

11 June 2024

Markets Announcements Office  
ASX Limited

### Analyst & Investor Event – Next100 Strategy Update

The Analyst & Investor Event of Eagers Automotive Ltd (ASX:APE) is being held today at 9:00am (Syd time). Attached is material for the event.

ENDS

**For more information:** Denis Stark  
Company Secretary  
(07) 3608 7100

Jon Snowball  
Domestique Consulting  
0477 946 068

Authorised for release by the Company Secretary.



# 2024 Investor Strategy Day

11 June 2024

# Agenda

<b>Time</b>	<b>Topic</b>	<b>Presenter</b>
9.00am-9.30am	<b>Introduction</b>	Keith Thornton & Sophie Moore
9.30am-9.45am	<b>Property</b>	James Couper
9.45am-10.30am	<b>People &amp; Technology</b>	Edward Geschke & Luc Derix
10.30am-10.45am	<b>Morning Tea</b>	
10.45am-11.00am	<b>Financial Services</b>	Paul Warburton
11.00-11.30am	<b>easyauto123</b>	Edward Geschke
11.30-12.00pm	<b>Global Trends</b>	Bill Russo
12.00pm-12.15pm	<b>Closing Remarks</b>	Keith Thornton
12.15pm-1.00pm	<b>Q&amp;A Over Lunch</b>	

# Introduction

01



## Our key stakeholders – Who we serve



Community

"Optimisation for all not  
maximisation for one"



Shareholders



eagers  
automotive



Customers



PARTNERS

Manufacturers  
& Suppliers



Employees

## Our board



**Tim Crommelin**

Chairman



**Michelle Prater**

Director



**Greg Duncan**

Director



**Nick Politis**

Director



**Sophie Moore**

Director &  
Chief Financial Officer



**Dan Ryan**

Director



**Marcus Birrell**

Director



**David Blackhall**

Director



**Katie McNamara**

Director

# Our leadership team



**Keith Thornton**  
Chief Executive Officer



**Edward Geschke**  
Chief Operating Officer



**Sophie Moore**  
Director &  
Chief Financial Officer



**James Couper**  
Chief Commercial Officer



**Alison Reynolds**  
Executive General Manager  
– People & Safety



**Paul Warburton**  
Executive General Manager  
– Financial Services



**Luc Derix**  
Chief Information Officer



**Denis Stark**  
Company Secretary



**Amanda Ellison**  
General Counsel

# Our executive general managers



**Gordon Haining**

Executive General  
Manager - Qld



**Peter Mullen**

Executive General  
Manager - Sydney & NZ



**Paul Tomlin**

Executive General  
Manager - Newcastle



**Paul Warburton**

Executive General  
Manager - ACT



**Sergio Buccilli**

Executive General  
Manager - Vic & Tas



**Tony Taylor**

Executive General  
Manager - SA & NT



**Sam Hodges**

Executive General  
Manager - WA



**Scott Maynard**

Executive General  
Manager - Retail JV



**Manjula Silva**

Executive General  
Manager - Operations  
& easyauto123

# Company overview

## Key parts of Eagers



### Track record

110 years old



### Pure automotive retail



### #1 new car retailer

>10% new car market share



### #1 used car retailer

Large scale pre-owned cars retailer



### Property-backed

\$716m owned property<sup>1</sup>



### Material scale

>\$10bn turnover



### Diversified business

New, Used, Parts, Service  
Finance & Insurance



### Balance sheet

Strong capital base with  
capacity to fund growth

## How we create value

### Ambition

Revenue growth

Margin growth

Create shareholder value

### Evidence

Track record of growth

Clear, consistent strategy

Disciplined management

### Opportunities

Globally unique market position

Largest retailer of new & used

Industry evolution – Net winner  
in industry consolidation

(1) as at 30 April 2024

# Our guiding principles

VISION – WHERE ARE WE GOING



## Where

To be the most admired automotive group

MISSION – HOW WE DO IT



## How

To provide optimisation for all stakeholders, not maximisation for one

PURPOSE – WHY WE DO IT



## Why

To keep our community moving and give them the freedom to enjoy their lives

## Our values



### Integrity

Doing what you say you'll do



### Inclusiveness

Being open & recognising the contribution of all individuals



### Owner's Mindset

Taking pride and ownership in your work

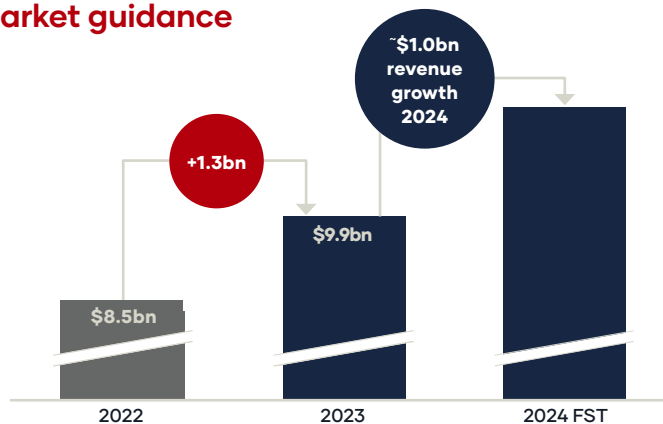


### Agility

Being flexible and open to change

# May AGM: 2024 trading update

## Market guidance



2024 April  
YTD revenue

**+18.3%**

vs prior year

### 1H24 Underlying guidance impacted by:

- + Limited contribution from recent acquisitions
- + Joint venture contribution
- + Inflationary cost environment

## 2024 outlook

	1H24	2H24
Acquisitions	✗	✓
Joint venture operations	✗	✓
Independent used	✓	✓
Finance & Insurance	⊖	✓
OEM KPI monies	⊖	✓

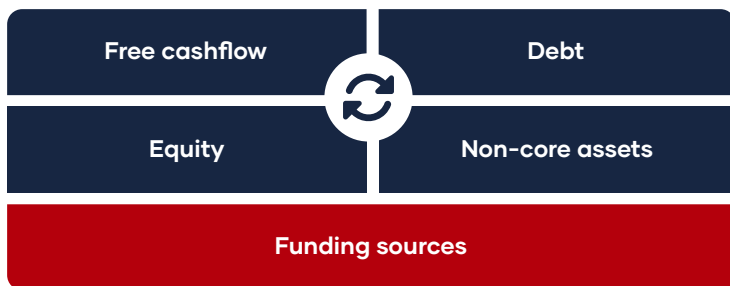
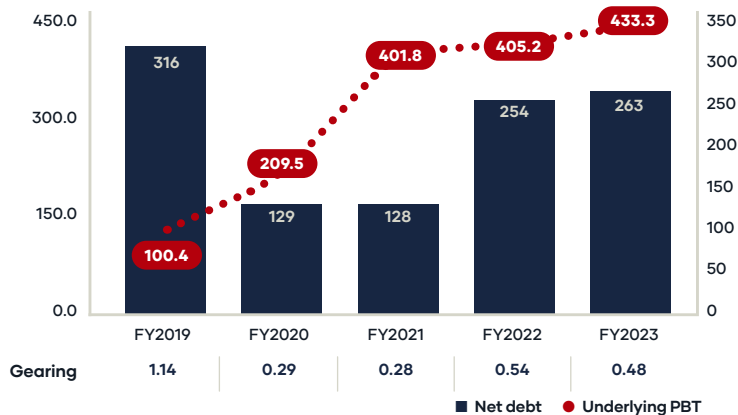
### External market

Record year to date 2024 new car market	New vehicle emission standard	Instant asset write-off
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# Balance sheet and capital management

## Historical capital management



## Balance sheet strength

\$ Million	FY22	1H23	FY23
Cash on hand	190,434	352,954	222,214
Syndicated Debt	(104,560)	(124,560)	(124,560)
<b>Syndicated debt, net of cash</b>	<b>85,874</b>	<b>228,394</b>	<b>97,654</b>
<b>Shares in Listed Entities</b>	<b>12,118</b>	<b>90,533</b>	<b>64,072</b>
Property Owned <sup>1</sup>	607,565	552,809	591,387
Captive Debt	(339,326)	(346,388)	(360,360)
<b>Property Equity</b>	<b>268,239</b>	<b>206,421</b>	<b>231,027</b>
Equity in inventory	186,953	76,633	308,802

