

22 February 2024

Market Announcements Office
ASX Limited

FY 2023 Results Presentation

Attached is the Full Year Results Presentation for Eagers Automotive Ltd (ASX: APE) for the year ended 31 December 2023.

-ENDS-

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Authorised for release by the Board.



FY 2023 Results

Keith Thornton | Chief Executive Officer

Sophie Moore | Chief Financial Officer

Agenda

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

Financial highlights FY 2023

<p>Revenue</p> <p>\$9.9bn</p> 	<p>Statutory PBT</p> <p>\$427.3m</p> 	<p>Underlying Operating PBT⁽¹⁾</p> <p>\$433.3m</p> 	<p>Return on Sales (Underlying)</p> <p>4.4%</p> 
<p>Cash at Bank</p> <p>\$222.2m</p> 	<p>Ordinary Final Dividend</p> <p>50.0 cents per share</p> 	<p>Available Liquidity</p> <p>\$620.3m</p> 	<p>Owned Property⁽²⁾</p> <p>\$597.9m</p> 

2023 Records

Revenue 

+15.3% vs prior year

Underlying Operating PBT⁽¹⁾ 

+6.9% vs prior year

Independent Used Profit 

Record result

Dividends 

Final & Full Year

(1) Underlying operating results refers to continuing operations outlined and reconciled to statutory results on slides 34 (FY23) 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) Owned property includes construction in progress – at cost and includes properties classified as Held for Sale

2023 Scorecard

2023 Goals

Top Line Growth

\$8.5 billion 2022	\$9.5 - \$10.0 billion 2023 est.	2023 & Beyond...
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Return on Sales Growth

3.0% 10-yr avg	4.7% 2022	2023 & Beyond...
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2023 Key Actions

Material new partnerships



easyauto123 growth



Disciplined & targeted M&A activity



Scale & cost base advantages



Proprietary technology investment & productivity gains



Financial services driving higher returns



2023 Scorecard



Material revenue growth of \$1.3 billion in 2023
+15.3% vs prior year



Business transformation delivering strong margins & disciplined cost management



Record underlying profit for easyauto123



Established foundations of key strategic partnerships driving competitive advantage



Executed strategic and disciplined M&A securing further top line growth for 2024

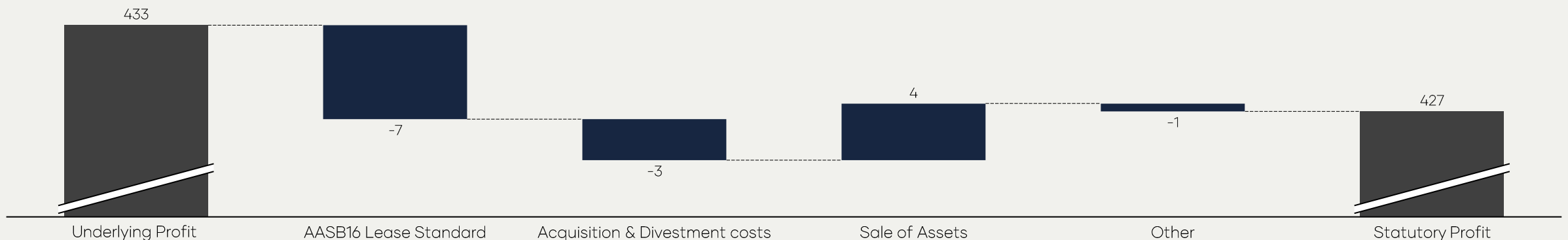
Financial Results

1

FY 2023 Summary P&L

\$ Million	FY23	FY22	Movement (\$)	Movement (%)	
Revenue from continuing operations	9,851.7	8,541.5	+1,310.2	+15.3%	Underlying
Underlying operating EBITDAI from continuing operations ⁽¹⁾	546.0	471.1	+74.9	+15.9%	
Underlying operating PBT from continuing operations ⁽¹⁾	433.3	405.2	+28.1	+6.9%	
Specific items reported below underlying profit ⁽¹⁾	(6.0)	37.0	(43.0)	(116.1%)	Statutory
Statutory profit before tax from continuing operations	427.3	442.2	(14.9)	(3.4%)	
Statutory profit after tax from continuing operations	299.1	324.3	(25.3)	(7.8%)	

Underlying Operating PBT to Statutory PBT FY 2023



(1) Underlying operating results refers to continuing operations outlined and reconciled to statutory results on slides 34 (FY23) 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.

Balance sheet strength



Cash Position: \$222.2m



Net Debt: \$262.7m



Strong Available Liquidity: \$620.3m



Low Gearing: 0.48 times



Property Owned: \$597.9m⁽²⁾



Corporate Debt: Average Tenor 4.8 years⁽¹⁾



Corporate Debt: 53% Fixed | 47% Variable⁽¹⁾

Strong Metrics Enable Opportunities

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

\$ Million	FY20	FY21	FY22	FY23
Cash	209.1	197.6	190.4	222.2
Net Debt	129.3	128.4	253.4	262.7
Available Liquidity	683.2	733.1	631.1	620.3
Gearing	0.29	0.28	0.54	0.48
Owned Property ⁽²⁾	363.9	467.0	607.6	597.9

