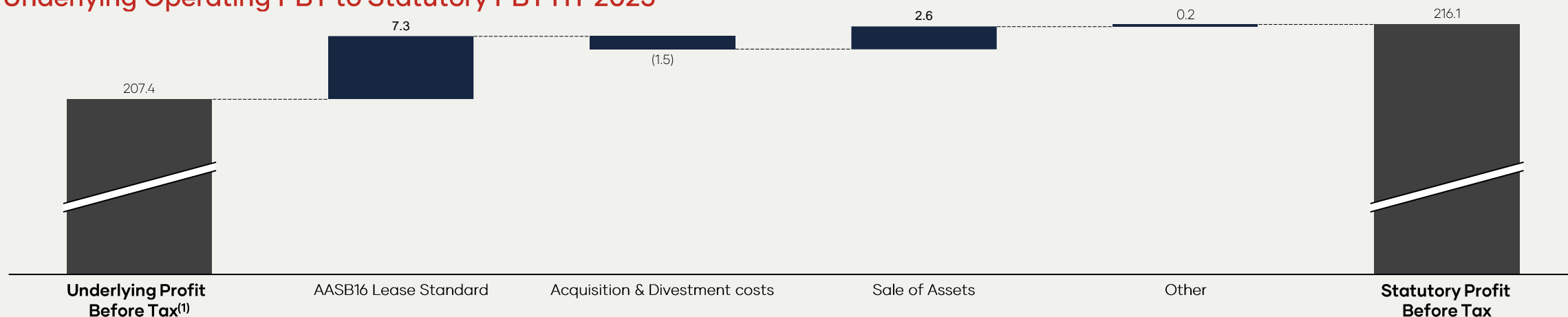
Financial Results

1

HY 2023 Summary P&L

\$ Million	HY23	HY22	Movement (\$)	Movement (%)	
Revenue from continuing operations	4,817.6	4,215.4	+602.2	+14.3%	Underlying
Underlying operating EBITDAI from continuing operations ⁽¹⁾⁽²⁾	254.1	220.2	+33.9	+15.4%	
Underlying operating PBT from continuing operations ⁽¹⁾	207.4	195.1	+12.3	+6.3%	
Specific items reported below underlying profit ⁽¹⁾	8.7	51.4	(42.7)	(83.1%)	Statutory
Statutory profit before tax from continuing operations	216.1	246.5	(30.4)	(12.3%)	
Statutory profit after tax from continuing operations	150.5	178.7	(28.2)	(15.8%)	

Underlying Operating PBT to Statutory PBT HY 2023



(1) Underlying operating results refers to continuing operations outlined and reconciled to statutory results on slides 31 (1H23) and 32 (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) Interest Income associated with the impact of AASB16 Leases has been deducted in the comparative EBITDAI calculation, aligning with current year presentation.

Balance sheet strength

Disciplined utilisation of balance sheet & available liquidity to invest in growth opportunities alongside active capital management



Cash Position: \$353.0m



Net Debt: \$118.0m



Strong Available Liquidity: \$758.1m



Low Gearing: 0.23 times



Property Owned: \$559.4m



Corporate Debt: Average Tenor 5.0 years⁽¹⁾



Corporate Debt: 70% Fixed | 30% Variable⁽¹⁾

Strong Metrics

Enables flexibility to pursue organic growth and M&A opportunities while being active in capital management programs

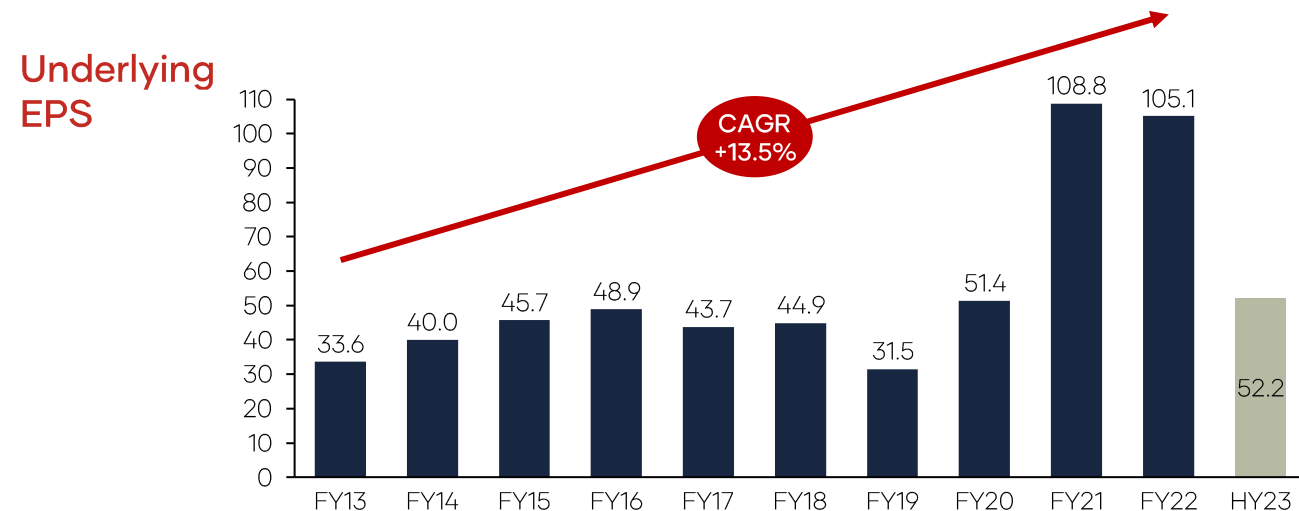
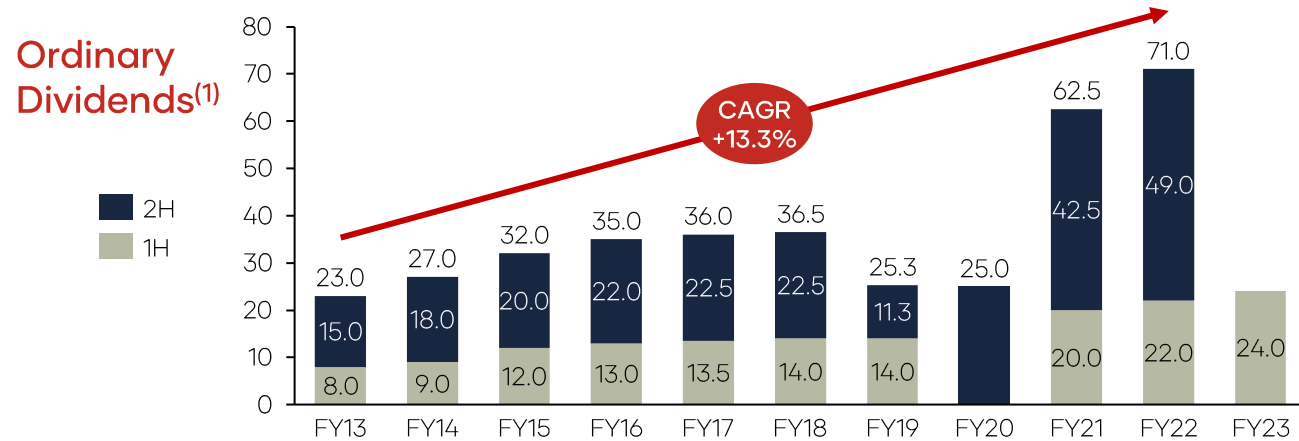
\$ Million	FY20	FY21	FY22	HY23
Cash	209.1	197.6	190.4	353.0
Net Debt	129.3	128.4	253.4	118.0
Available Liquidity	683.2	733.1	631.1	758.1
Gearing	0.29	0.28	0.54	0.23
Owned Property ⁽²⁾	363.9	467.0	607.6	559.4