### Strong metrics enable opportunities

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

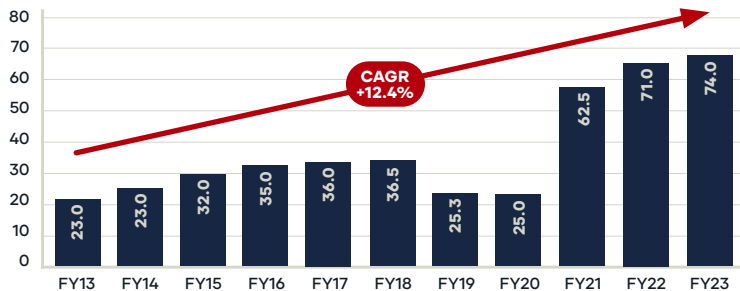
(1) Includes construction in progress



# Consistent track record of maximising shareholder returns

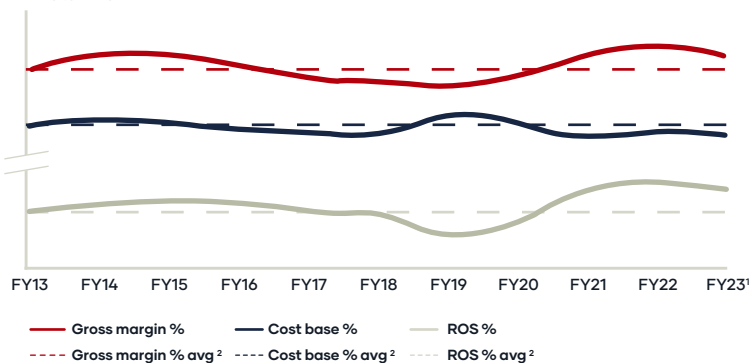
## Ordinary dividends

FY13 to FY23



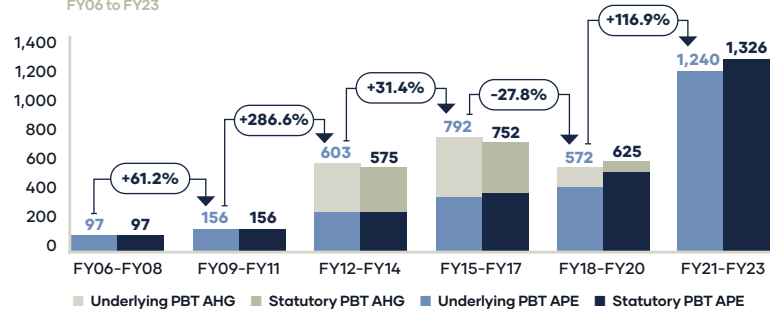
## Underlying Margins

FY13 to FY23



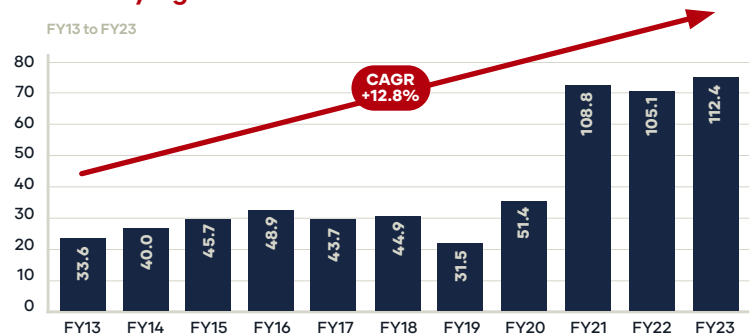
## Underlying & Statutory Profit Performance

FY06 to FY23



## Underlying EPS

FY13 to FY23



(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; (2) The average percentage period represents recent historic long term trend from FY13 to COVID impacted FY20

# 2005: Our BHAG

## 2005 – Our BHAG



20% Compound Growth

Year	Profit (PBT \$m)	ACTUAL <sup>1</sup>	Year	Profit (PBT \$m)	ACTUAL <sup>1</sup>
2005	20	20	2015	124	121
2006	24	37	2016	149	138
2007	29	40	2017	178	141
2008	35	20	2018	214	126
2009	41	52	2019	257	100
2010	50	45	2020	308	209
2011	60	58	2021	370	402
2012	72	79	2022	444	405
2013	86	87	2023	532	433
2014	103	103			

AHG Merger

# 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

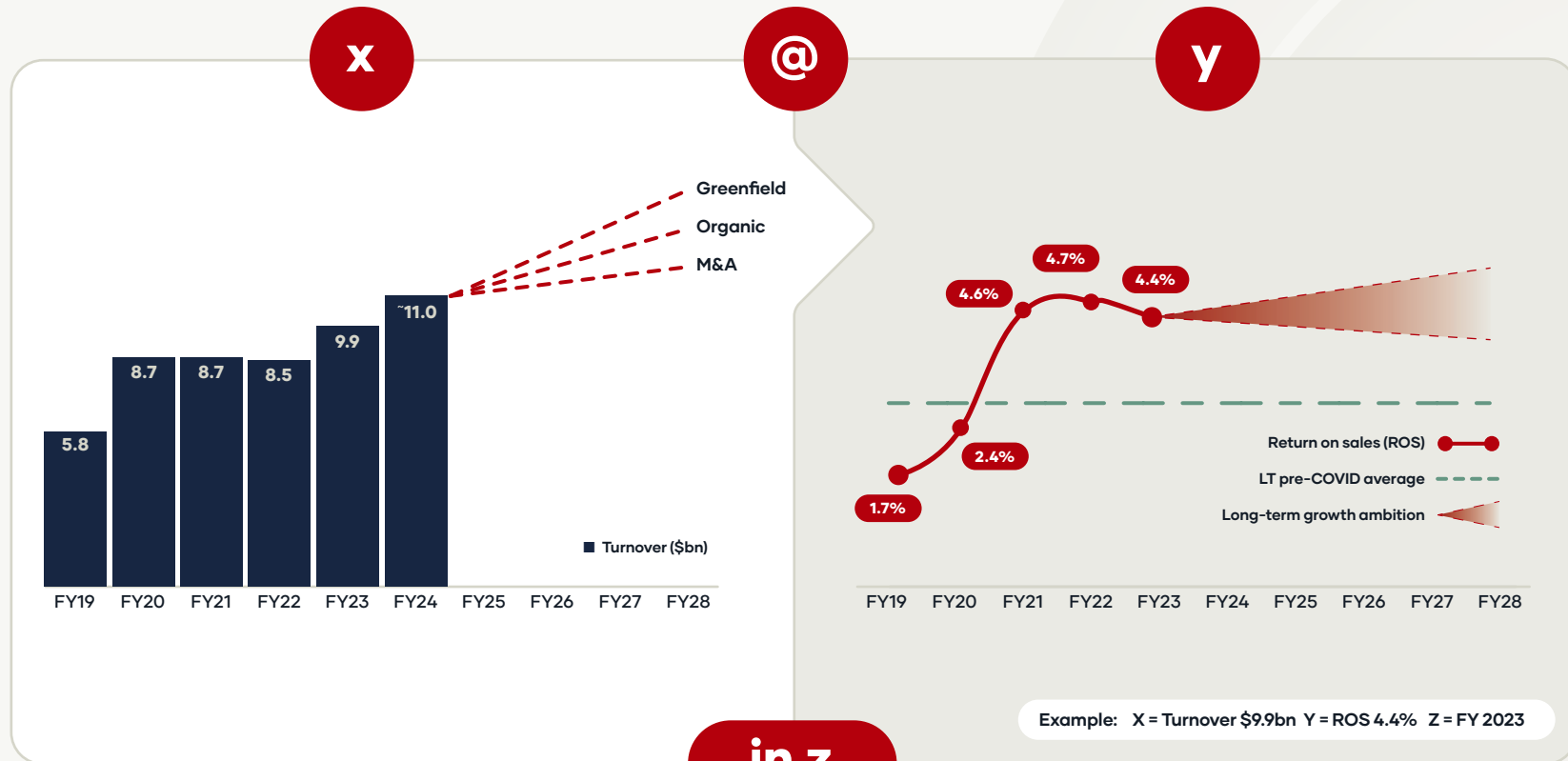
### New markets

Preferred partner in global markets

Cross border opportunities as global M&A increases

Ongoing review of inbound opportunities

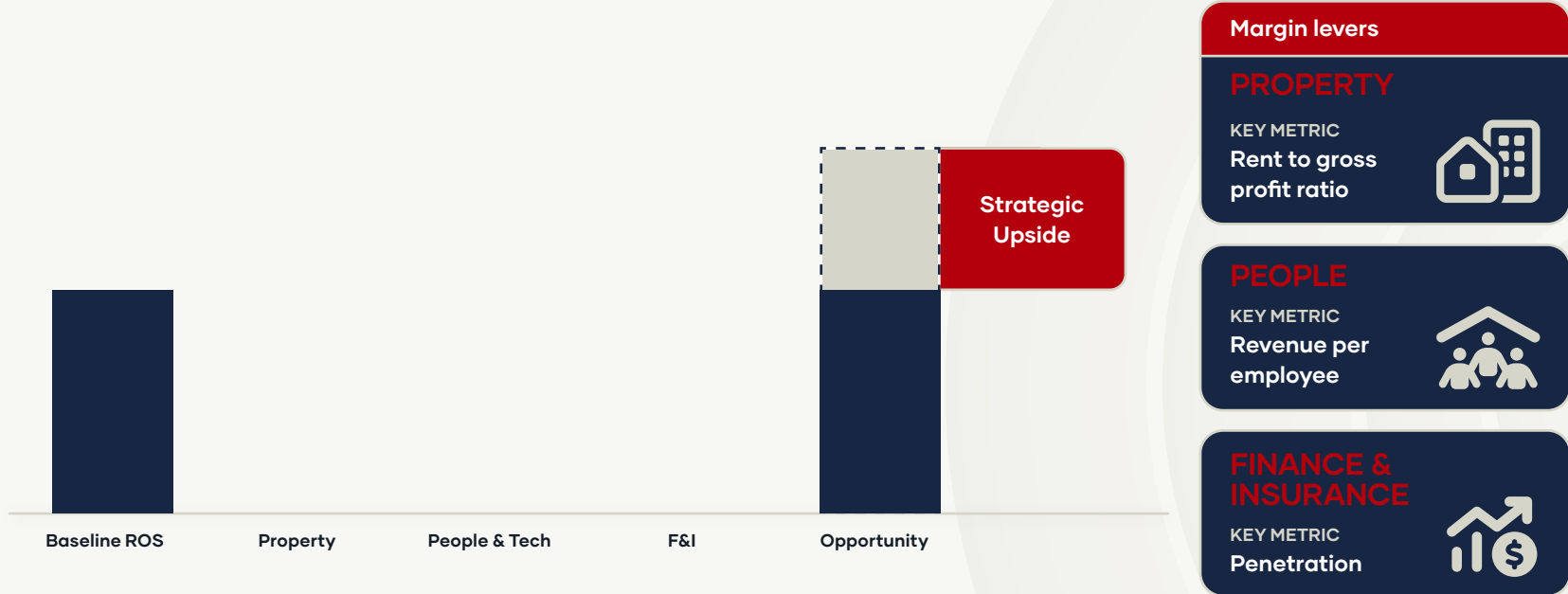
# Our strategic ambition



**in z**

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# Levers to drive top-line growth and returns



**Turnover growth pillars**

<b>Top line growth</b>	<b>\$8.5bn</b> 2022	<b>\$9.9bn</b> 2023	<b>~\$11.0bn</b> 2024
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- Organic
- Greenfield
- Acquisitions