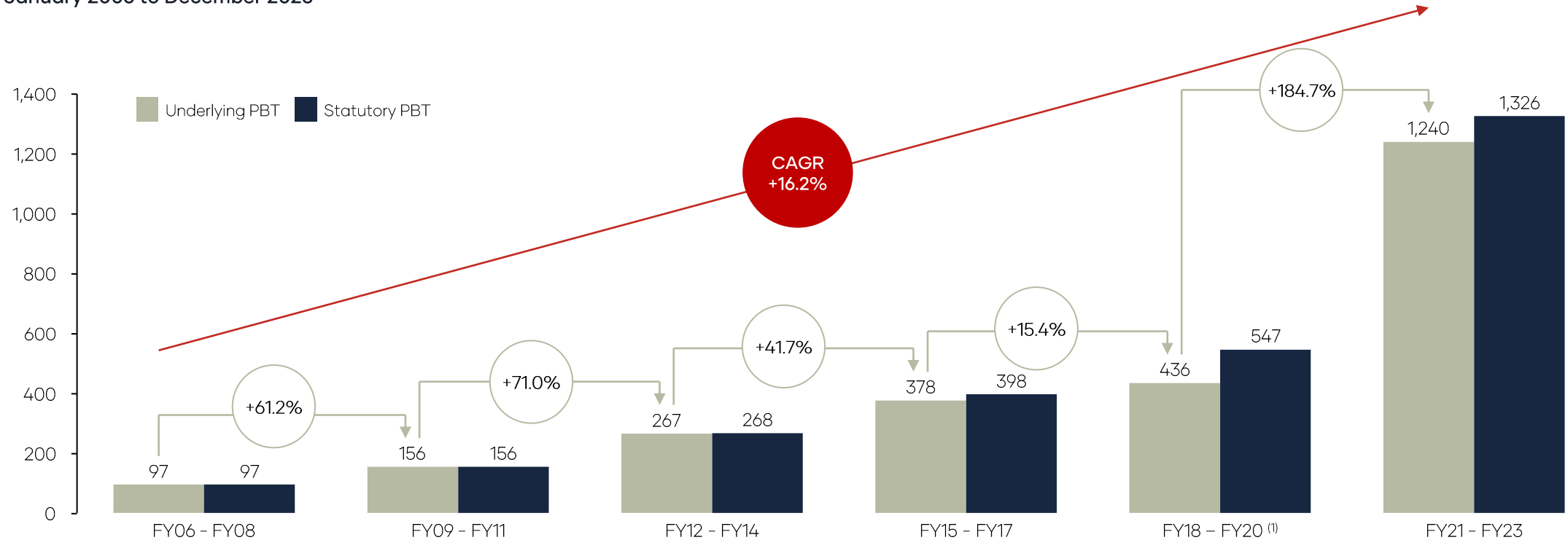
(1) Corporate debt is referred to as senior and capital debt drawn at reporting date and excludes floorplan debt.

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

Track record of strong profit growth through cycles

Underlying & Statutory Profit Performance

January 2006 to December 2023



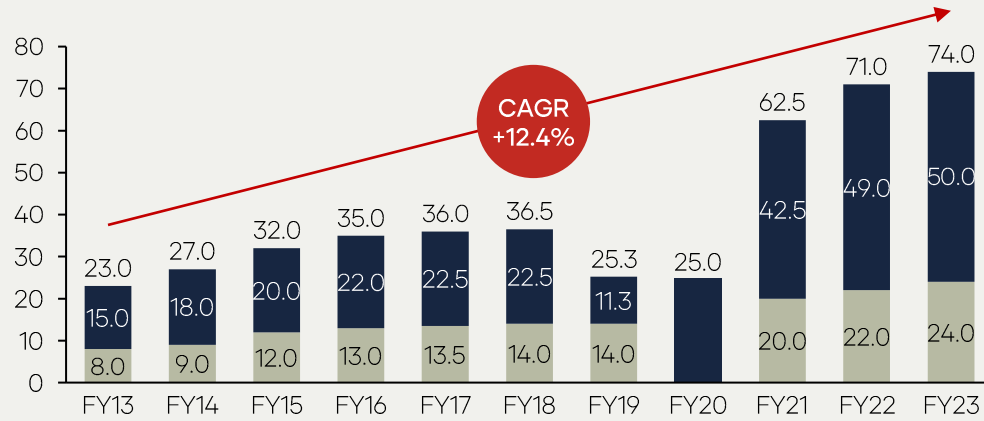
(1) Statutory PBT for FY19 & FY20 has been adjusted to remove one-off abnormal items including AHG and Holden impairments and COVID-19 Government wage subsidy income

Record full year dividend for FY 2023

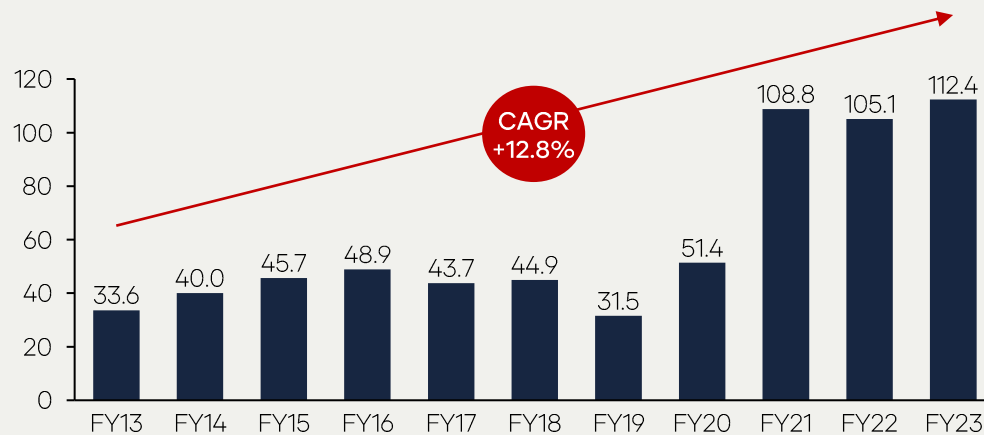
Long term consistent track record of maximising shareholder returns

Ordinary Dividends⁽¹⁾

■ 2H
■ 1H



Underlying EPS



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



How We Deliver Returns for our Shareholders

Optimise our business via transformation initiatives to deliver a strong sustainable return on sales margin

Grow our business in a sustainable & disciplined manner via organic growth, greenfield initiatives & M&A opportunities

