

22 August 2024

Market Announcements Office
ASX Limited

Half Year 2024 Results Presentation

Attached is the Half Year Results Presentation for Eagers Automotive Ltd (ASX:APE) for the half year ended 30 June 2024.

For more information:	Keith Thornton Chief Executive Officer (07) 3608 7110	Jon Snowball Sodali & Co 0477 946 068
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Authorised for release by the Board.



HY 2024 Results

Keith Thornton | Chief Executive Officer

Sophie Moore | Chief Financial Officer

22 AUGUST 2024

Agenda

- 1 Overview
- 2 Financial
- 3 Operational
- 4 Strategic
- 5 Outlook
- 6 Q&A

Financial highlights HY 2024



Revenue

\$5.5bn



Statutory
PBT

\$181.3m



Underlying
Operating PBT⁽¹⁾

\$182.5m



Return on Sales
(Underlying)

3.3%



Cash at Bank

\$297.4m



Available
Liquidity

\$444.7m



Owned
Property⁽²⁾

\$726.9m



Ordinary
Interim Dividend

24.0 cents per share

Key Messages

Return on Sales
(Underlying Core LFL) **4.1%**

Rent to Gross
Underlying Basis **7.9%**

Productivity
Revenue per employee **+6.2%**
vs prior period

Refinance of corporate debt
facilities completed post
30 June

(1) Underlying operating results refers to continuing operations outlined and reconciled to statutory results on slides 30 (1H24) and 31 (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

Half Year 2024 scorecard

Delivering against revenue growth expectations and continued execution of strategic initiatives