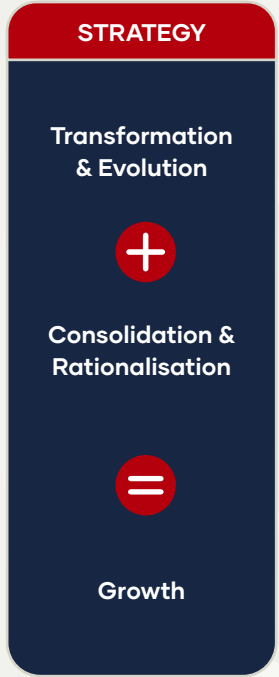
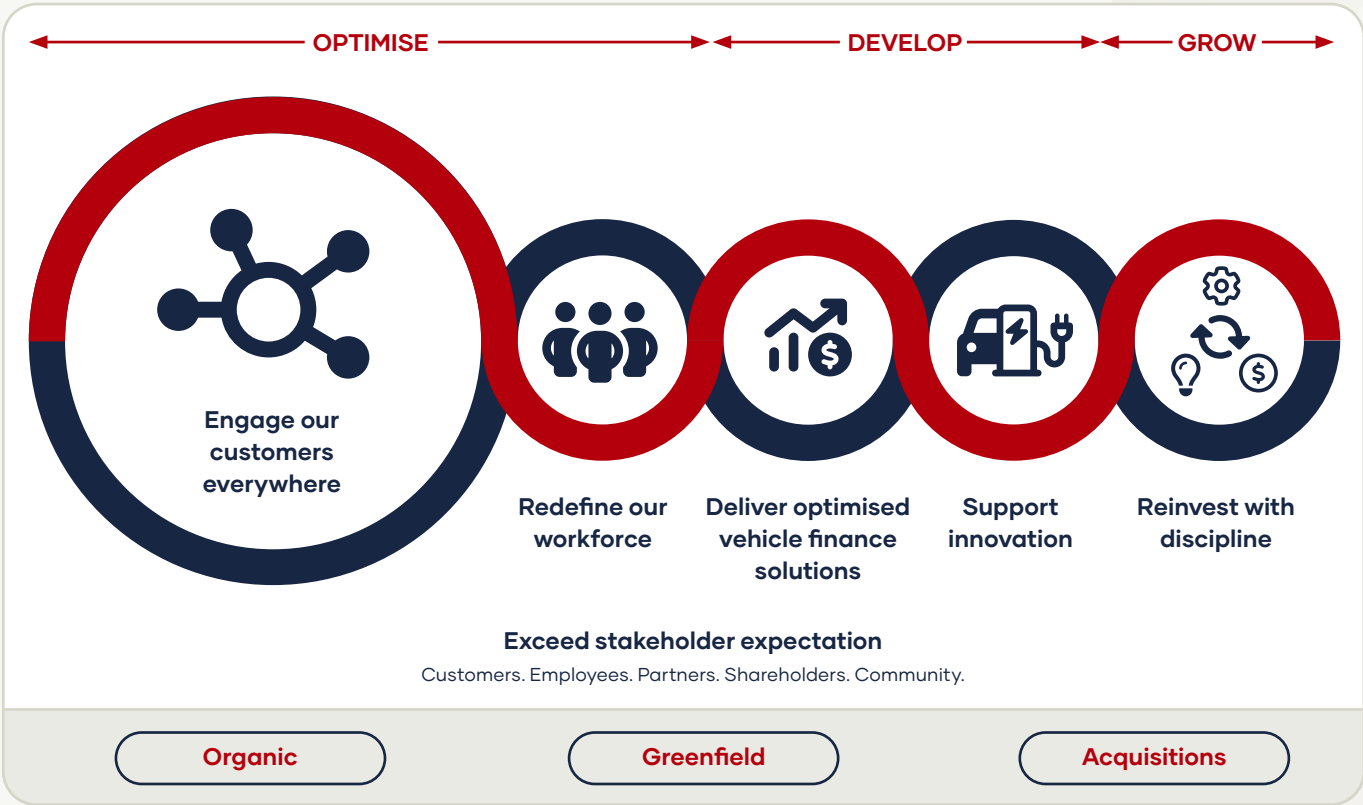
**easyauto123**  
Australia & New Zealand expansion

- Leading NEV transition**
- Investing in enablers**
- New markets**

# Property

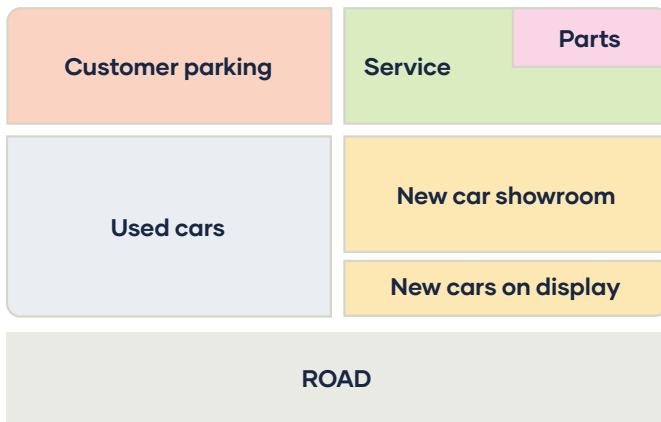
02

# NEXT100 Strategy



# Traditional automotive retail

## Dedicated facility for single brand



Traditional automotive retail model

## Longterm industry average



10.0%

Rent to gross profit ratio



12

Deliveries per person/month



12

Repair orders per day/service advisor



\$1.0 million

Productivity per person



2.0-2.5%

Return on sales



# Foundations of Next100 Property Strategy

Engage our customers, everywhere

**Next100 Property Strategy**

Customer and employee experience

+

Omni-channel retail model

+

**Economic benefits**  
Owned vs leased portfolio

+

**Enabler: Productivity**  
People and technology efficiencies

+

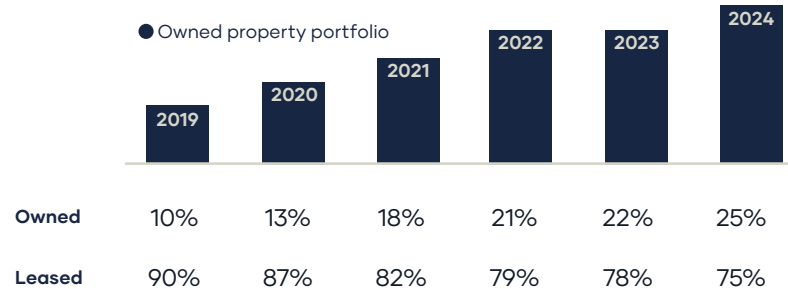
**Enabler: easyauto123 strategy**  
Vehicle sourcing

## Property portfolio overview

### Property acquisitions

Year	2019	2020	2021	2022	2023	2024 YTD
Value	\$19m	\$106m	\$170m	\$148m	\$31m	\$115m

### Evolution of property portfolio



**Current owned property value <sup>1</sup>**

**\$716m**

**Current property value utilised <sup>1</sup>**  
(owned and leased)

**\$2.8bn**

(1) At 30 April 2024

# AutoMall concept

Driving greater customer experience on a lower cost base

## AutoMall strategy



Great customer & employee 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

## 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

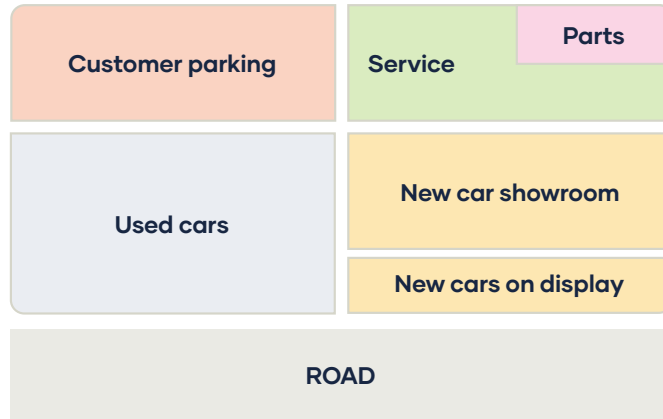


**Customer responsive automotive retail**

# Traditional vs AutoMall

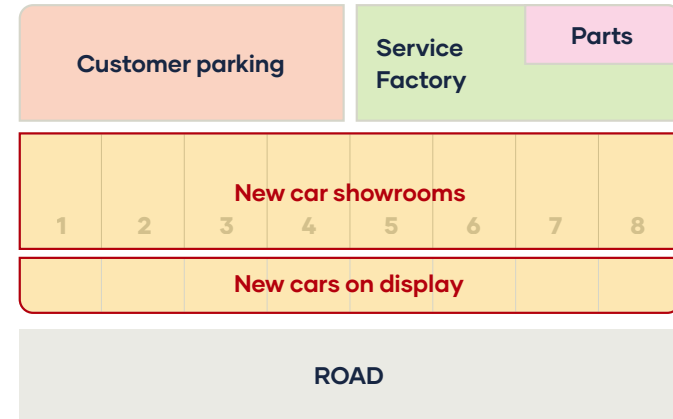
Transformation of automotive retail to create a more sustainable, customer centric and productive retail footprint

## Traditional layout – one brand



- + Property footprint ~6,000sqm
- + 3S Facility – Sales (New & Used), Service & Spare Parts
- + 100 new car sales per month
- + 40 used car sales per month
- + One dedicated brand specific Service Centre & Spare Parts on site

## AutoMall layout – eight brands



- + Property footprint ~21,000 sqm
- + Eight new car showrooms
- + 400+ new cars sold per month
- + One multi-franchise service factory with brand-specific service reception
- + Sourcing used cars for easyauto123 (separate site)

# Traditional Osborne Park network



**Sites**  
7

**Square metres**  
45,000

23

**KEY TO MAP**

- Osborne Park AutoMall  
7-site consolidation
- Seven leases across three locations

# AutoMall concept: Deep dive

Osborne Park, WA





# AutoMall concept: Deep dive

Osborne Park, WA

Metrics	Traditional	AutoMall	Movement
<b>Footprint (m<sup>2</sup>)</b>	45,000	21,000	(24,000)
<b>Leases (no.)</b>	7	-	(7)
<b>Brands (no.)</b>	6	8	2
<b>Property Costs</b>	<b>\$7.9m</b>	<b>\$4.5m</b>	
• Lease costs (\$m) <sup>1</sup>	\$4.2m	-	(\$3.4m)
• Owned property costs (\$m) <sup>2</sup>	-	\$3.8m	
• Leased property costs (\$m) <sup>3</sup>	\$2.5m	-	
• Holding costs (\$m) <sup>4</sup>	\$1.2m	\$0.7m	
<b>Performance metrics</b>			
• Productivity per person (\$m)	\$1.0m	\$1.7m	\$0.7m
• Rent to gross (%)	11.2%	8.3%	(2.9%)
• ROS (%)	2.8%	5.2%	2.4%
• easyauto123 throughput	-	660	660

(1) At expected commencement of new Osborne Park facility in 2025. (2) External interest costs on debt funding associated with owned property; and depreciation costs. (3) Forecast amortisation costs on OEM upgrades that would have been required on traditional lease footprint. (4) Holding costs includes other standard property costs, such as rates, land tax and electricity.