(1) Corporate debt is referred to as senior and capital debt drawn at reporting date and excludes floorplan debt.

(2) Owned property includes construction in progress – at cost and includes properties classified as Held for Sale.

Record half year dividend for 1H 2023

Long term consistent track record of maximising shareholder returns via flexible capital management



(1) Excludes the special dividend of 8.4 cents per share paid in 2021 in relation to the divestment of the Daimler Trucks business.



Capital Management Execution

Invest in the business funding organic growth, greenfield opportunities & proprietary technology

Grow via accretive M&A opportunities with disciplined approach to acquisition multiples & Next100 Strategy alignment

Reward shareholders with dividends and strong track record of total shareholder returns

Manage equity & capital while evaluating investment opportunities against other capital management initiatives

Well placed to fund growth with significant gearing capacity enabling ability to deploy available liquidity

Operational Update

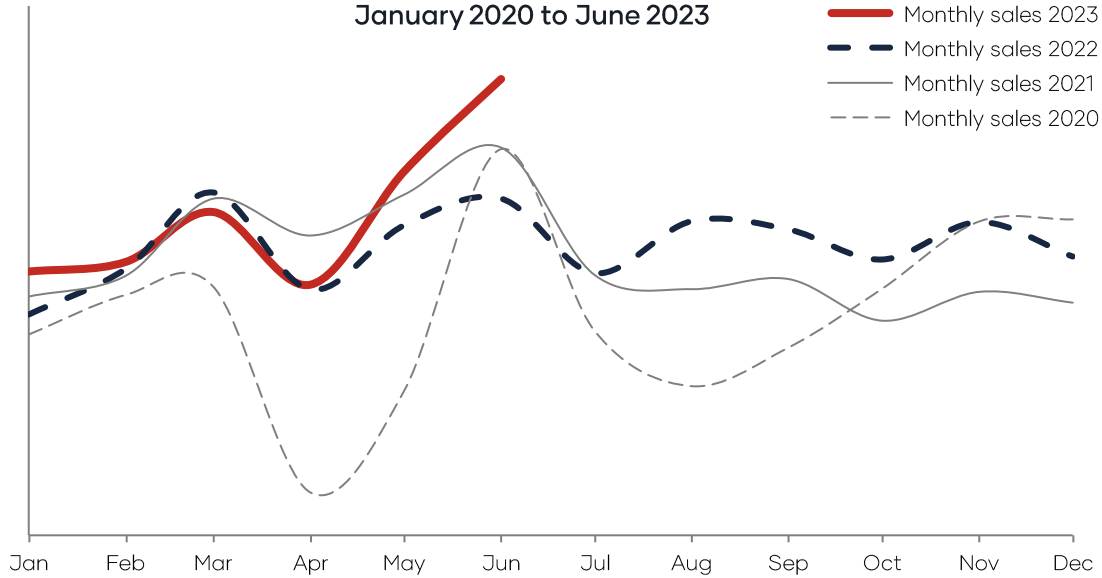
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New vehicle market drives strong performance

Operating leverage evidenced through new vehicle supply driving strong underlying profit performance