Key Takeaways



Material Growth

Record Half Year Revenue

+13.4%
vs prior year



Strong Core Business

Underlying Operating EBITDA

+4.6%
vs prior year



Shareholder Returns

Maintain Record Interim Dividend

24.0
cps

Strategic Execution

Independent Used



Record 1H24 profit result



Execution on Margin Levers



Incremental contribution from F&I & Car Care



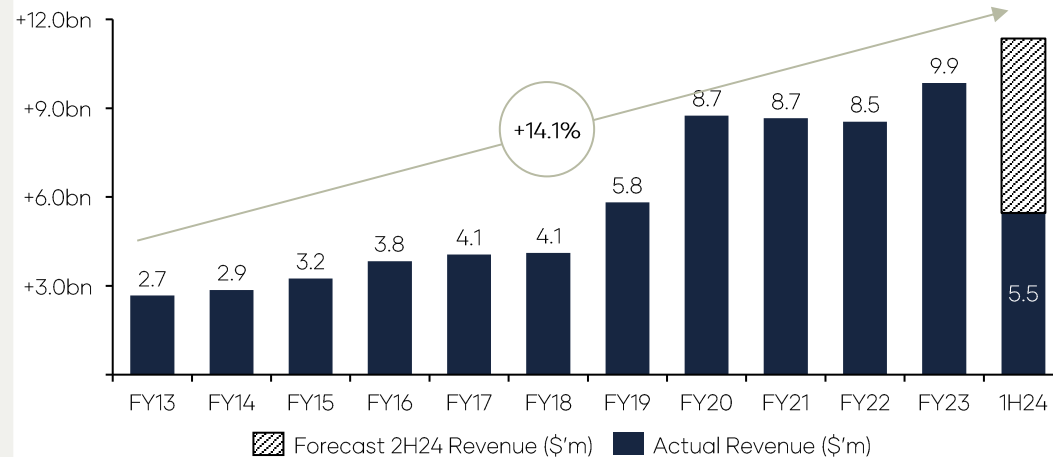
Large scale, strategic acquisitions



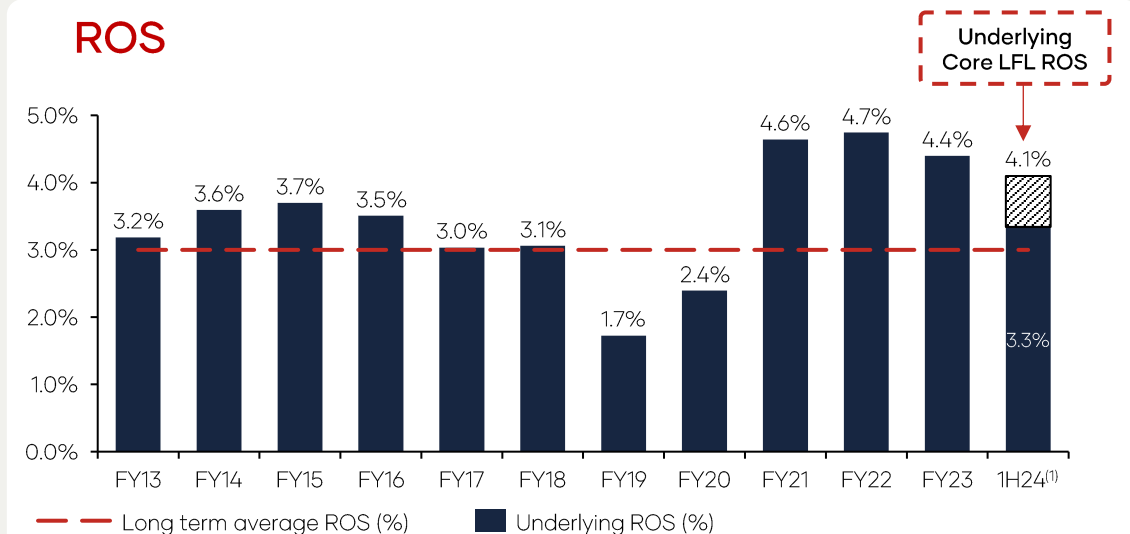
Victoria & Alice Springs completed in 1H24



Revenue



ROS



Financial Results

1

Half Year 2024 Summary P&L

\$ Million	HY22	HY23	HY24	Mmnt \$ or (%)	Mmnt (%)
Underlying Operating Results					
Revenue from continuing operations	4,215.4	4,817.6	5,464.2	+646.6	+13.4%
Underlying operating EBITDA from continuing operations ⁽¹⁾	220.2	254.1	265.9	+11.8	+4.6%
Underlying operating EBITDA margin⁽¹⁾	5.2%	5.3%	4.9%	(0.4%)	(7.5%)
Underlying operating PBT from continuing operations ⁽¹⁾	195.1	207.4	182.5	(24.9)	(12.0%)
Specific items reported below underlying operating PBT ⁽¹⁾	51.4	8.7	(1.2)	(9.9)	(113.8%)
Statutory Results					
Revenue from continuing operations	4,215.4	4,817.6	5,464.2	+646.6	+13.4%
Statutory operating EBITDA from continuing operations	336.2	326.2	335.2	+9.0	+2.8%
Statutory profit before tax from continuing operations	246.5	216.1	181.3	(34.8)	(16.1%)
Statutory profit after tax from continuing operations	178.7	150.5	123.4	(27.1)	(18.0%)

Record 1H 2024
Revenue

+13.4%

Balanced contributions across organic, greenfield and acquisitions

Record 1H 2024
Underling EBITDA

+4.6%

Growth driven by strong performance from LFL business and disciplined cost management

Underlying
EBITDA margin
4.9%

-0.4%

+0.8% above long-term Average⁽²⁾ of 4.1%

Underlying⁽¹⁾
operating PBT

-12.0%

Driven by finance costs associated with higher inventory and interest rates

(1) Underlying operating results refers to continuing operations outlined and reconciled to statutory results on slides 30 (HY24) and 31 (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) Long-term average calculated on FY13 to FY20 underlying results.

Balance sheet strength and disciplined capital management

Syndicated Debt Facility

\$ Million	1H23	FY23	1H24
Cash on Hand	353.0	222.2	297.4
Syndicated Debt	(124.6)	(124.6)	(325.3)
Syndicated Debt (net of cash)	228.4	97.6	(27.9)
Shares in Listed Entities	90.5	64.1	70.1

Longstanding relationships with ANZ, NAB & WBC

Variable rate facilities⁽¹⁾

Funding source for M&A & strategic property

Utilised for Victorian & Alice Springs business acquisitions in 1H24

Two tranches with maturity in 2028 & 2029⁽²⁾

Captive Debt

\$ Million	1H23	FY23	1H24
Property Owned (incl. CWIP)	552.8	591.4	726.9
Captive Debt	(346.4)	(360.4)	(467.3)
Property Equity	206.4	231.0	259.6