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

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

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

Operational Update

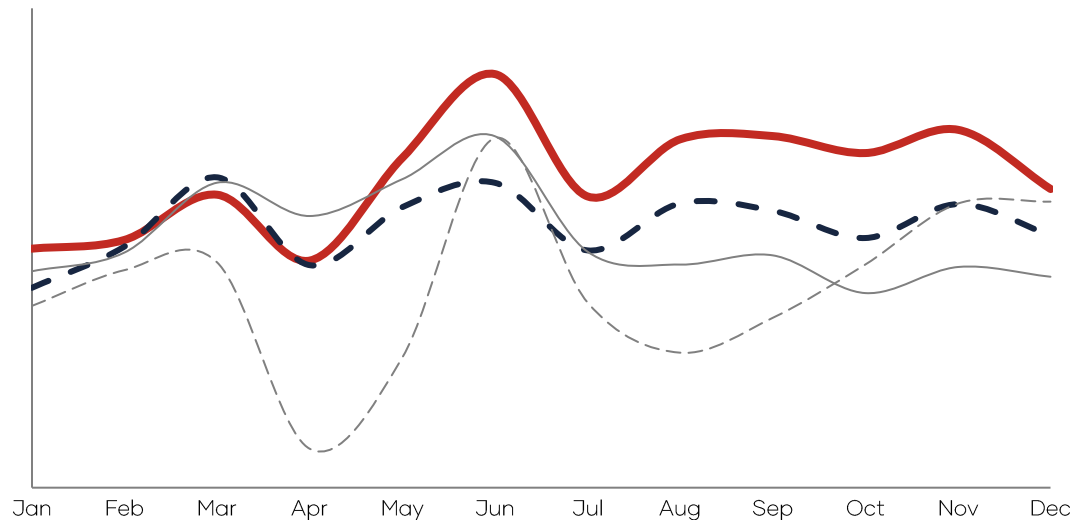
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Record new vehicle market

Gap in the new vehicle market remains despite record new vehicle deliveries in 2023

Australian New Vehicle Market⁽¹⁾

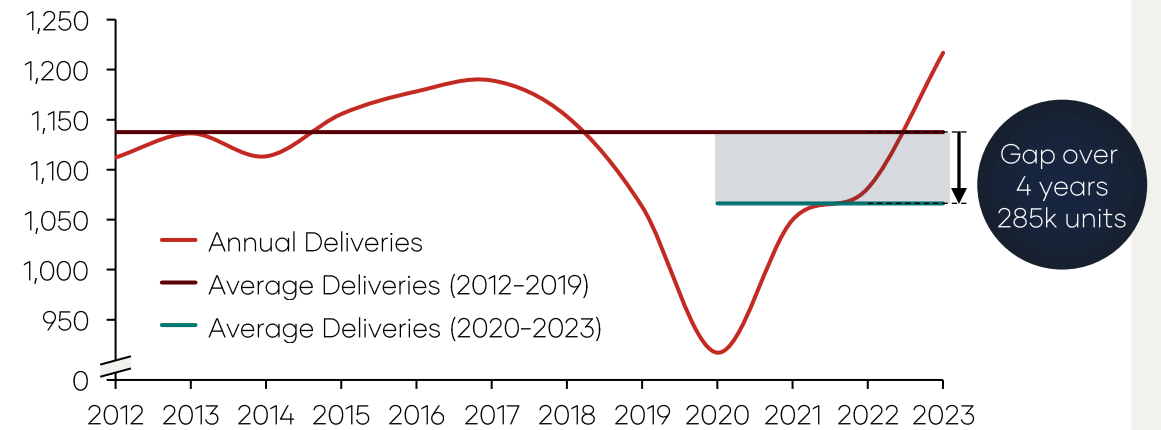
January 2020 to December 2023



VFACTS Total Market	1 st Half 2023	2 nd Half 2023	Full Year 2023
Mvmt v PCP (%)	+8.2%	+16.8%	+12.5%

— Monthly Sales 2023 - - Monthly Sales 2022 — Monthly Sales 2021 - - Monthly Sales 2020

Australian New Vehicle Market⁽¹⁾



Gap in the New Vehicle Market



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

2020 – 2023 Average: 1,066k vehicle deliveries p.a.

Record High: 1,217k (2023)

Record Low: 916k (2020)

Four Years to Dec 2023: ~285k gap vs 2012-2019 average

(1) Source: VFACTS.

Consistent new vehicle demand supported by order bank

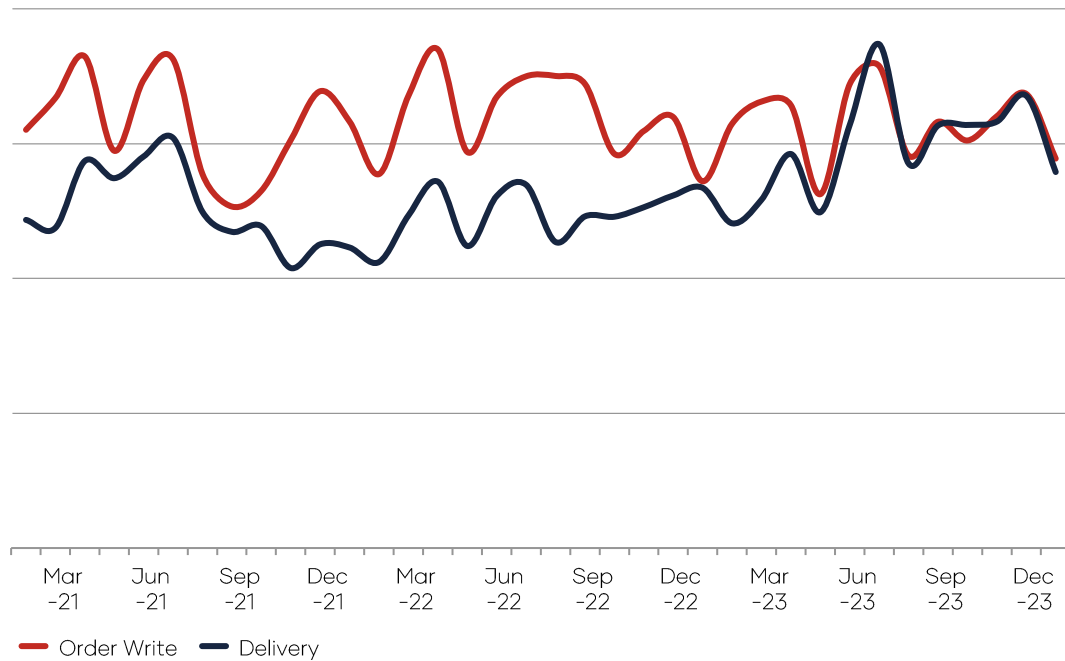
2024 Outlook

Despite a record 2023 new vehicle delivery market and supply in line with demand across the second half – our material order bank will continue to provide a hedge into 2024