Australian New Vehicle Market⁽¹⁾

January 2020 to June 2023

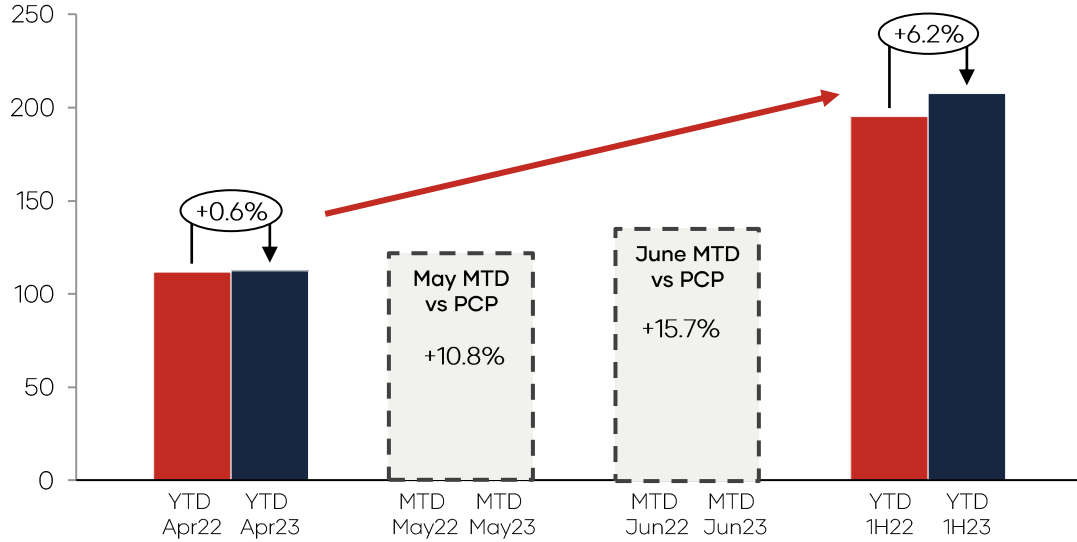


VFACTS Total Market	April 2023 YTD	May 2023 MTD	June 2023 MTD	June 2023 YTD
Mvmt v PCP (%)	+2.2%	+12.0%	+25.0%	+8.2%

(1) Source: VFACTS.

Eagers Underlying PBT

January 2023 to June 2023



EA Underlying PBT	April 2023 YTD	May 2023 MTD	June 2023 MTD	June 2023 YTD
Mvmt v PCP (%)	+0.6%	+10.8%	+15.7%	+6.2%

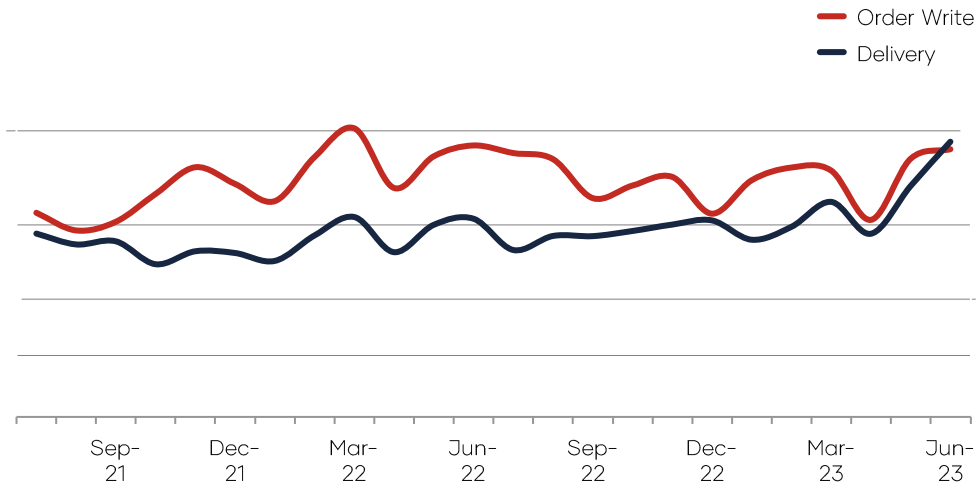


Market dynamics sustain our order bank

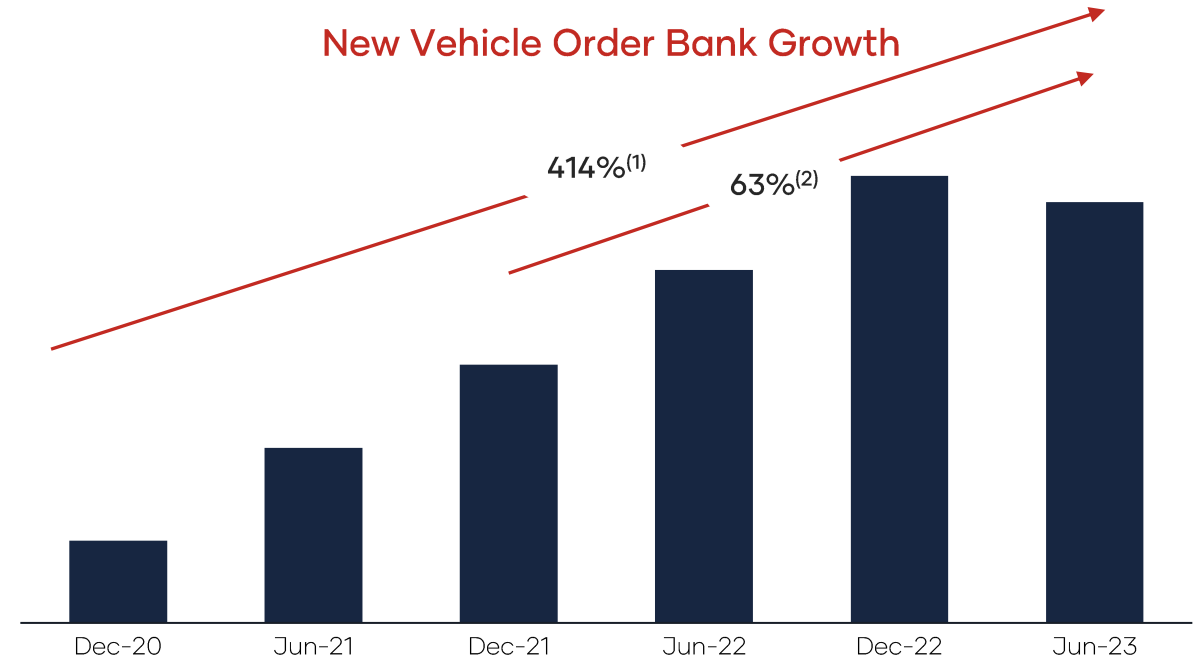
Demand remains robust with significant order bank run off period and material embedded gross profit