# AutoMall concept

Innovative automotive retail reimagined

## Completed



## Future concepts under review



## Under development



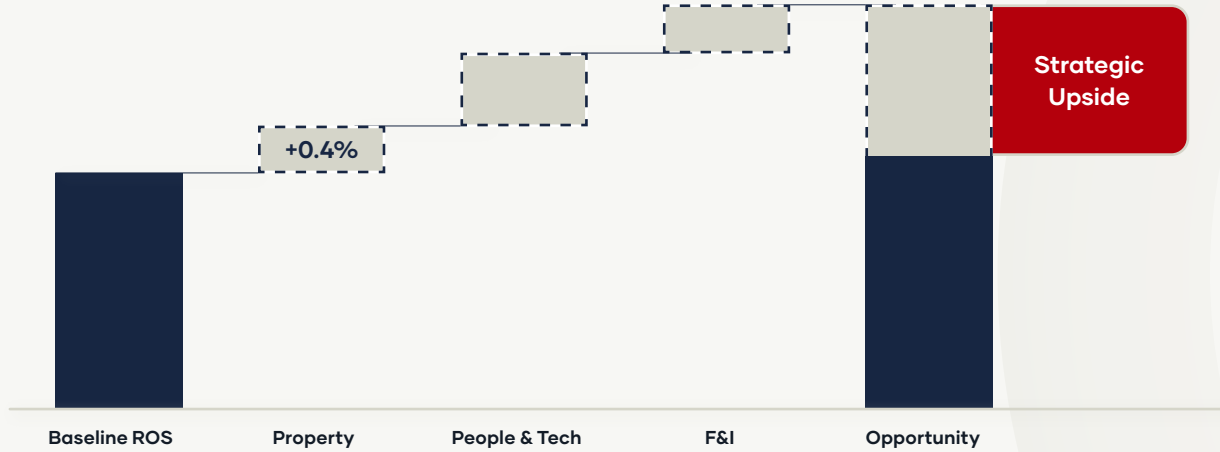
# AutoMall pipeline

Regional pipeline	Phase	2024 Year 1	2025 Year 2	2026 Year 3	2027 Year 4	2028 Year 5
Indooroopilly, Qld	Completed					
Osborne Park, WA	Completed					
Osborne Park Precinct, WA	Under development	■				
Perth Project 1, WA	Under review / identified					■
Brisbane Project 1, Qld	Planning & design		■	■		
Brisbane Project 2, Qld	Under review / identified		■	■		
Newcastle Project 1, NSW	Planning & design		■	■		
Melbourne Project 1, Vic	Under review / identified			■	■	
Melbourne Project 2, Vic	Under review / identified			■	■	





# Levers to drive top-line growth and returns



**Margin levers**

**PROPERTY**

KEY METRIC  
Rent to gross profit ratio

20% reduction

**Key inputs**

\$10bn turnover

@

10% rent to gross

+

20% reduction in rent to gross

**+0.4% ROS**

**Turnover growth pillars**

Top line growth	\$8.5bn 2022	\$9.9bn 2023	~\$11.0bn 2024

**Organic**

**Greenfield**

**Acquisitions**

**easyauto123**

Australia & New Zealand expansion

**Leading NEV transition**

**Investing in enablers**

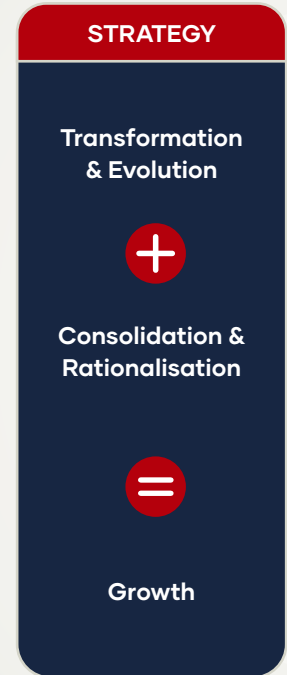
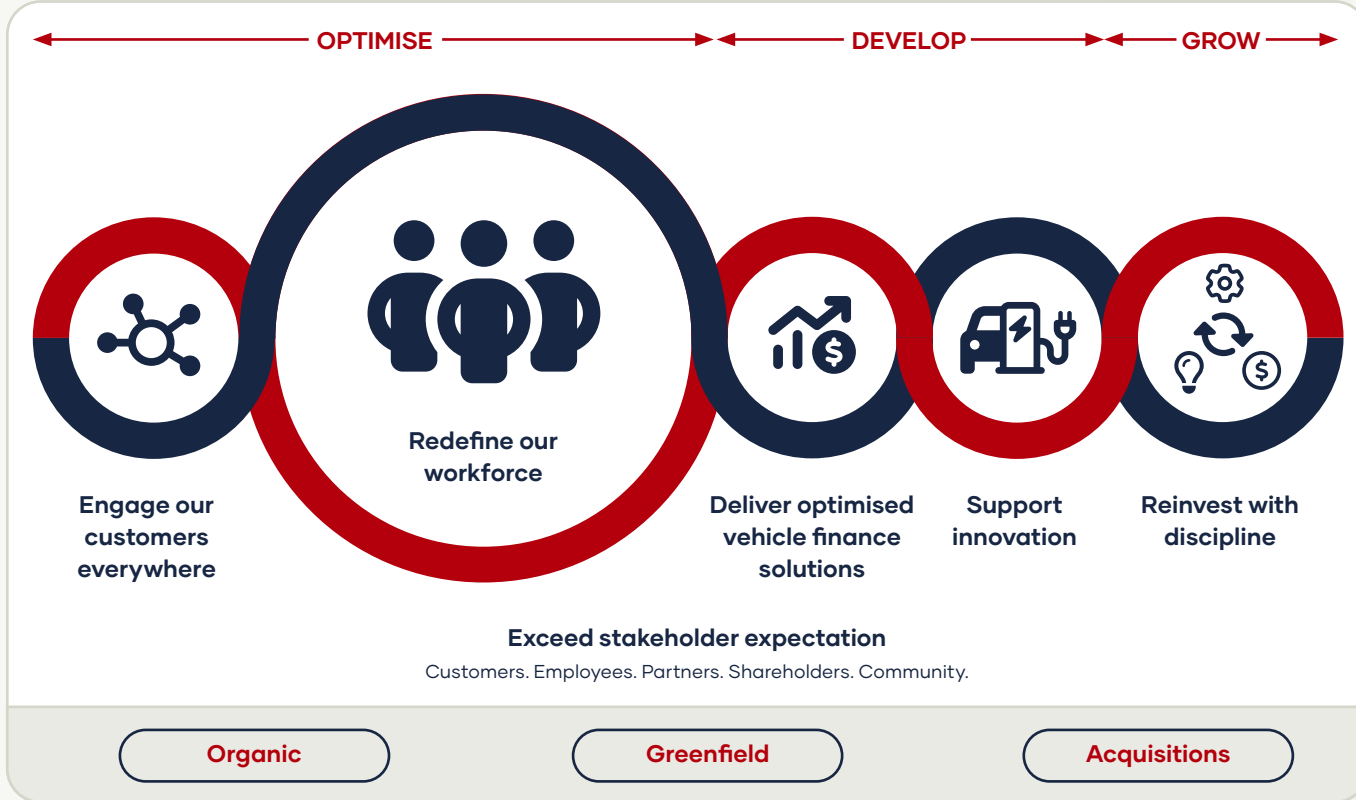
**New markets**

# People & Technology

03

# NEXT100 Strategy

The plan to redefine our workforce



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# Dealership and technology landscape



## Complex technology landscape

- + Legacy technologies
- + Large quantum of vendors
- + OEM mandated vendors
- + Limited systems integration