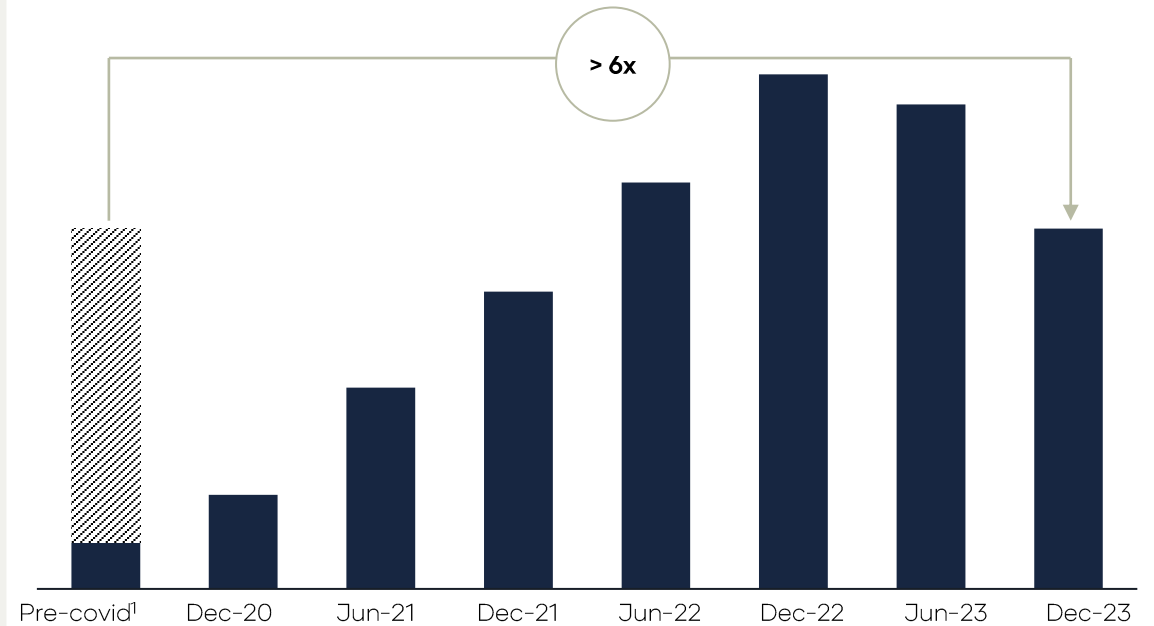
Australian New Vehicle Order Write vs Deliveries

January 2020 to December 2023



New Vehicle Order Bank

Pre-COVID to December 2023



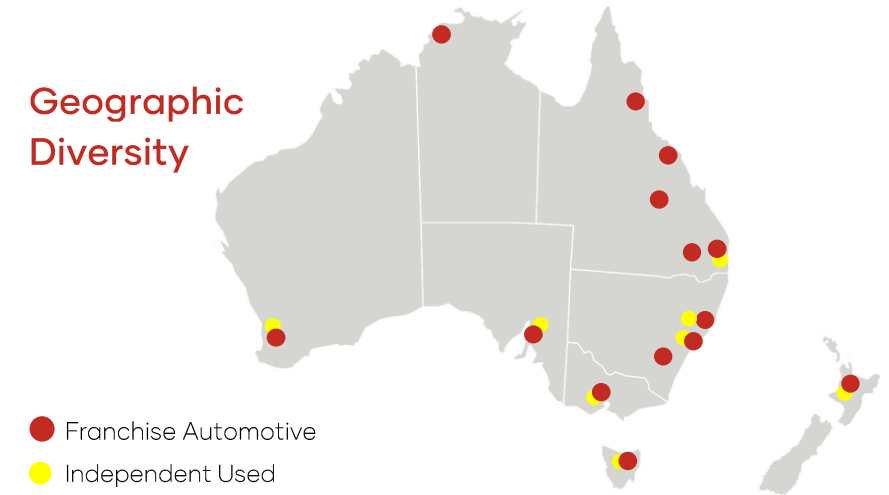
(1) Source: Estimated based on APE Days supply in 2019

Eagers uniquely placed in material addressable market

Unique to the Automotive Retail Industry

Scale	Geographic Reach		Brand Portfolio		Outperform Market
	 Leading retail partner for NEV transition				
Brand Portfolio	Volume Brands	Prestige & Luxury Brands	Electric Vehicles	Trucks	Franchise Used & Independent Pre-Owned
	Largest automotive retail group in Australia & New Zealand	Market leading position with opportunity for growth	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
Eagers Industry Position					