Australian New Vehicle Order Write vs Deliveries

January 2020 to June 2023



New Vehicle Order Bank Growth



Demand & Supply Dynamics

Consumer demand remains robust & strong supply committed for 2H23

FY23 total new vehicle market forecast ~1,200k

Multi year order bank run-off period based on current supply & demand dynamics

New Vehicle Order Bank

Net order bank ~180 days supply at 30 June 2023⁽³⁾

Order bank cleansed by pre-30 June incentives & cycling into available stock

Underwriting step change in order bank dynamics & therefore underlying economics

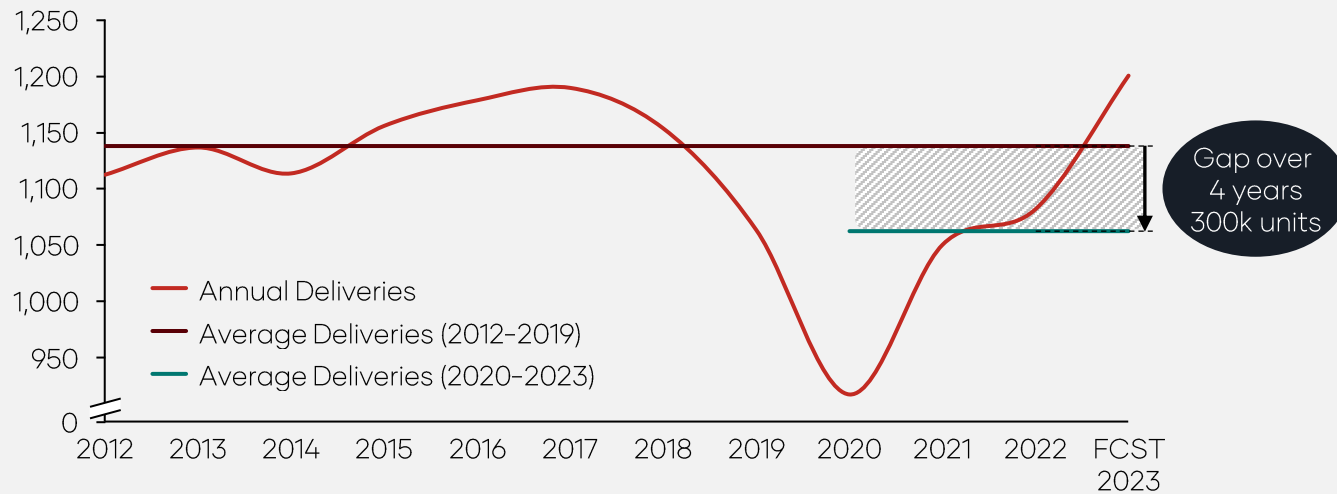
(1) Growth since December 2020 on a reported basis.
 (2) Growth since December 2021 on a reported basis.
 (3) No of days supply calculated based on total order bank at 30 June 2023 and 1H23 new vehicle deliveries on an annualised basis.

Uniquely placed in material addressable market

Opportunity within the automotive retail industry is compelling despite new vehicle supply constraints



Australian New Vehicle Market⁽¹⁾



Gap in the New Vehicle Market

2012 – 2019 Average: 1,137k vehicle deliveries p.a.

2020 – 2023 Average⁽²⁾: 1,062k vehicle deliveries p.a.

Record High: 1,187k (2017)

Record Low: 916k (2020)

Four Years to Dec 2023: ~300k gap vs 2012–2019 average

Brand Portfolio

Volume Brands

Prestige & Luxury Brands

Electric Vehicles

Trucks

Franchise Used & Independent Pre-Owned

Industry Position

Largest automotive retail group in Australia & New Zealand

Large prestige & luxury exposure in selected markets

Largest franchise operator role in the transition to New Energy Vehicles

Market leading large-scale portfolio across light & medium segments

Largest fixed price pre-owned business in Australia & New Zealand

Total Addressable Markets



(1) Source: VFACTS (as at 31 December 2022).
 (2) Assumption: 2023 full year vehicle deliveries for the total market of 1.2 million units.

Delivering top line revenue growth

Platform established in 2022 delivers record half year revenue result

1H 2023 Revenue Growth

Driven by organic, greenfield & acquisition initiatives

Record Result
\$4.8bn
(up 14.3% on pcp)

Revenue Growth
+602.2m
(vs 1H22)



Organic

~10% of total turnover growth
(net of agency impacts)

Growth on a like-for-like basis
despite supply interruptions

AUTOMALL WEST

Revenue growth +18.2% on 2H22

Greenfield

~50% of total turnover growth

Preferred retail partner for
existing and new OEMs



Acquisitions

~40% of total turnover growth
(net of divestments⁽¹⁾)

Integration of **ACT & SA**
acquisitions completed in 2H22

Ireland's of Cairns
Completed May 2023



(1) Bill Buckle Auto Group divested on 30 June 2022 and Castle Hill dealerships divested on 30 June 2023.