## Difficult to access data

- + Data silos
- + High integration costs
- + Unstructured data

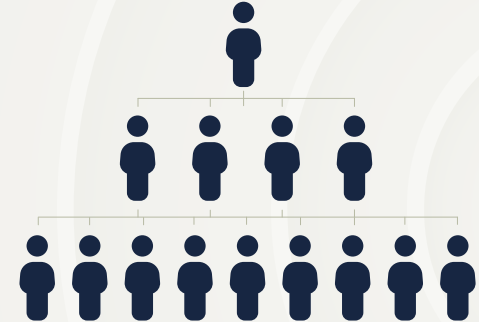


## Complex change management

- + Highly manual processes
- + Limited cooperation between technology vendors



## Inefficient use of resources

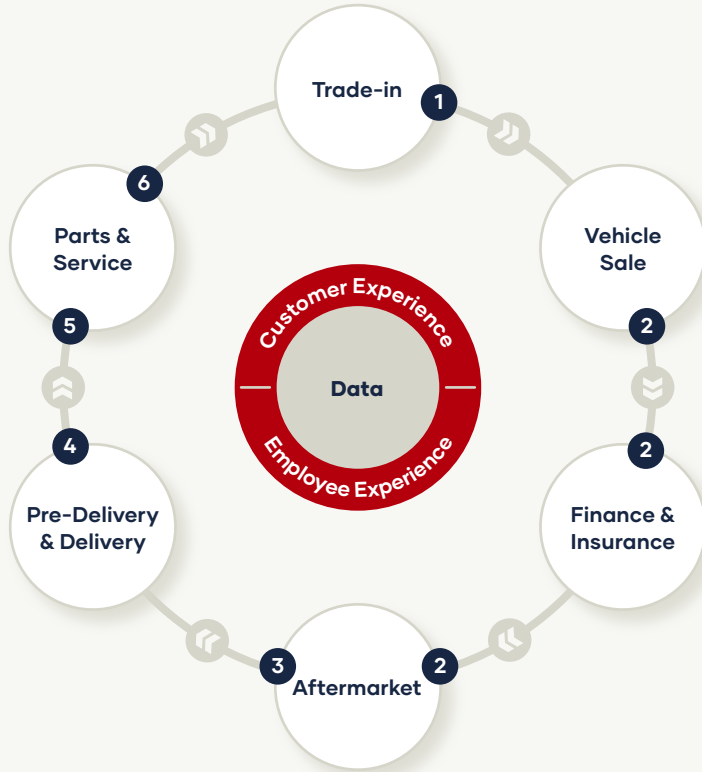


## OPPORTUNITY

Turning isolated challenges into opportunities for the whole business



# Customer and employee experience



## Traditional roles and touchpoints

## Technology enhancement

Used Car Salesperson & Used Car Valuations

1



Reception, Sales Manager, Salesperson, Business Manager & Car Care Consultant

2



Deal Processor

3



Stock Controller

4



Service Manager, Advisor & Technicians

5



Accounts Payable









6



# Driving productivity through proprietary technology

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

## Current Roll Out Program

Tech Initiative	Description	Customer Experience	Employee Experience	Productivity Benefit
	Integrated digital vehicle contract solution	👍	👍	👍
	Automation of high-volume deal processing	👎	👍	👍
	Real-time request for approval of additional service tasks and digital payments	👍	👍	👍
	Supplier account management	👎	👍	👍
	Inventory management portal	👍	👍	👍
	Used car valuations	👍	👍	👍
	Deal register	👎	👍	👍
	Stock management portal	👎	👍	👍

# 10MSA: Driving unprecedented sales velocity



## PROBLEM

The current car buying process is a complex, time-consuming experience, while also being inefficient, labour-intensive and high cost.



## SOLUTION

The **10-Minute Sales App** (10MSA) disrupts the old model by simplifying the entire car buying journey. It empowers customers with a transparent, efficient, and self-directed online experience.

## BENEFITS

- + Increased productivity
- + Increased sales and revenue
- + Cost reduction
- + Enhanced customer satisfaction
- + Data-driven insights and integration through APIs
- + Competitive differentiation

## PRODUCTIVITY BENEFIT

**45%** Higher sales productivity per consultant compared to Franchised Auto



**3 minutes**  
**14 seconds**

Fastest **easyauto123** customer vehicle purchase on record

**67%**

**easyauto123** sales completed through 10MSA



**Rave Reviews:** Customers praise the ease of buying through **10MSA** on Google

### 10MSA 2.0

Enhanced productivity tool with upcoming features

### Expanding Reach

Future adaptation for Franchised Auto dealerships

### Synergistic Growth

Potential to bundle with "Dealership of the Future" projects

# DARCI: Revolutionising administrative efficiency



## PROBLEM

Manual administrative tasks in Deal Costing and Accounts Payable are time-consuming and error-prone, leading to inefficiencies and higher costs.



## SOLUTION

DARCI streamlines and automates repetitive admin tasks using cutting-edge technologies, boosting efficiency and accuracy.

## BENEFITS

- + Increased productivity
- + Time savings
- + Cost reduction
- + Improved accuracy
- + Enhanced workforce flexibility
- + Robotic process automation

## DEALERSHIP OF THE FUTURE

Integration with other AI initiatives aims to double current efficiencies.

## PRODUCTIVITY BENEFIT

- + **Traditional Dealerships:** 150-175 deals / FTE
- + **Eagers FA Dealerships:** 250 deals / FTE
- + **Eagers Growth Businesses:** 300-400 deals / FTE

# DARCI

Deal Automation RobotiC Intelligence

# 1 million

Invoices processed with SAM

Saving 50% time on targeted tasks

35

## WORKFORCE OPTIMISATION



**50 FTE Reduction:** Equivalent to 25% in related roles, saving \$4 mill annually.

**Centralised Accounts Payable:** Established for ANZ.

**Elastic Workforce:** Enabled with flexible work arrangements.



# ASH: Enhancing service communication efficiency



## PROBLEM

Fragmented service communication processes lead to inefficient processes and reduced productivity.



## SOLUTION

ASH integrates advanced technologies to streamline service communication, making it easier to approve additional work and pre-pay invoices.

## BENEFITS

- + Increased productivity
- + Improved customer approval process
- + Reduced handover times
- + Enhanced service experience
- + Data-driven service management
- + Robotic process automation
- + Data integration through APIs

## PRODUCTIVITY BENEFIT

# 4 minutes

Average response time allows for efficient completion of service works

# 89%

 Click-rate from customers

## RESULTS & OUTLOOK



**Customer Approvals:** Increased efficiency in approving additional work needed (AWN).









**Payment Convenience:** Customers can pre-pay invoices via SMS, reducing wait times during vehicle pickup.

**Streamlined approval process** for additional work (AWN).

**Enhanced SMS invoice issuance** and pre-payment.

**Further integration of advanced features** to improve service communication.

# Technology pipeline

Tech Pipeline	Automated Tech	Rollout Status	2024 Year 1	2025 Year 2	2026 Year 3	2027 Year 4	2028 Year 5
	10 Minute Sales App	10%	■	■	■	■	■
	Supplier Account Management	80%	■	■			
	Deal Processing	80%	■				
	Inventory Management	10%	■	■	■	■	■
	Service Hub	95%	■	■			
	Stock Management	10%	■	■	■		
	Used Car Valuations	5%	■	■	■		
	Sales Log	10%	■	■	■	■	■

# Eagers Automotive technology: Future vision



## VISION

Customer-first eco system driving operational excellence enabled by technology; delivering productivity levels materially above industry benchmarks

## Deeply integrated AI leveraging Eagers data

### CURRENT INITIATIVES



Virtual  
Service  
Advisor



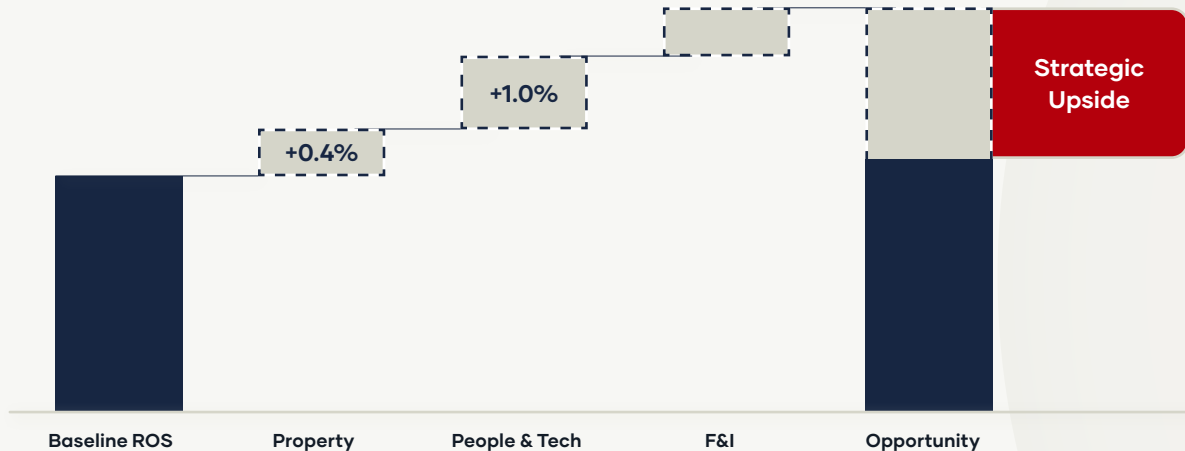
AI Driven  
Booking  
Engine

### FUTURE OPPORTUNITIES

Our future target is a human workforce complemented by Virtual Assistants (~1,200)

- + Service Advisor
- + Workshop Controller
- + Sales Consultant
- + Admin Assistant

# Levers to drive top-line growth and returns



**Margin levers**

**PEOPLE**

KEY METRIC  
Revenue per employee

**\$1.5m per person**

**Key inputs**

**\$10bn turnover**

**+**

**\$1.3m current productivity per person**

**+**

**Target \$1.5m productivity per person**

**+1.0% ROS**

**Turnover growth pillars**

<b>Top line growth</b>	<b>\$8.5bn</b> 2022	<b>\$9.9bn</b> 2023	<b>~\$11.0bn</b> 2024
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**Organic**

**Greenfield**

**Acquisitions**

**easyauto123**

Australia & New Zealand expansion

**Leading NEV transition**

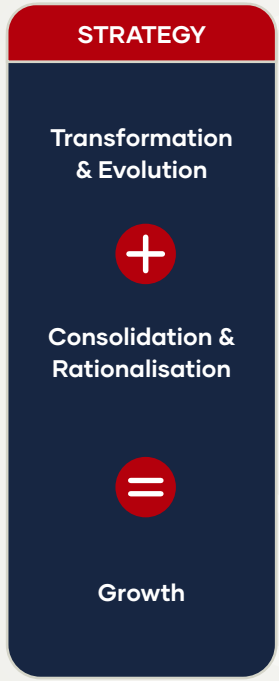
**Investing in enablers**

**New markets**

# Financial Services

04

# NEXT100 strategy



# Eagers unique financial services ecosystem

**Captive and independent**

**Captive**



BMW Financial Services



Mercedes-Benz Financial Services



**FINANCIAL SERVICES**



TOYOTA



Volkswagen Financial Services



NISSAN FINANCIAL SERVICES

**Independent**



Allianz




Angle AUTO FINANCE



AlliedCredit high performance finance



HEARTLAND BANK



UDC New Zealand's Finance Company

**Proprietary**



TAURUS MOTOR FINANCE



Simplr.™  
Subscribe & Drive



PAT PRECISION AUTOMOTIVE TECHNOLOGY



LEND ADVANTAGE

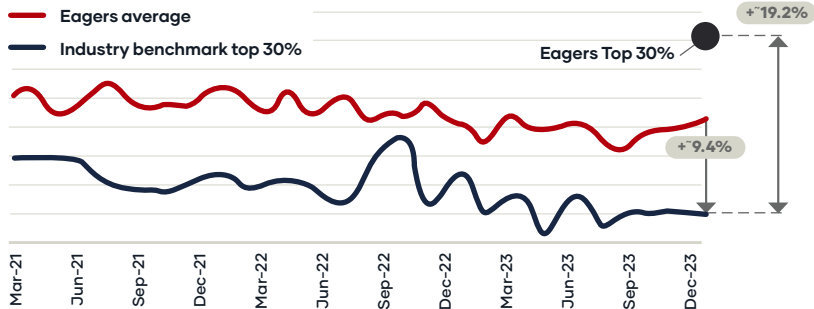
**\$2bn**  
Loan origination<sup>(1)</sup>