Geographic Diversity



Growth Opportunities



Business transformation underpins growth

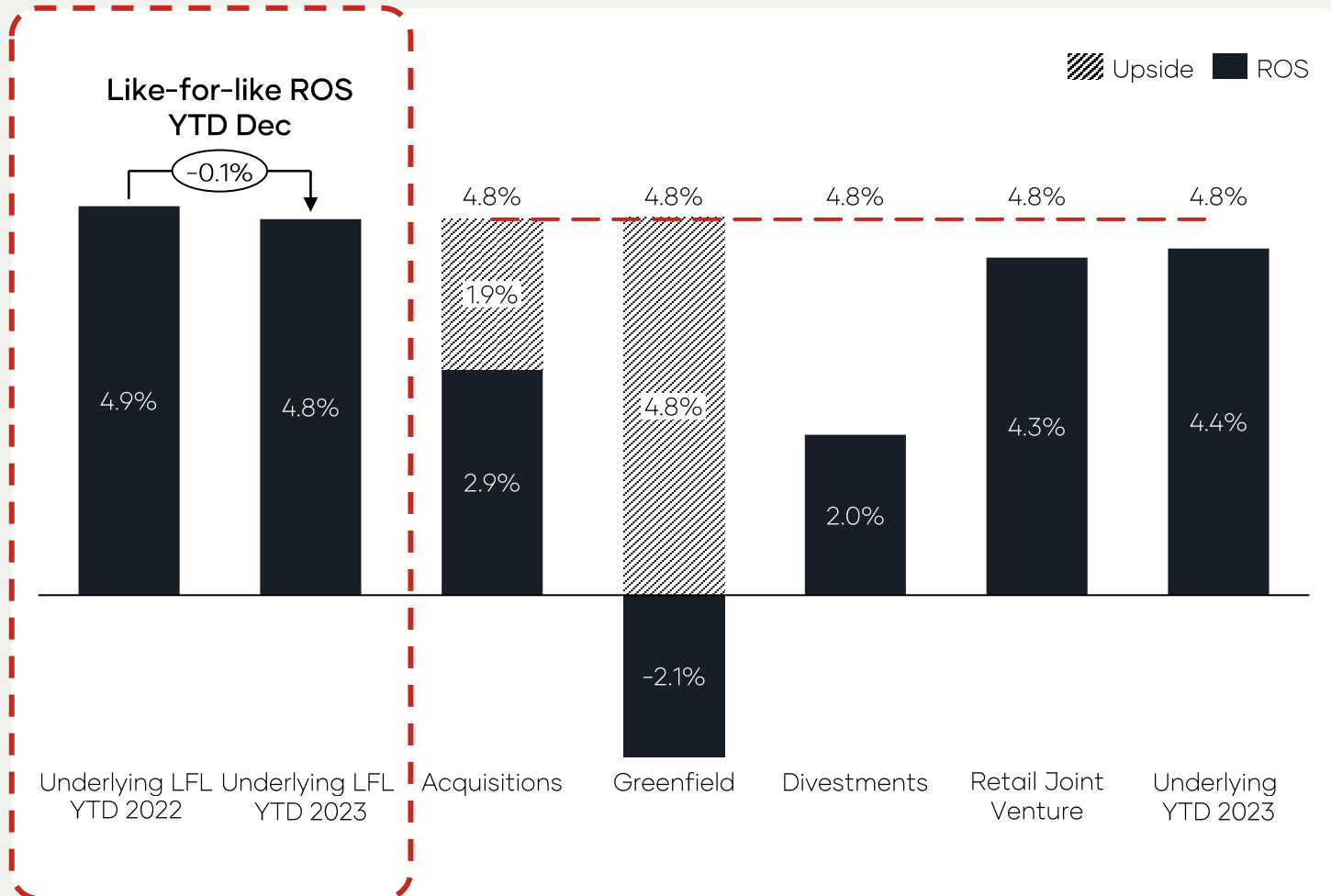
Like for Like Underlying ⁽¹⁾	Turnover	Gross Margin	Cost Margin	Return on Sales	EBITDA Margin
2019	\$8.2bn	17.2%	15.2%	2.1%	2.8%
2023	\$8.4bn	18.9%	14.3%	4.6%	5.5%

Like for Like Highlights vs 2019

- 
People **-1,488** Reduction in headcount of >18%
- 
Productivity **25%** Improvement in productivity per person
- 
Property **22%** Owned property ratio in 2023 (increase from 10% in 2019)
- 
86 Leases exited on a like for like basis
- 
Independent Used Cars **Record profit** in 2023
- 
Technology Unique in-house technology solutions driving enhanced productivity & enabling operating leverage

(1) Represents underlying operating profit, excluding corporate unrecovered, property and AASB16. Figures for 2019 are presented on a pro-forma basis (i.e. a full year of AHG). All numbers are presented on a like for like basis (i.e. excluding any business acquisitions or divestments throughout the period).

Further upside on Return On Sales



Opportunity to increase ROS

Upside on **integration of recent scale acquisitions**

Upside from **maturing greenfield operations**

Upside in **Finance & Insurance and Car Care**

Technology to drive further productivity gains

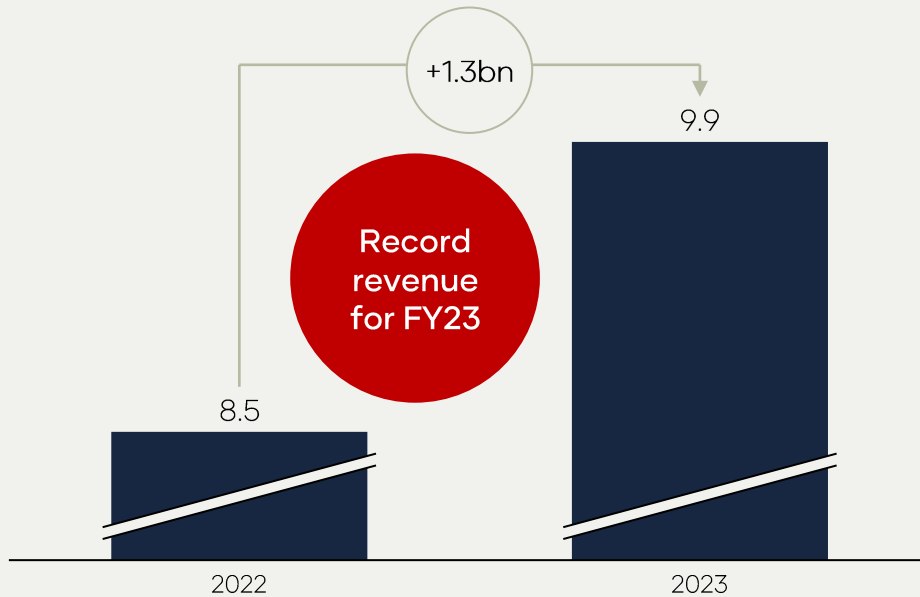
Further **property consolidation** under development

Continued sustainable growth in **independent used car business**

Delivering top line revenue growth

Platform established in 2022 delivers record revenue in 2023 with further material growth secured for 2024

2023 Revenue Growth



Platform to deliver
~\$1 bn revenue
growth in 2024

Organic

~30% 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

~40% of total turnover growth

Growth in retail partnerships for existing and new OEMs



Acquisitions

~30% of total turnover growth (net of divestments)

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

Ireland's of Cairns
Completed May 2023



Strategic Priorities

3

Optimisation of business model and clear growth strategy

Optimisation

Building an optimised business model to maximise operating leverage



Growth Pillars

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

Investing in Enablers



Preferred partnership arrangements

Supporting NEV 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

Ongoing review of inbound opportunities

Business model optimisation driven by Next100 strategy execution



Productivity Drivers

People
Key Metric:
Revenue Per
Employee



Key Metrics (Reported Basis)