Strong margins & cost management drive sustainable ROS

Optimisation of business model delivering greater productivity on a more efficient cost base

Underlying Cost Base (like-for-like basis)

Resilient performance despite record inflation & rising rate market

+4.9%
(+2.5% excl financing costs)

Reduction
↓ **~\$20m**
(vs 2H22⁽¹⁾)

Finance costs	Upward pressure from rising interest rates mitigated by inventory management
Variable costs	Increase in line with incremental gross profit
Fixed costs	Down 0.2% on pcp despite wage inflation & CPI escalation on leased property costs

Margins (like-for-like basis)

19.1%
(+0.3% on pcp)

Growth in new & used vehicle, service, finance & insurance & car care margins

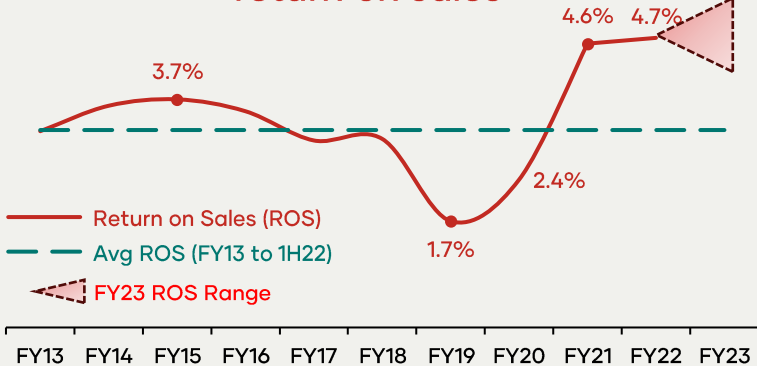
	vs 1H22
New	↑
Used	↑
Parts	—
Service	↑
Finance & Insurance PVR	↑

Underlying Return on Sales

+4.3%
Sustainably high return on sales margin

Impacted by supply interruptions in early 2023
Improvement expected in 2H23

Delivering sustainable higher return on sales



(1) Based on 2H22 cost base adjusted for normalisations, and on an annualized basis.

Strategic Priorities

3

NEXT100 Strategy

Providing integrated mobility solutions for the next 100 years



Productivity Drivers

People
Key Metric: Revenue Per Employee

Property
Key Metric: Rent to Gross Profit Ratio

Supported by **Proprietary Technology**

AutoMall concept

Driving greater customer experience on a lower cost base

AutoMall Strategy



Great customer experience



Reduced Cost Base



Improved Gross Profit

Key Actions

- ✓ Multi-brand consolidation
- ✓ Multi-format execution
- ✓ Service factories rolled out
- ✓ Consolidated pre-owned network
- ✓ Supported by digital capability to delivery omni-channel experience

Key Outcomes

- 1 Improved omni-channel CX
- 2 Greater throughput per site
- 3 Increased property & people productivity
- 4 Lower long-term cost base
- 5 Growing key strategic property ownership

Property Highlights

Leases exited⁽¹⁾

133

since Dec-19
with 15 exited in 1H23

Portfolio at Jun-23

\$559m

up \$292 million
since Dec-19

Property Owned
vs Leased⁽¹⁾

21%

up from 10% at
Dec-19

Average Weighted
Cost of Capital

4.0%

Corporate &
Property Debt

Average Tenor Fixed
Rate Property Debt

6.4 years

Weighted average
over remaining term

Execution of Long-term Property Strategy

Rebalancing owned vs leased portfolio

Disciplined portfolio growth through long-term fixed rate capital loans

Reducing exposure to inflationary pressures on property cost base

AutoMall redefining the future of automotive retail

(1) Includes leased exited due to property acquisitions, consolidation and rationalisation and business divestments

AutoMall concept

Innovative automotive retail reimaged

Launched



Future Concepts Under Review



Under Development



Recently Completed



AutoMall concept

Innovative automotive retail reimaged

New Entrant Partnership Opportunities

Blank canvas for go-to-market strategy

Leveraging physical and digital assets

Design an end-to-end omni-channel experience

Traditional retail reimaged to align with customer wants and needs

Network Strategy



Lighthouse facilities



Service factories



Pop up locations



Fulfilment centres



Innovative retail formats



Large scale pre-delivery factories



Traditional dealerships



**Customer responsive
automotive retail**

New Concepts

Lighthouse Retail



Fulfilment Centres



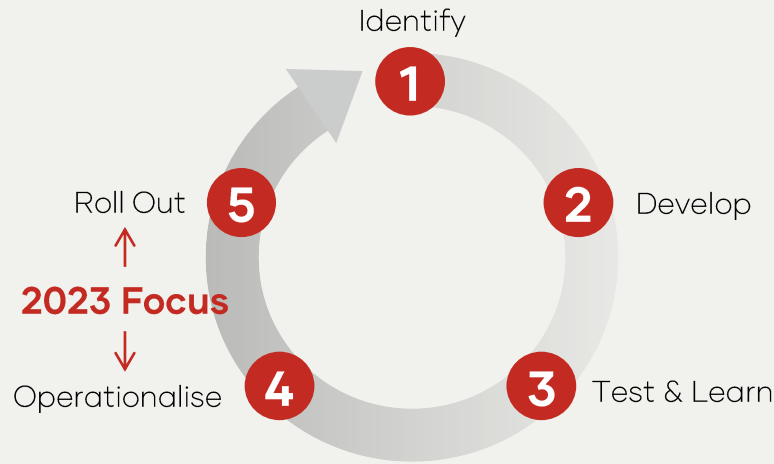
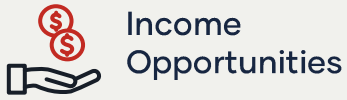
Traditional Retail Reimagined