Longstanding relationships with OEM captive finance partners

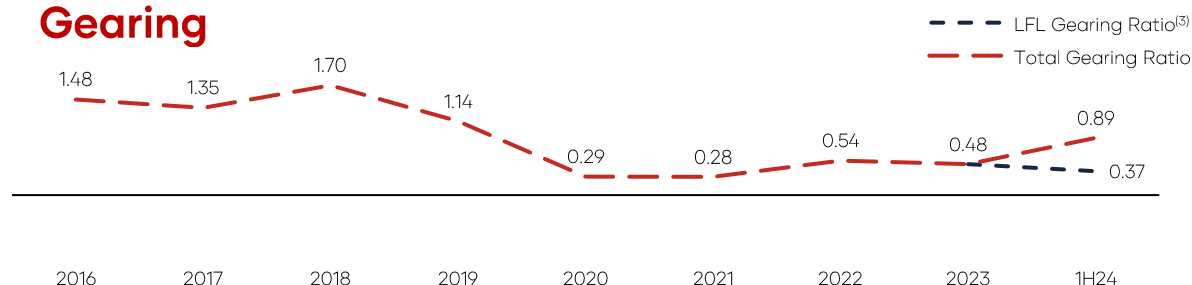
Material proportion at record low fixed rates (53%)

Automotive retail property backed lending

Utilised for Victorian & Alice Springs property acquisitions in 1H24

Long term debt - last tranche expiring 2036

Gearing



- (1) No hedging in place at 30 June 2024 in relation to variable rate facilities
 (2) Maturity profile reflective of syndicated debt facility refinancing completed post 30 June
 (3) Adjusted to remove the impact of recent acquisitions

Funding Sources

Free cashflow

Debt

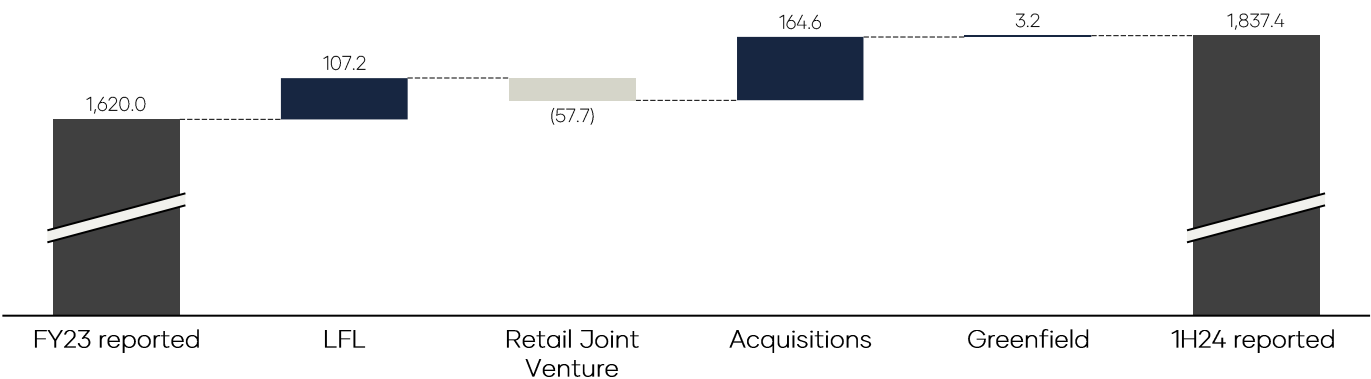
Equity

Non-Core Asset Sales

Inventory levels and market dynamics

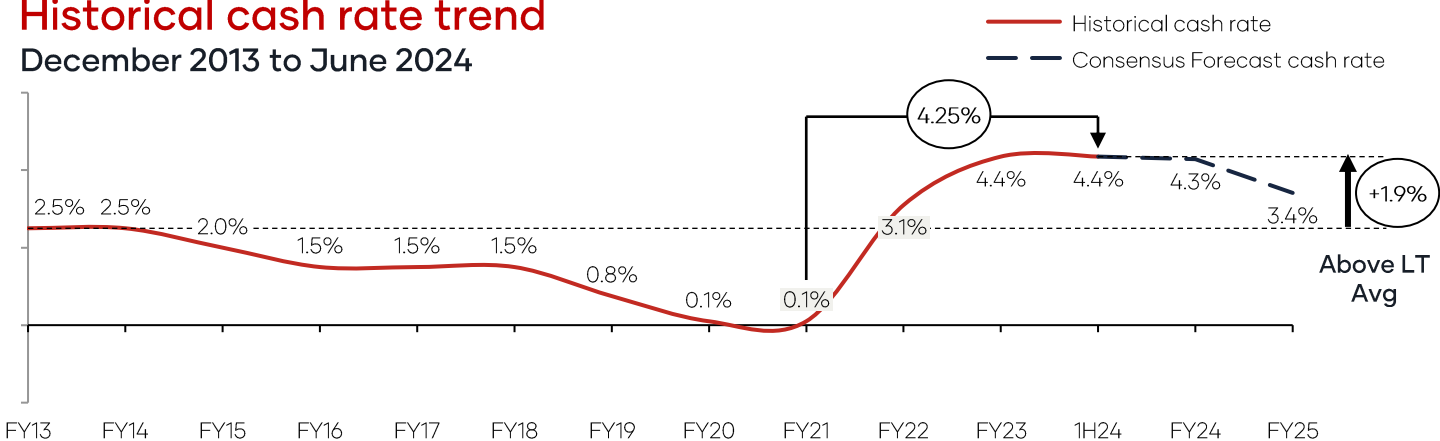
Inventory levels

December 2023 to June 2024



Historical cash rate trend

December 2013 to June 2024



Current dynamics

Bailment Finance

Cost-effective form of trade credit funding new & used vehicle inventory – unique to the industry