Productivity per person
+39% since 2019

+ 18.6% in 2023 vs prior period

Headcount reduced
35% since 2019

Reduction of 2.7% in 2023

Targets for 2024 & beyond

Productivity per person
\$1.5m



Property
Key Metric:
Rent to Gross
Profit Ratio



Leases Exited ⁽¹⁾

144 since 2019

26 exited in 2023

Portfolio at 2023

\$598m

+ \$331m since 2019

Owned Property ⁽¹⁾

22%

up from 10% at 2019

Rent to Gross

6%



Supported by
**Proprietary
Technology**



10 Minute
Sales App



SMS Payments &
Additional Work
Requests



Accounts
Payable

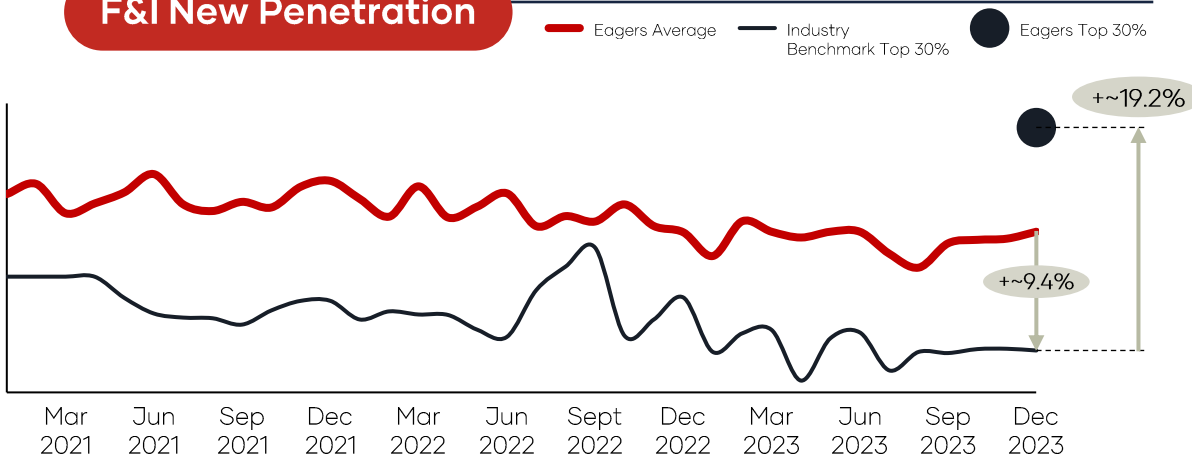


Automated Deal
Processing

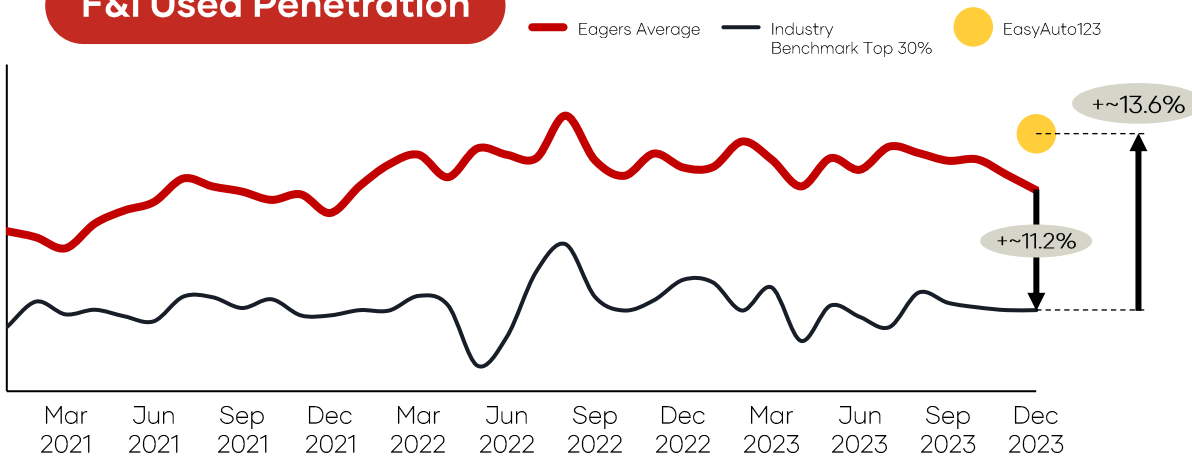


Financial Services will be key margin offset

F&I New Penetration



F&I Used Penetration



Finance & Insurance

New Car income PVR up **2.7%**

Used Car income per contract up **3.6%**

New Car income per contract up **11.8%**

New car care PVR up 52.9% since 2019

Used Car income PVR up **4.0%**

Opportunity remains to drive Finance & Insurance penetration

(1) On a LFL basis

2024 and beyond

Material profit lever expected in 2024 driven by...