Driving productivity through proprietary technology

Unique in-house technology solutions driving enhanced productivity and enabling operating leverage

Key Criteria



2023 Roll Out Program

10 Minute Sales App	Integrated digital vehicle contract solution	> 6,100 > 61% of all orders
SMS Payments	Digital payment method for service customers	> 60,000 payments in 1H23
Additional Work Requests	Real time request for approval of additional service tasks	>73% response rate
Automated Deal Processing	Automation of high volume manual process	> 29,500 deals processed 1H23

2023 Test & Learn

Easy Quote

Automated & data driven digital valuation tool

Talk to Text

Eliminate handwritten repair orders

Scanify

Automated inventory & pre-delivery stock management tool



Total Headcount Reduction of 266 FTE Down 3.6%
(vs pcp on LFL basis)

Revenue per Employee Up 9.8%
(vs pcp)

Financial services

Continued outperformance against industry benchmarks

Strategic Highlights

- Growing proprietary businesses
- JV finance portfolio growth to ~\$330 million
- Growth in ancillary products providing hedge against new car finance share
- Expansion of Perfexion into NZ & ACT

Expanding our offering

Operational Highlights

New and used car finance share outperforming industry benchmarks

Strong margin performance

Net amount financed above 1H22

PVR growth 7.6% vs 1H22

New car care growth 48.5% since 2019

Value Chain Contributors

Ancillary Products



Motor Insurance



Scratch & Dent

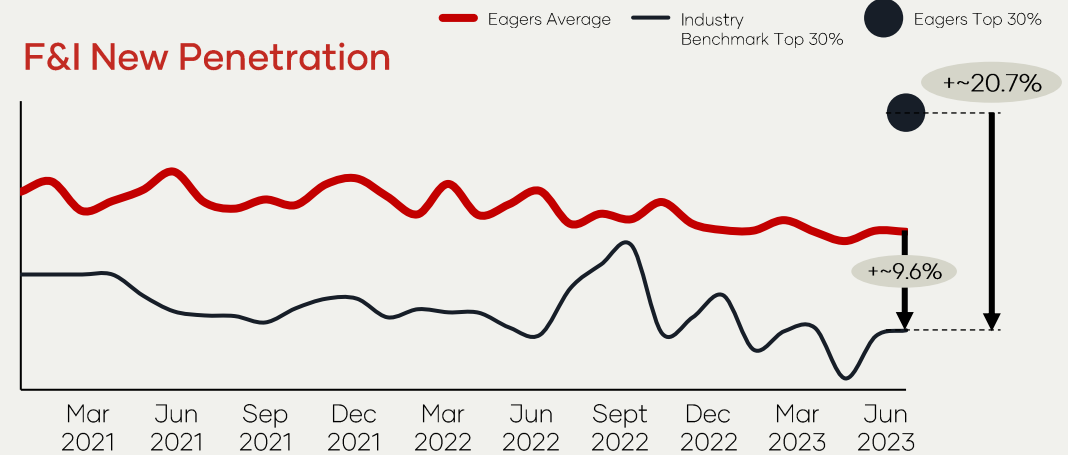


Mechanical Protection

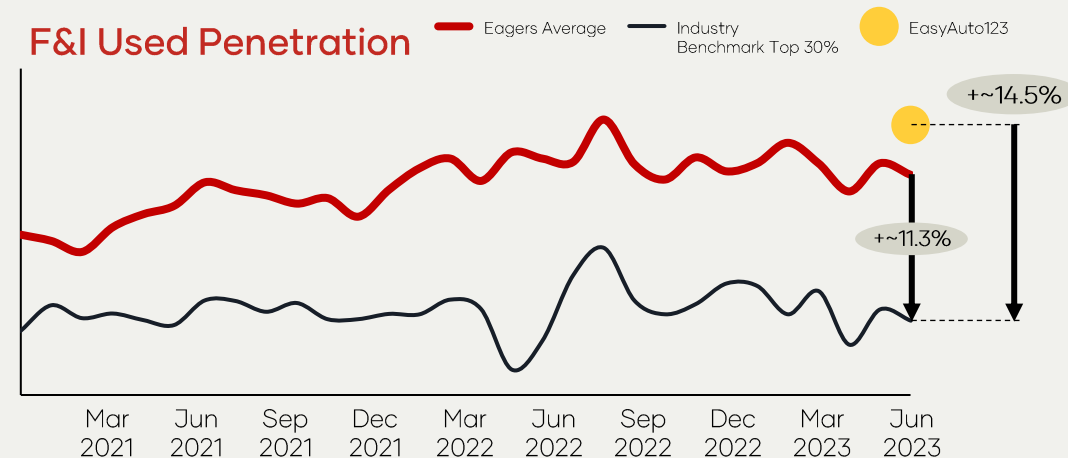
Proprietary Businesses



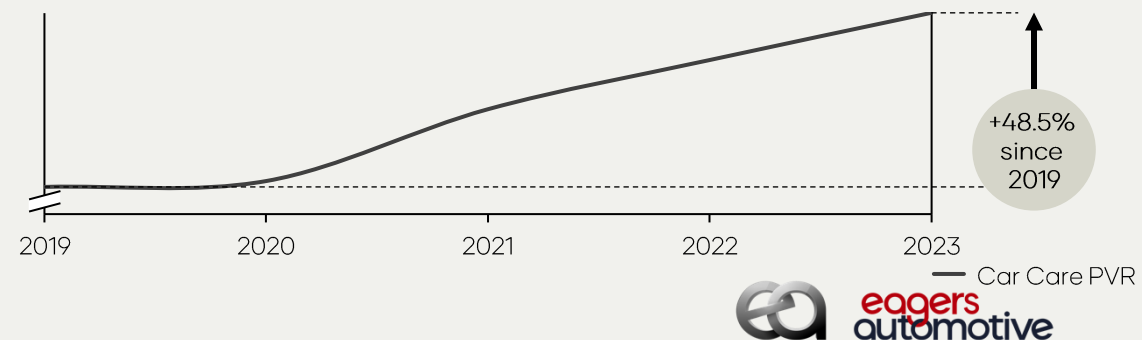
F&I New Penetration



F&I Used Penetration



New Car Care PVR



Leading the NEV transition

Retail preferences & fleet mandates underpinned by incentives & mandates driving acceleration of NEV adoption