Every **▲ 1%**  
Penetration  
= **\$3.8m<sup>2</sup>**

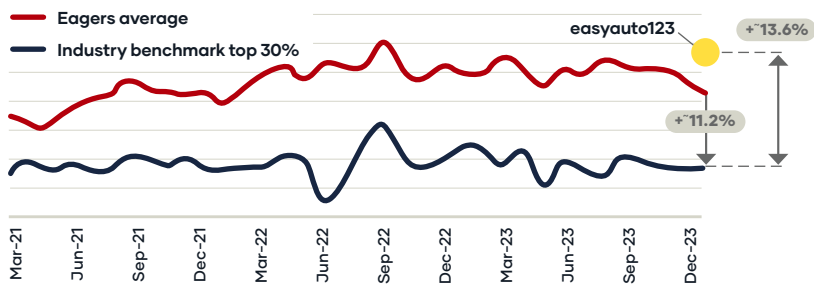
(1) Net amount financed; (2) Increase in underlying profit at current income per contract

# Outperformance against industry and diversification of earnings

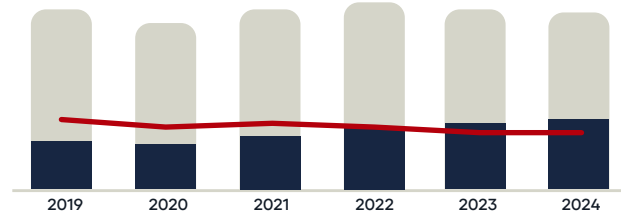
## New penetration



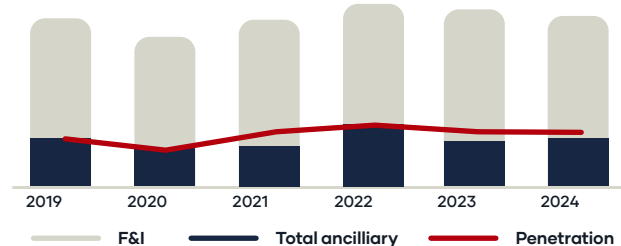
## Used penetration



## New income per vehicle



## Used income per vehicle



## Ancillary products



Motor insurance



Vehicle protection



Mechanical protection



Car Care



# Positive outlook for finance share

## Environment



Point of Sale advantage is back



Long lead times declining



OEM finance campaigns emerging



GFV offerings expanding



New dealer finance market entrants

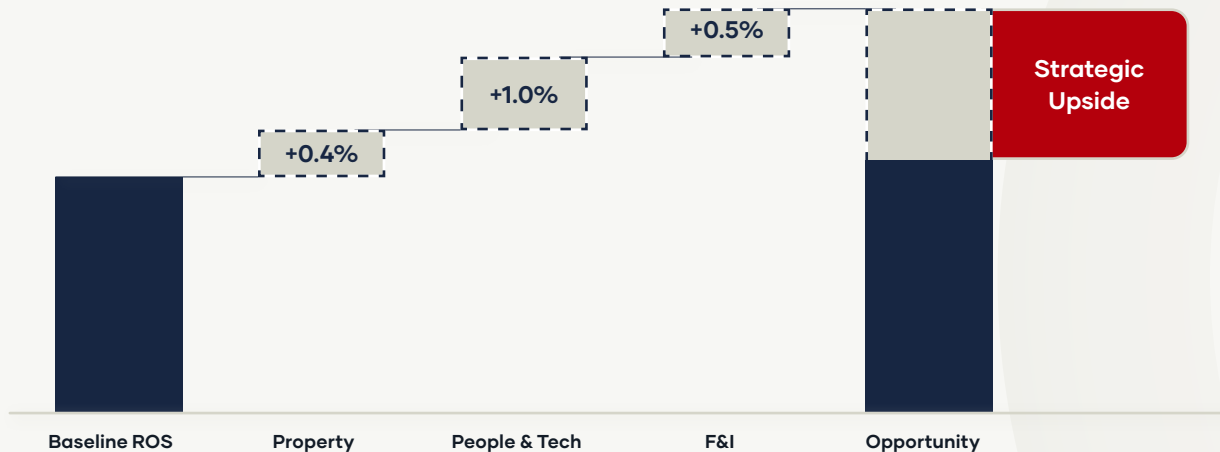
## Specific initiatives

- + Redesigned showroom process leveraging technology
- + Optimisation of unique Financial Services panel
- + Strategic partnerships with FMO's
- + Focus on SME Fleet segment
- + Proprietary finance company JV

## Income and penetration levers to drive growth

Penetration & income matrix		Percentage point uplift in penetration rate				
Net underlying profit uplift (\$m)		Base	+ 5%	+10%	+15%	+20%
Income per contract uplift	Base	-	19.0	38.0	57.1	76.1
	+5%	6.1	26.1	46.0	66.0	86.0
	+10%	12.2	33.1	54.0	74.9	95.9
	+15%	18.3	40.1	62.0	83.9	105.8
	+20%	24.3	47.2	70.0	92.8	115.7

# Levers to drive top-line growth and returns



**Margin levers**

**FINANCE & INSURANCE**

KEY METRIC  
Penetration

**Key inputs**

\$10bn turnover

+

+10% income per contract

+

+10% penetration percentage points

**+0.5% ROS**

46

**Turnover growth pillars**

Top line growth	\$8.5bn 2022	\$9.9bn 2023	~\$11.0bn 2024

**Organic**

**Greenfield**

**Acquisitions**

**easyauto123**

Australia & New Zealand expansion

**Leading NEV transition**

**Investing in enablers**

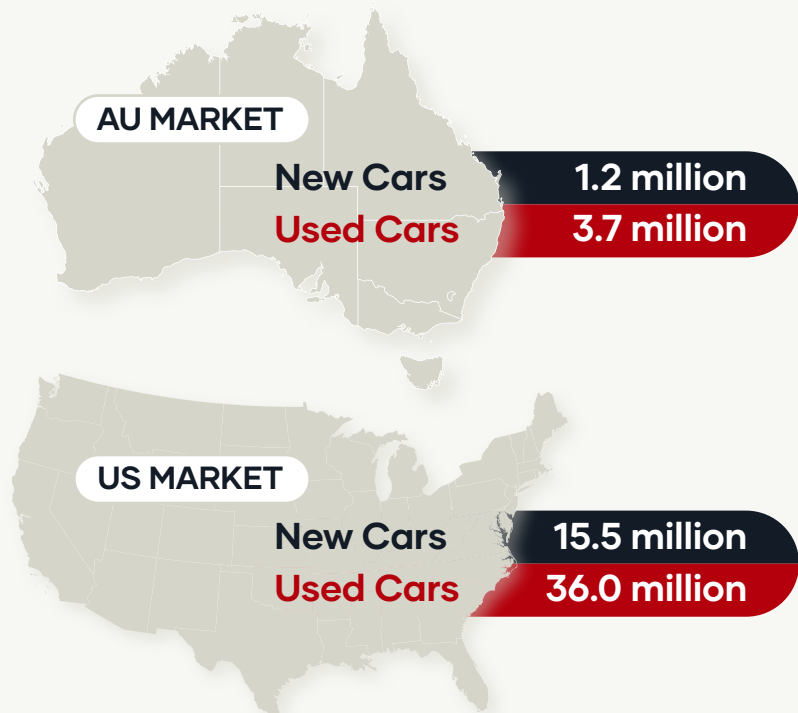
**New markets**

**easyauto123**

05

# Strategic opportunity in pre-owned cars

## Global Market Comparison



### A significant addressable market

- + Approximately 3.7 million used car sales per year.

### Need for better customer experience

- + Omni-channel strategy to cater to customer preferences.
- + "Your car, your way" - Empowering consumers with control over their buying experience.

### Industry poised for digitalisation

- + Online sales rates are increasing.
- + Digitalisation is transforming the industry.
- + Opportunity to streamline processes and enhance customer experience.

### Space for a category killer

- + No dominant player in the Australian market.
- + Leading US player CarMax has ~2.5% market share.