Point of Sale Advantage



Ancillary Products

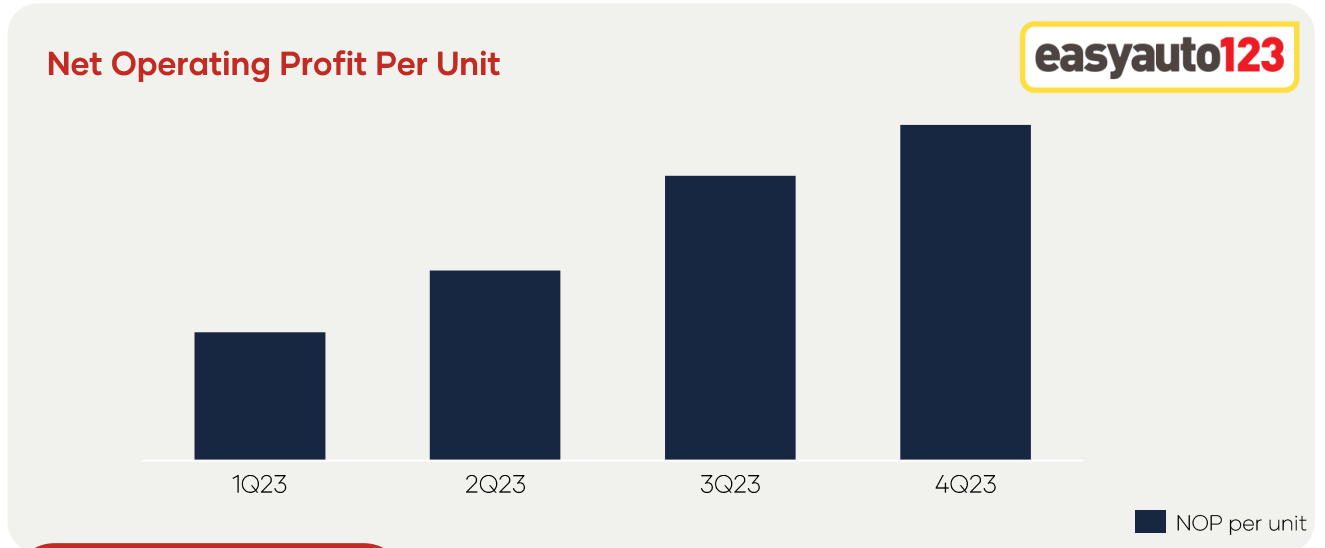


Margin Control



Return of Finance Programs

Record independent used result



\$911

Net operating profit per retail unit⁽¹⁾

\$3,587

Pool of Gross per retail unit⁽¹⁾

\$788

Net operating profit per retail unit⁽³⁾

\$2,288

Pool of Gross per retail unit⁽³⁾

¹Presented in local currency

2024 & beyond

EasyQuote roll out

Maximise external partners, leveraging fleet business

Productivity & Technology focus

(1) Figures based on the Year Ended 31 December 2023 – EasyAuto123 Retail Units and the Total Gross Profit and Total Underlying Profit Before Tax for the EasyAuto123 and Carlins businesses combined
 (2) Presented in local currency (USD)
 (3) Figures based on Carmax published audited results for the Year Ended 28 February 2023 – Used Vehicle Unit Sales, Used Vehicle Gross Profit per Unit and Total Earnings Before Income Taxes



Strategic partnerships creating distinct competitive advantage

Market Drivers

- 1 Consumer preferences for NEVs
- 2 Incentives & mandates
- 3 Normalisation of new vehicle supply
- 4 Compelling economics of financial products
- 5 Opportunity to develop new product offerings

Complementary

Eagers scale, geographic footprint OEM relationships

+

Exposure to significant customer base of employed Australians and fleets

=

Unique physical & virtual environment delivering enhanced experience & engagement

Leveraging technology to drive productivity for mutual economic benefit

Key Outcomes

Enhanced customer experience

+

Increased productivity

+

New product offerings

+

Incremental value creation

Partnership Opportunities

New Vehicle Supply

NEVs Retail & Fleet

Used Car Financing Product

Ancillary Products & Services

Trucks

Referral, Remarketing & Retention

Leading the NEV transition

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

Australian NEV Market Share ⁽¹⁾

2022	2023
~3.6%	~8.1%

Australian NEV Market Share (excl. Tesla) ⁽¹⁾

2022	2023
~1.9%	~4.5%

Eagers NEV Share of Total New Vehicle Deliveries

2022	2023
>3.0%	>10.0%

(1) Source: VFACTS.



Passenger Vehicles

Largest automotive retail group

Partner of choice for new NEV market entrants

Commercial Vehicles

National light truck footprint

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

Diversification into EV product range

Enabled by FMO strategic partnerships



Large Scale Strategic Acquisition in Victoria

Key Transaction Metrics

\$0.9 – \$1.0 Bn
Annual Turnover

12
Leading Brand Partners

~770
Employees

53,500 sqm
of prime land and buildings to be acquired in high profile locations in Brighton & Mulgrave

Partners

Volume



Luxury



Building complementary geographic scale in the Victorian market

- Eagers Existing VIC Network
- VIC Acquisition Network



Alice Springs Toyota

Key Transaction Metrics

\$55-60 million
Annual Turnover

~15,000 sqm
of land and buildings to be
acquired

Expanding our partnership
with **long-term leading OEM**
in Northern Territory market

Opportunity to **leverage**
scale benefits with existing
Toyota operations in Darwin



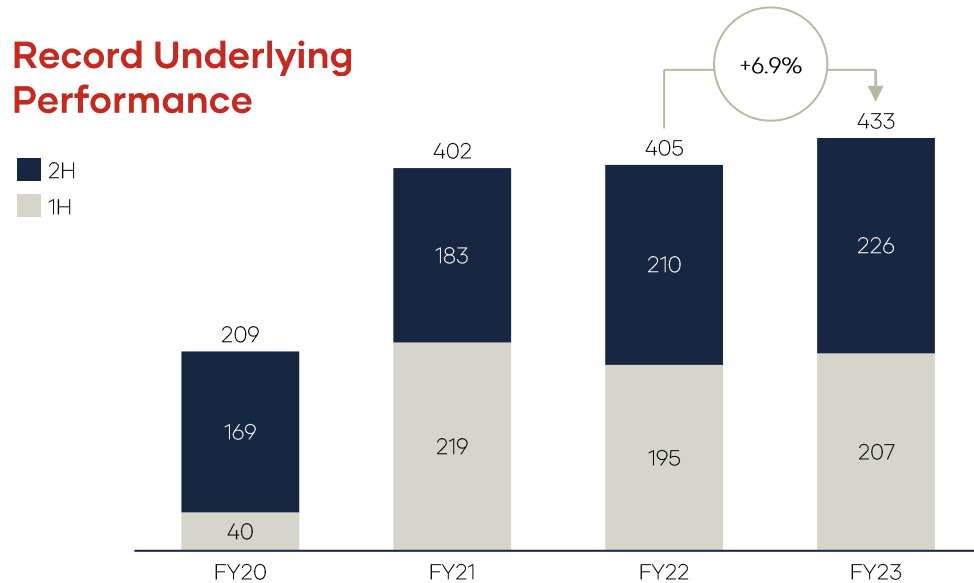
Outlook

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Record second half with resilient economic model