Factors Driving Demand for NEVs

Incentives

Gov't Rebates & Concessions
 Tax Concessions (FBT)
 Total Cost of Ownership



Mandates

Climate Change Initiatives
 Government Policies
 Corporate ESG Targets

Retail & Fleet Preference for NEVs

Global & Local Evidence

Global NEV Market Share⁽¹⁾

2022	1H23
~13.0%	~14.3%

Australian NEV Market⁽²⁾

2022	1H23
~3.6%	~8.0%

(1) Source: Automobility Ltd desktop research.
 (2) Source: VFACTS.



Passenger Vehicles

Largest automotive retail group

Supporting incumbent OEMs with introduction of NEV product range

Partner of choice

Leveraging **scale & geographic diversity** to provide a "plug and play" solution for new NEV market entrants

Commercial Vehicles

National truck footprint with 8 OEM brand partners

Fleet demand for light & medium EV trucks for last mile logistics

Diversification into **EV product range** with existing partners and new entrants

EA opportunity enabled by **FMO strategic partnerships**



Organic independent used growth

Driving sustainable scaling of the business through disciplined investment

easyauto123

Carlins
SINCE 1960

easyauto123 Unique Business Model

Your Car, Your Way – let the customer decide

easyauto123

National Footprint

Organic Website Leads

Franchised Auto

Franchise Dealers

Service Customers

Third Party Sourcing

Private Market

Dealer Auctions

> 600,000
In Market
Prospects

Centralised Valuations & Disposals



easyquote

Carlins
SINCE 1960

Carlins Central
Valuations

Wholesale Market
Disposal Channel

Leveraging Scale, Technology & Expertise

National
Footprint



- Central Reconditioning

10 Minute
Sales App



- Factory style operation
- Economies of scale

Unique Business Economics

Unique Inventory Advantage

Buying the right
vehicles at the right
price at scale

Finance Income

Car Care

Productivity

Cost Base

Omni-channel
Customer Experience

Sustainable Growth & Scale



Pool of Gross per Unit	vs pcp	+7.7%
Cost Base	vs pcp	(14.1%)
Finance Income PVR	delta to FA	+29.2%
Car Care Income PVR	delta to FA	+3.7%
Revenue / Employee	delta to FA	+80.7%

How We Deliver Scale

Establish a
Profitable Platform

Complete

Franchised Automotive
Used Car Transition

Work in Progress

Outlook

4

An evolving market presents new opportunities

Australia & New Zealand Expansion

- Consolidation | Rationalisation | Evolution
- Growth with existing partners
- Establishing new retail formats
- Scaling our independent pre-owned business



Leading NEV Transition

- Supporting existing OEM partners
- Preferred retail partner for new market entrants
- Diversification into electric truck segment
- Adjacent, downstream & new income opportunities



Investing in Enablers

- Preferred partnership arrangements
- Supporting EV transition via novated leasing and fleet management
- Competitive advantage through adjacent markets driving mutual success



New Markets

- Preferred partner in global markets
- Cross border opportunities as global M&A increases
- Key market review underway