Days Supply – New & Demonstrators

Unsold vehicles – 42 days supply

Sold not Delivered – 22 days supply

Retail Joint Venture

Inventory reduction driven by clearance of excess stock, partially offset by stock holding for new models

Opportunities

Inventory Management

Every one-day reduction in Days Supply represents ~\$3.0 million annualised interest savings

Interest Rate Cycle

Every 25 bps reduction in cash rate represents ~\$6.0 million annualised interest savings

(1) Based on interest rate forecasts published by ANZ, CBA, NAB & WBC as at 6 August 2024.

Refinanced debt facilities



Syndicated term debt facilities refinanced post 30 June 2024



Secured 4-year & 5-year tenor across syndicated facilities



Pricing unchanged relative to prior arrangements negotiated in 2021 under favourable lending environment



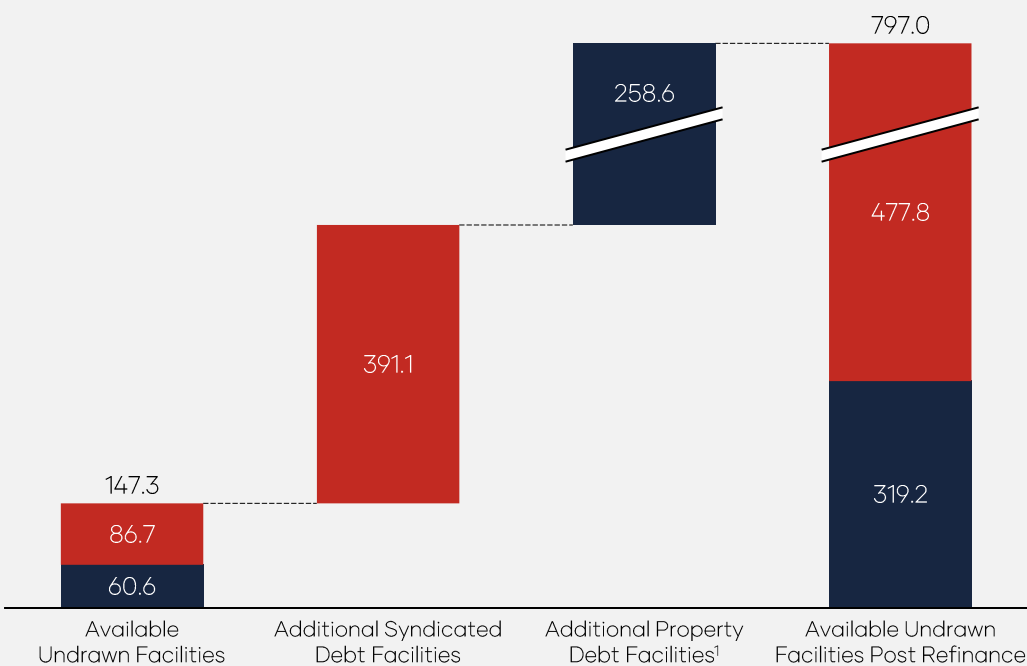
Credit approval secured for additional property debt facilities



Total undrawn debt facilities including credit approved facilities of \$797.0 million enables flexibility to pursue organic growth, strategic M&A opportunities and ongoing execution of our property strategy

Strong Support from Finance Partners

Increased appetite from syndicate financiers ANZ, NAB & WBC and captive financiers – evidencing confidence in long-term execution of our Next100 Strategy through evolving market cycles