Record new car market in 2023 to deliver favourable dynamics in 2024

Record Underlying Performance



Highlights

- Record new vehicle deliveries & turnover
- Sustained strong margins - 2H23 up on 1H23
- Benefiting from cost out, scale and productivity
- Record profit in QLD, Newcastle, ACT and SA
- Record profit in independent used

Key Levers - 2023 & Outlook

	2022 vs 2023	2023 vs 2024 Outlook
Industry Dynamics		
New Car Volume	↑	⊖
New Car GPU	↑	↓
Used Car Volume	↓	↑
Used Car GPU	↑	↑
Parts	↑	↑
Service	↑	↑
F&I Penetration	↓	↑
Eagers Dynamics		
Productivity	↑	↑
Order Bank	↓	↓

Supported by



Material Order Bank

6x pre-COVID Levels



Optimised Operating Model

Strong sustainable return on sales

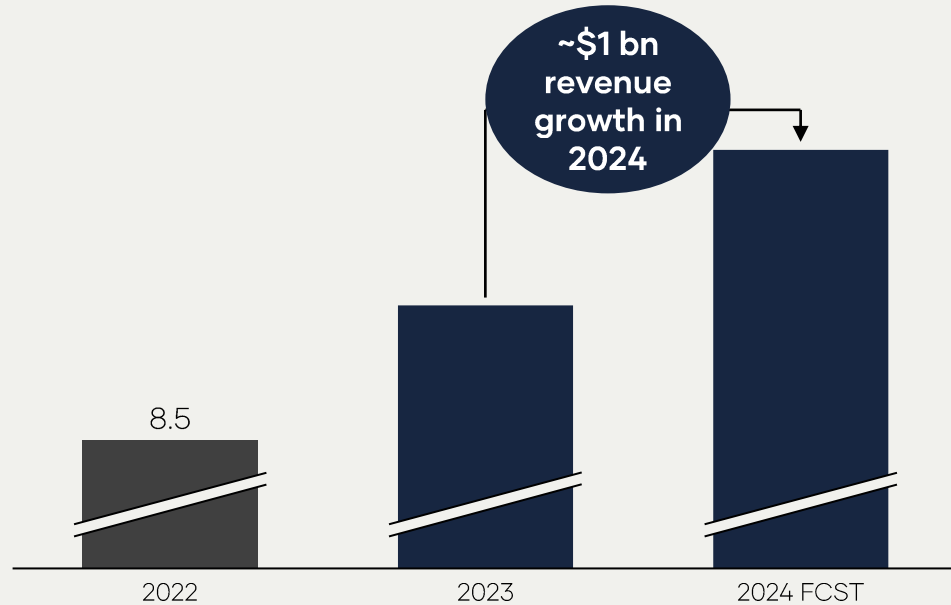




Revenue Growth

Additional growth in 2024

Delivering top line revenue growth

Platform established for further material growth in 2024



Top Line Growth 	\$8.5 billion 2022	\$9.9 billion 2023	2024 and beyond...
Return On Sales Growth 	3.0% 10-yr avg	4.4% 2023	2024 and beyond...

Acquisitions – VIC & Alice Springs



~\$1.0 Billion
annual turnover

Organic

Maturing greenfield operations

Execution of strategic partnerships

Scale in our unique independent used business driven by easyauto123

New NEV partners

Complemented by enhanced NEV product range

Greenfield

Partnering with new market entrants



Outlook

Optimisation



Engage our customers, everywhere

Redefine our workforce

Deliver optimised vehicle finance solutions

Support innovation

Reinvest with discipline



Growth

Aust & NZ Expansion



Leading NEV Transition



Investing in Enablers



New Markets





Thank you



Q&A

Disclaimer

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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 (FY23) and 35 (comparative financial information) of this Investor Presentation.

Appendix

Statutory to Underlying EBITDAI & PBT – FY 2023

\$ MILLION FY23	EBITDAI	Depn & Amort	Interest Expense	Interest Income	Impairment	PBT	Tax Expense	NPAT
Underlying Operating	546.0	(25.1)	(87.5)	-	-	433.3	(130.0)	303.3
Impairment	-					-	-	-
AASB16 Lease Standard	141.9	(96.2)	(43.2)	8.4	(17.5)	(6.5)	2.0	(4.6)
Business Acquisition, Divestment & Integration Costs	(2.9)					(2.9)	0.4	(2.5)
Sale of Assets	4.0					4.0	(0.6)	3.4
Miscellaneous	(0.6)					(0.6)	-	(0.6)
Total Significant Items	142.5	(96.2)	(43.2)	8.4	(17.5)	(6.0)	1.7	(4.2)
Statutory	688.5	(121.3)	(130.8)	8.4	(17.5)	427.3	(128.3)	299.1

Statutory to Underlying EBITDAI & PBT – FY 2022

\$ MILLION FY22	EBITDAI	Depn & Amort	Interest Expense	Interest Income	Impairment	PBT	Tax Expense	NPAT
Underlying Operating	471.1	(23.5)	(42.4)	-	-	405.2	(122.2)	283.1
Impairment	-				(1.7)	(1.7)	0.5	(1.2)
AASB16 Lease Standard	135.9	(93.1)	(45.8)	11.4	(15.0)	(6.7)	2.0	(4.7)
Business Acquisition, Divestment & Integration Costs	(4.9)					(4.9)	0.6	(4.3)
Sale of Assets	52.4					52.4	0.6	52.9
Miscellaneous	(2.1)					(2.1)	0.6	(1.5)
Total Significant Items	181.3	(93.1)	(45.8)	11.4	(16.7)	37.0	4.3	41.3
Statutory	652.4	(116.6)	(88.2)	11.4	(16.7)	442.2	(117.9)	324.3

Definitions

Non-IFRS Financial Information

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
EV	is defined as electric vehicle
F&I	is defined as Finance & Insurance
Independent Used	is defined as the combined easyauto123 and Carlins auction businesses
NEV	is defined as new energy vehicle which includes hybrid, electric, hydrogen powered vehicles
NPAT	is defined as net profit after tax

Definitions

Non-IFRS Financial Information

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 34 (FY23) 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