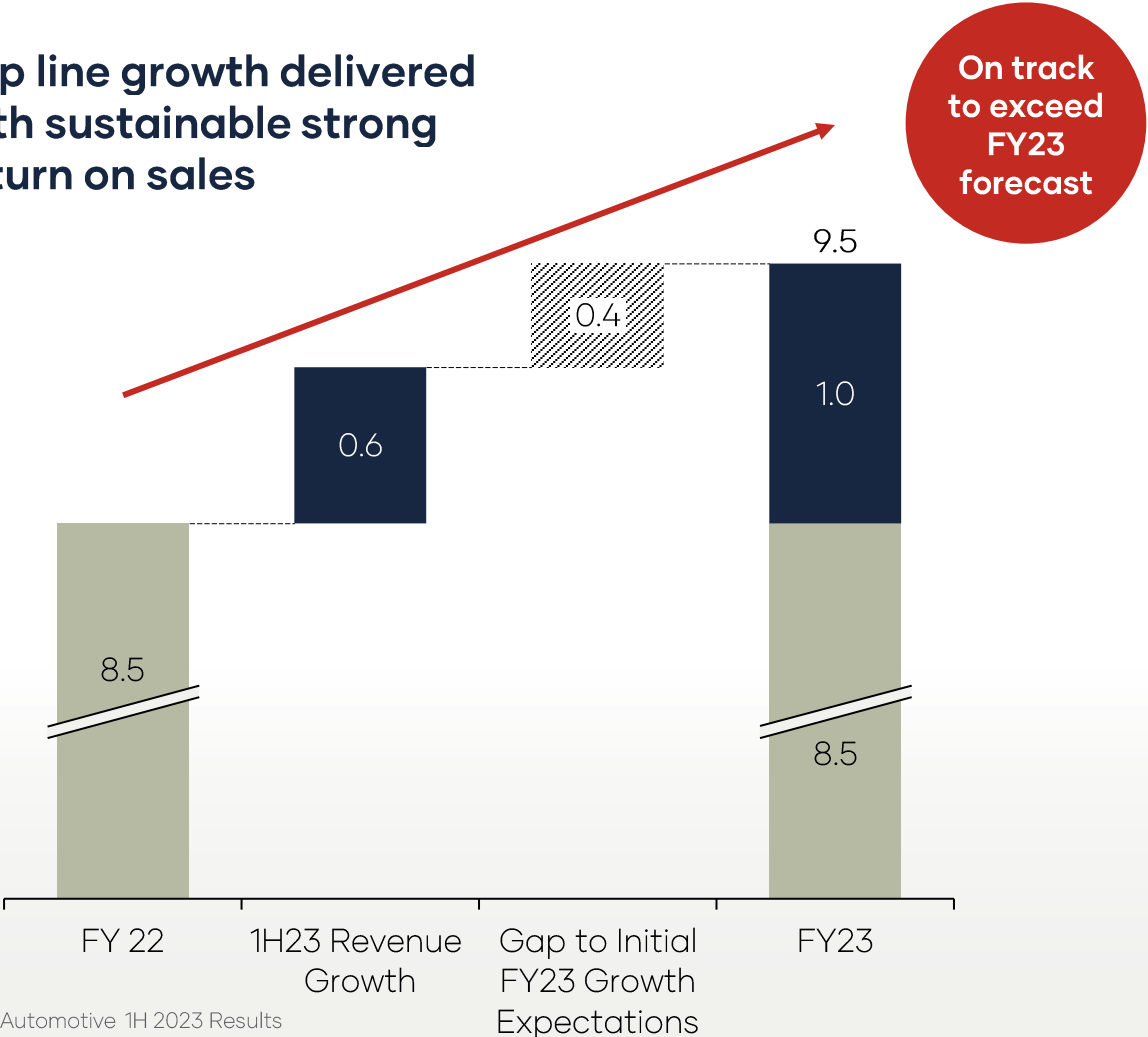


Building an optimised business model to maximise operating leverage

Material revenue growth for 2023 and beyond

Disciplined investment provides platform for top line revenue growth in 2023 to exceed expectations

Top line growth delivered with sustainable strong return on sales



Top 5 Key Takeaways

- 1 Revenue growth
- 2 Sustainable strong return on sales
- 3 Leading generational shift to lower emission vehicles
- 4 Profitable growth of easyauto123
- 5 Strong balance sheet



Thank you



Q&A

Disclaimer

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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 31 (1H23) and 32 (comparative financial information) of this Investor Presentation.

Appendix

Statutory to Underlying EBITDAI & PBT – 1H 2023

\$ MILLION 1H23	EBITDAI	Depn & Amort	Interest Expense	Interest Income	Impairment	PBT	Tax Expense	NPAT
Underlying Operating	254.1	(10.8)	(35.9)	-	-	207.4	(62.4)	145.0
Impairment	-					-	-	-
AASB16 Lease Standard	70.7	(46.7)	(22.0)	5.4		7.3	(2.2)	5.1
Business Acquisition, Divestment & Integration Costs	(1.5)					(1.5)	0.2	(1.3)
Sale of Assets	2.6					2.6	(0.7)	1.9
Miscellaneous	0.2					0.2	(0.4)	(0.2)
Total Significant Items	72.1	(46.7)	(22.0)	5.4	-	8.7	(3.1)	5.6
Statutory	326.2	(57.5)	(57.9)	5.4	-	216.1	(65.5)	150.5

Statutory to Underlying EBITDAI & PBT – 1H 2022

\$ MILLION 1H22	EBITDAI	Depn & Amort	Interest Expense	Interest Income	Impairment	PBT	Tax Expense	NPAT
Underlying Operating	220.2	(9.4)	(15.5)	-	-	195.1	(62.6)	132.5
Impairment	-				(1.7)	(1.7)	0.0	(1.7)
AASB16 Lease Standard	69.2	(45.3)	(23.4)	5.7		6.3	(1.9)	4.4
Business Acquisition, Divestment & Integration Costs	(2.2)					(2.2)	(0.0)	(2.2)
Sale of Assets	50.6					50.6	0.7	51.3
Miscellaneous	(1.6)					(1.6)	0.5	(1.1)
Alignment of Full Year Effective Tax Rate ⁽¹⁾	-					-	(4.5)	(4.5)
Total Significant Items	116.0	(45.3)	(23.4)	5.7	(1.7)	51.4	(5.2)	46.2
Statutory	336.2	(54.7)	(38.9)	5.7	(1.7)	246.5	(67.8)	178.7

(1) Alignment to forecasted full year effective tax in accordance with AASB 134 Interim Financial Reporting.

Definitions

Non-IFRS Financial Information

CAGR	is defined as compound annual growth rate
CPS	is defined as cents per share
CSI	is defined as customer satisfaction index
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
EPS	is defined as earnings per share
ESG	is defined as Environmental, social, and corporate governance
EV	is defined as electric vehicle
F&I	is defined as Finance & Insurance
FA	is defined as Franchised Automotive
FMO	is defined as Fleet Management Organisation
Independent Used	is defined as the combined easyauto123 and Carlins auction businesses

Definitions

Non-IFRS Financial Information

NEV	is defined as new energy vehicle which includes plug in hybrid, electric and hydrogen powered vehicles
NPAT	is defined as net profit after tax
PAT	is defined as profit after tax
PBT	is defined as profit before tax
PBT margin	is calculated as profit before tax before significant items as a percentage of revenue
PCP	is defined as prior corresponding period
PVR	is defined as per vehicle retail
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 31 (1H23) and 32 (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