Sources: • USA: Flash report, Automotive sales volume, 2023 - MarkLines Automotive Industry Portal Estimated Monthly Used-Vehicle SAAR and Volume - Cox Automotive Inc. (coxautoinc.com) • AUS: mtaa.com.au/directions-in-australias-automotive-industry-2017, VFACTS

# Australia's largest independent used car retail operation

easyauto123

## Brand Vision

To change the car buying experience forever

## Key Differentiators



**Product Offering**  
Buying, selling, subscription and financing.



**National Footprint**  
10 Australian locations plus three locations in New Zealand.



**Omni-Channel Strategy**  
Over half of our customers transact online.



**Wholesale Channel**  
Carlins Auctions provides wholesale vehicle sales channel.



**Partnership Sourcing**  
Leveraging franchised auto and external B2B partnerships.



**Proprietary Tech**  
High productivity and lean costs driven by proprietary technology.

## Brand USPs

- + Best Experience
- + Best Choice
- + Best Price



4.6 out of 5 customer rating (based on over 10,000 independent reviews)

# A unique business model

easyauto123

**CARmax**

## Core Business

- + Used cars
- + Wholesale/auction house
- + Limited new cars

## Financial Services

- + In-house finance

## Technology & Operations

- + Omni-channel strategy
- + Data & analytics

**AutoNation**

## Core Business

- + New cars
- + Used cars
- + Franchise Auto dealerships

## Financial Services

- + In-house finance

## Technology & Operations

- + Omni-channel strategy
- + Data & analytics

easyauto123

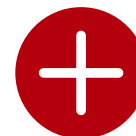
## Core Business

- + Used cars (primary focus)
- + Wholesale/auction house
- + Inventory management (sourcing)

 eagers  
automotive

## Core Business

- + New cars
- + Used cars
- + Franchise Auto dealerships



## SHARED SERVICES

### Financial Services

- + In-house finance

### Technology & Operations

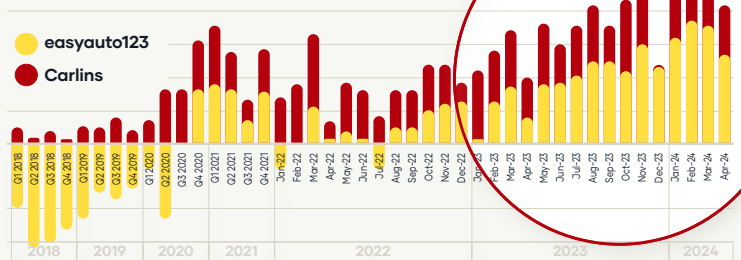
- + Proprietary technology
- + Omni-channel strategy

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# Performance to market



## Historical underlying profit before tax



2018-2021 are monthly averages for each quarter. Data prior to October 2019 was under AHG

## 2023 performance in line with global industry leader



**\$911** Net operating profit per retail unit <sup>(1)</sup>

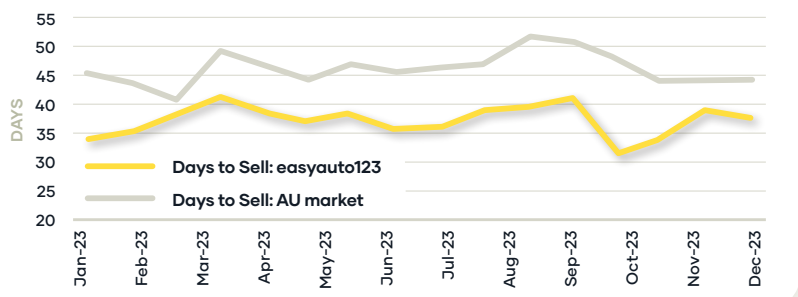
**\$3,587** Pool of gross per retail unit <sup>(1)</sup>



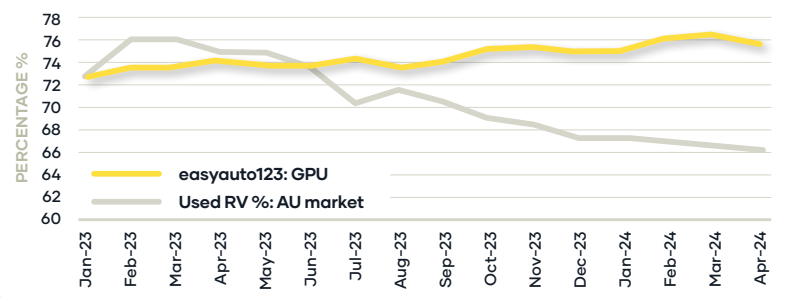
**US\$788** Net operating profit per retail unit <sup>(2)</sup>

**US\$2,288** Pool of gross per retail unit <sup>(2)</sup>

## Profit performance achieved despite changing market dynamics <sup>(3)</sup>



## easyauto123 GPU vs AU used market RV % <sup>(4)</sup>



(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) 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. (3)  
 AU market: sourced from AADA Automotive Insights Reports: 2023-AIR-Year-That-Was-Final.pdf (aada.asn.au). easyauto123: Monthly retail units delivered vs average inventory available for sale. (4)  
 easyauto123 GPU represents total pool of gross divided by total retail deliveries. Used RV % for AU market sourced from AADA Automotive Insights Reports for 2023 and 2024 respectively.





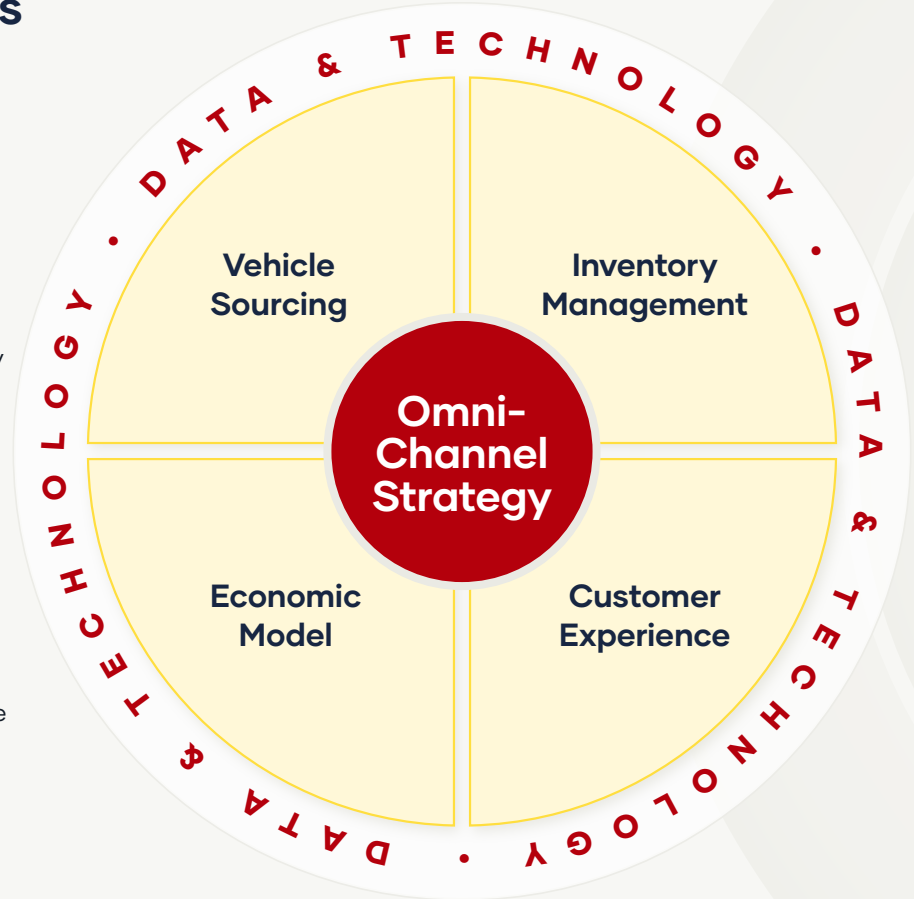
# Key success factors

## 1. Vehicle Sourcing

- + Buying the right cars at the right price.
- + Unique sourcing models and channels.
- + Ability to source efficiently and effectively is key to scale.

## 4. Economic Model

- + Lean cost model driven by tech-enabled high productivity.
- + High Finance & Insurance and ancillary product attachment rates.
- + Decision-making leveraging data and real-time insights.



## 2. Inventory Management

- + Cost-effective, efficient reconditioning methods.
- + Data and tech-aided pricing and lead management.
- + Broad market coverage.

## 3. Customer Experience

- + Customisable transaction options.
- + Intuitive website interface enabling digital transactions.
- + Comprehensive vehicle transparency.

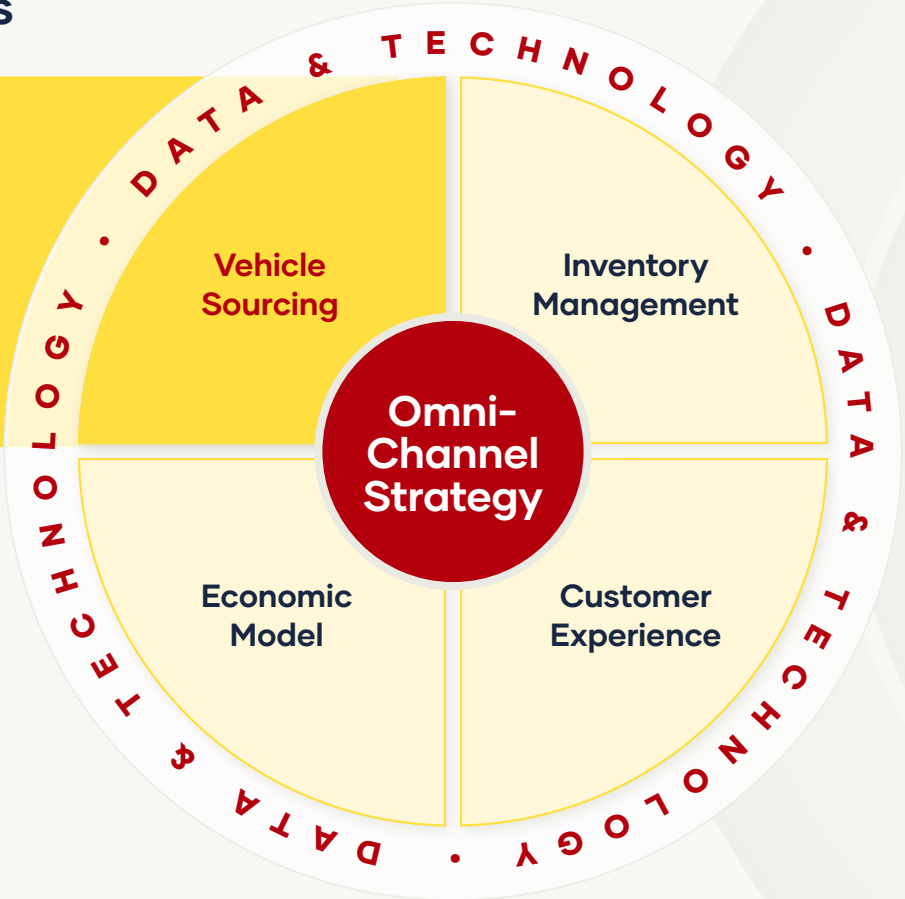
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- + Comprehensive vehicle transparency.

# Unique sourcing model

## How **easyauto123** sources vehicles

**Direct**

Vehicles purchased directly from the private market.

**Business**

Partnering with Fleet and Novated Lease companies to offer remarketing solutions.

