

Market Announcements Office – ASX Limited

Resilient Half Year 2024 Result

Record Half Year Revenue

\$5.5 billion

(+13.4% on prior period)

Underlying Operating Profit Before Tax

\$182.5 million

(1H23: \$207.4 million)

Strong Cash Position & Balance Sheet

\$444.7 million

Total available liquidity

Interim Dividend

24.0 cps

(1H23: 24.0 cps)

Underlying EBITDA

\$265.9 million

(+4.6% on prior period)

Debt refinance securing platform for future growth opportunities

Completed refinance of syndicated & property debt facilities post 30 June increasing undrawn debt facilities to \$797.0 million

Eagers Automotive Limited (ASX: APE) ("the Company"), Australia's leading automotive retail group, today announce its financial results for the six months ended 30 June 2024 (1H24).

The Company delivered record first half revenue of \$5.5 billion, an increase of 13.4% on 1H23. Underlying Operating Profit Before Tax for 1H24 was \$182.5 million (1H23: \$207.4 million).

The performance was underpinned by:

- ✓ Strong revenue contributions from core Franchised Automotive business, recent large-scale acquisitions, Retail Joint Venture and maturing greenfield businesses, leveraging a record first half new car market.
- ✓ Resilient new vehicle margins with demand strong relative to historic levels, supported by our material order bank.
- ✓ Record first half EBITDA, up 4.6% on 1H23, demonstrating successful multi-year execution of our Next100 Strategy, combined with a resilient automotive retail operating model.
- ✓ Record half year profit in our independent pre-owned business, benefiting from normalised supply and continued rollout of our benchmark operating model.
- ✓ Retail Joint Venture profit contribution impacted by clearance of excess inventory, while minimal contribution received from recently completed acquisitions.
- ✓ Continued to outperform industry averages in the financial services business for both new and used finance income and penetration, with our ancillary products strategy driving further margin growth.
- ✓ Disciplined cost management despite high inflationary environment, combined with normalised inventory levels and materially higher interest rates relative to 1H23.

The Board has approved payment of a fully franked interim dividend of 24.0 cents per share (1H23: 24.0 cents per share), maintaining the record interim dividend declared in 1H23.



Commenting on the current market dynamics and first half performance, CEO Keith Thornton said:

"The RBA's monetary policy measures are having their desired effect in the automotive industry with reduced discretionary spending in the retail sector and a shift to more value-conscious buying. Pleasingly, overall demand has been remarkably stable, with fleets becoming increasingly active as normalised supply returns. The impact of high interest rates specifically and inflationary pressures more generally continue to weigh on the overall result.

Despite these market challenges we have produced another resilient result with record revenue for the half supporting a record first half EBITDA performance. This demonstrates the true health of our underlying business.

Even more importantly, it highlights our transformed underlying business where we have leveraged our unique scale to drive industry-leading productivity, making the company's performance more sustainable than ever before.

The interim dividend payout demonstrates the confidence the Board and Management have in the underlying business, the progress we continue to make against our strategic initiatives and our constant focus on rewarding shareholders."

Financial Position and Capital Management

Eagers Automotive is in a strong financial position holding a substantial property portfolio and asset base, together with \$444.7 million of available liquidity at 30 June 2024. This liquidity position includes available cash and undrawn commitments under corporate debt facilities.

The Company completed a refinance of its syndicated term debt and property debt facilities post 30 June 2024, increasing the Company's undrawn debt facilities to \$797.0 million. This will provide the company with the balance sheet strength and flexibility to pursue future growth opportunities, including through disciplined investment in organic and greenfield initiatives, accretive M&A opportunities and investment in proprietary technology to further drive productivity gains.

We continue to execute against our property strategy with the further acquisition of \$56 million in ~37,000 sqm of prime property expected to settle in 2H24.

Outlook

Eagers Automotive expects to see the following evidenced in full year 2024 results:

- ✓ Delivering on full year revenue growth expectations by continuing to execute organic, greenfield and acquisition initiatives.
- ✓ Maintaining sustainable and profitable growth in our independent pre-owned business, supported by our unique inventory sourcing channels and proprietary technology initiatives.
- ✓ Strong recovery in our Retail Joint Venture benefiting from normalisation of inventory levels, footprint expansion via retail partners and continued strong demand for affordable battery electric and plug-in hybrid vehicles.
- ✓ Focus on improving performance from acquisitions through ongoing integration and optimisation.
- ✓ Continued rollout and implementation of unique proprietary technology initiatives to realise further productivity improvements.
- ✓ Disciplined review of accretive acquisition opportunities consistent with our Next100 Strategy, while executing on greenfield opportunities with both existing and new partners.

Eagers Automotive expects that its clearly defined strategy, strong balance sheet and unique scale and brand diversity will provide it with continued opportunities to further drive its long-term track record of sustainable growth.



Commenting on the outlook, CEO Keith Thornton said:

"The second half will continue to present challenging conditions as the Company navigates external cost pressures, OEM inventory levels and lower consumer confidence. Despite this, we are well positioned for upside in key parts of our business including our growing Retail Joint Venture, Australia's largest pre-owned retail business easyauto123 and improving performance from acquisitions.

Looking beyond the short term challenges, Eagers Automotive continues to be enviably positioned. We continue to review multiple growth opportunities and our balance sheet strength and recently fortified liquidity position provides the firepower to capitalise on any compelling options.

As always, we continue to prioritise initiatives that drive further productivity gains and make Eagers a more resilient business in any operating environment."

Authorised for release by the Board.

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