**Franchised Auto**

Partnering with Eagers Franchised Auto operations to supply trade-in to **easyauto123** business.



# Unique sourcing model

How **easyauto123** with Eagers has the advantage



Eagers competitive advantage

The Eagers scale and geographic footprint enables:

- + Sourcing via trade-in opportunities from the largest Franchised Auto business in Australia.
- + Unique B2B relationships providing a cradle-to-grave solution for partners.

Unique competitive advantages that are difficult to replicate.

**easyauto123**

# Unique sourcing model

easyauto123

How **easyauto123** leverages technology and scale



Eagers competitive advantage

A digital application that provides an 'instant' quote to buy a vehicle.

The benefits of easyQuote:

- + Enables sourcing above the private-to-private buying funnel.
- + Allows shifts in the sourcing mix to respond to market conditions.
- + Valuations enabled by machine learning leveraging Eagers unique sales, service and auction data.
- + Seamless customer experience.

easyauto123

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## Revenue opportunity via improved sourcing

**Key inputs**

600,000 new vehicle customer touch points annually



Every 1% uplift in referral conversions is an additional 6k units



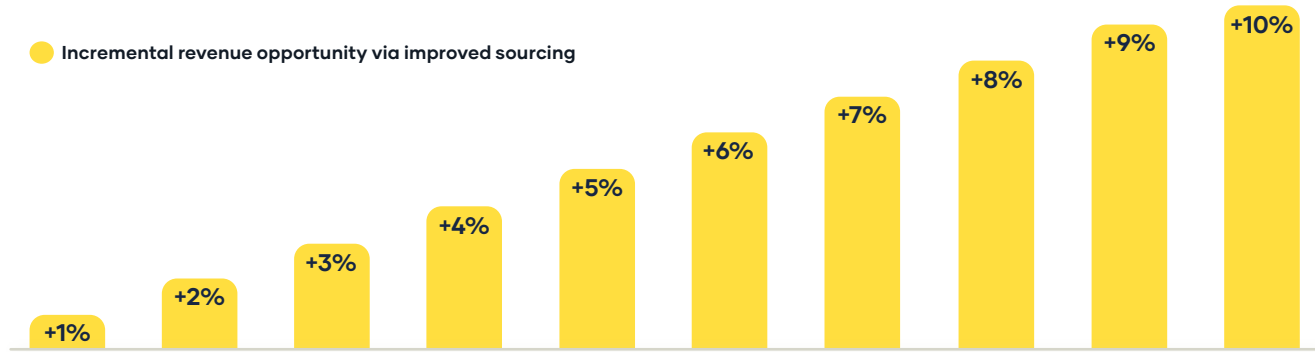
70% retailed through easyauto123 <sup>(1)</sup>



\$30k average sales price per unit

Revenue Opportunity at 10% uplift  
**\$1.3bn**

● Incremental revenue opportunity via improved sourcing



(1) 30% wholesaled through Carlins JV

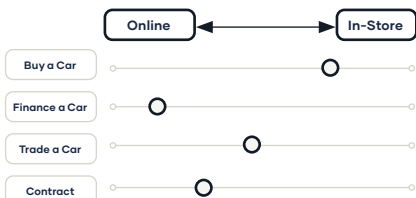
# Competitive advantage



# Omni-channel growth opportunities

## Omni-channel model driven by proprietary tech

Your Car, Your Way



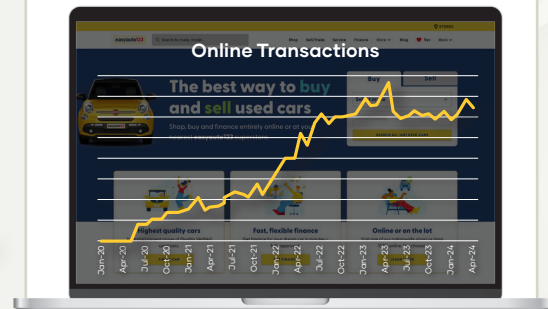
Allowing the customer to choose how they want to transact



## Physical growth opportunities



## Online growth opportunities



## Unique business model



Purpose-built end-to-end platform improves customer experience.



Real estate light model reduces overheads.



Digital interaction improves finance penetration.



Economical vehicle delivery model.



Economies of scale.



Fractionalisation of fixed costs.



Network effects at scale including sourcing.



# Global Trends

06

## About Bill Russo



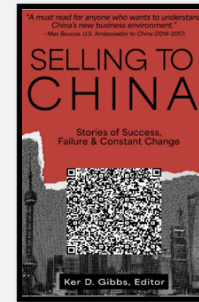
**Bill Russo**

*Founder & CEO, Automobility Limited &  
Chairman, AmCham Shanghai  
Automotive Committee*

Bill Russo was formerly **the head of Chrysler's business in North East Asia**. His **over 40 years of experience includes 15 years as an automotive executive** with Chrysler, including 20 years of experience in China and Asia.

He has also worked nearly **12 years in the electronics and information technology industries with IBM and Harman**. He has worked as an advisor and consultant for numerous multinational and local Chinese firms in the formulation and implementation of their global market and product strategies.

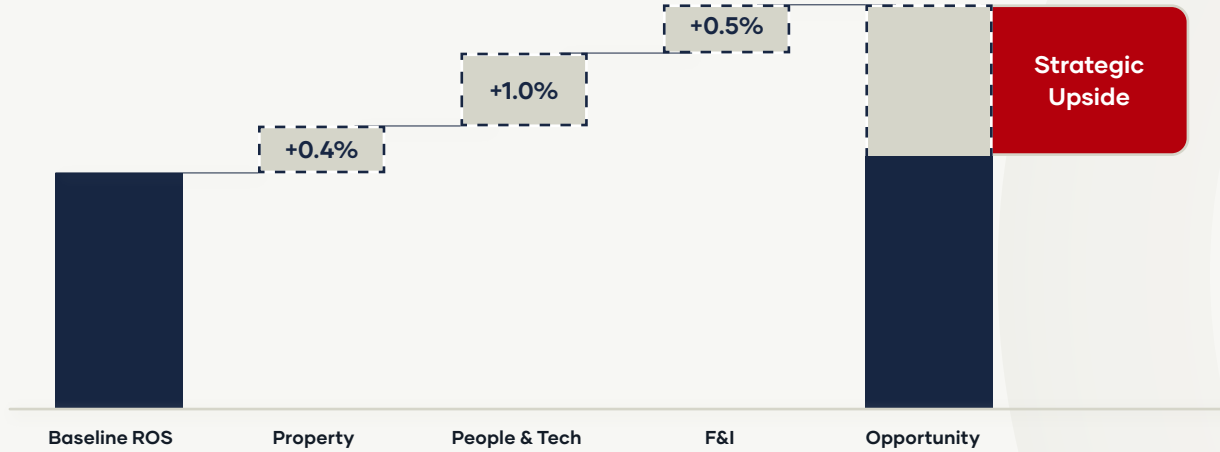
Bill is a contributing author to the book ***\*Selling to China: Stories of Success, Failure, and Constant Change (2023)\****, where he describes how China has become the most commercially innovative place to do business in the world's auto industry - and why those hoping to compete globally must continue to be in the market. Bill's chapter is titled **"China's Auto Industry: The Race to a Sustainable Future"**.



# Closing Remarks

07

# Levers to drive top line growth and returns



**Margin levers**

**PROPERTY**

KEY METRIC  
Rent to gross profit ratio

20% reduction

**PEOPLE**

KEY METRIC  
Revenue per employee

\$1.5m per person

**FINANCE & INSURANCE**

KEY METRIC  
Penetration

**Turnover growth pillars**

Top line growth	\$8.5bn 2022	\$9.9bn 2023	~\$11.0bn 2024

**Organic**

**Greenfield**

**Acquisitions**

**easyauto123**

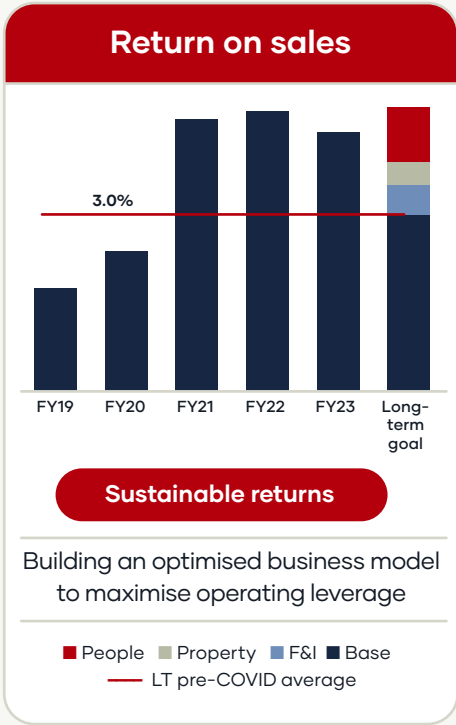
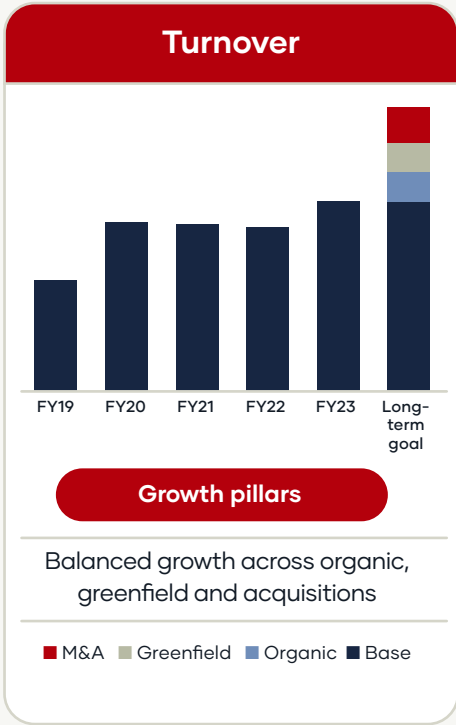
Australia & New Zealand expansion

**Leading NEV transition**

**Investing in enablers**

**New markets**

# Strategic ambition – x @ y in z



# Thank You

# Q&A

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