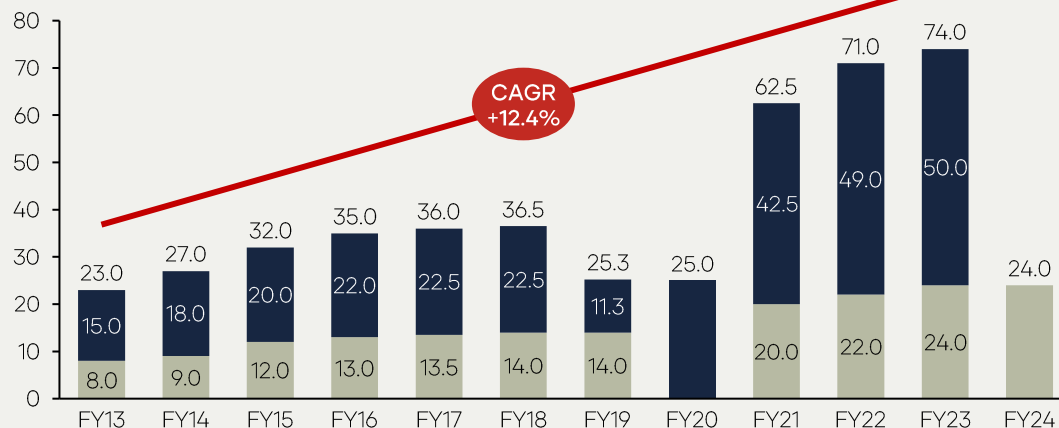
(1) Credit approved

Maintained record interim dividend for 2024

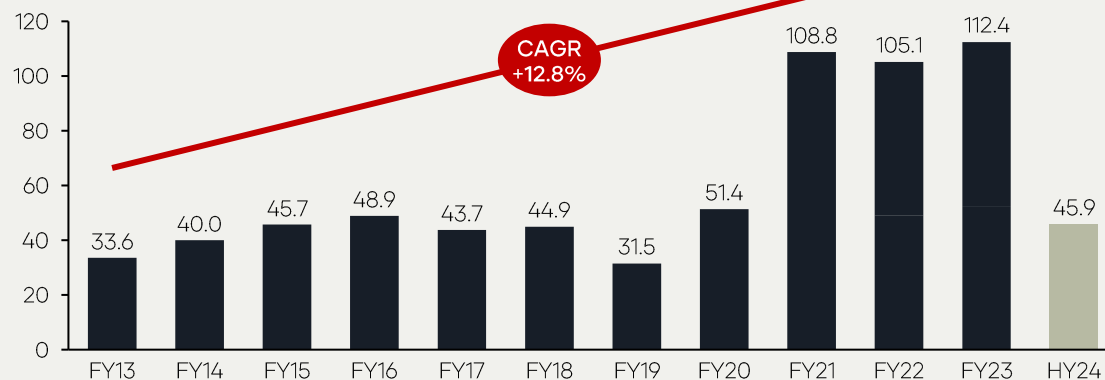
Long term consistent track record of maximising shareholder returns

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

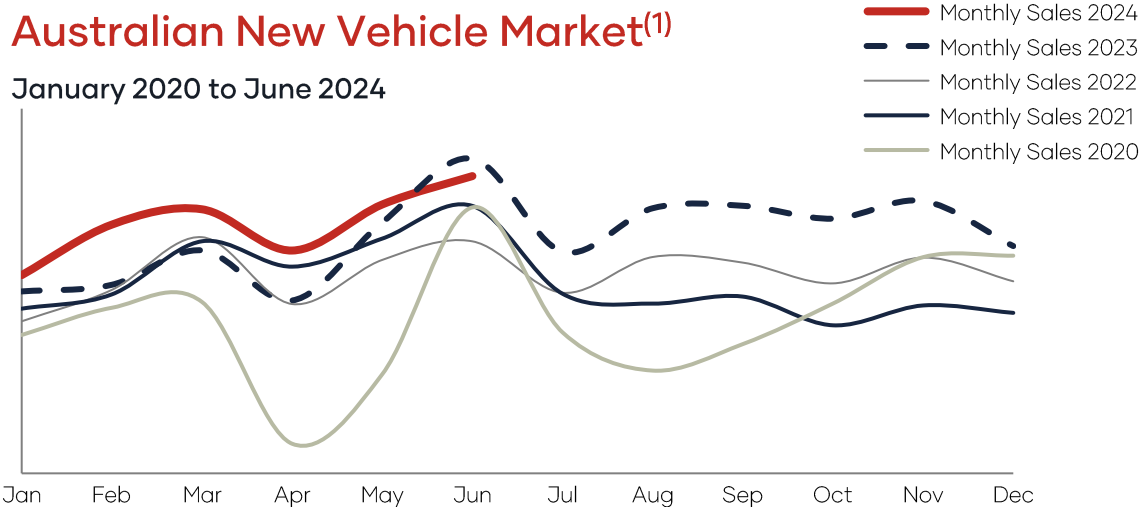
Operational Update

2

Record new vehicle market

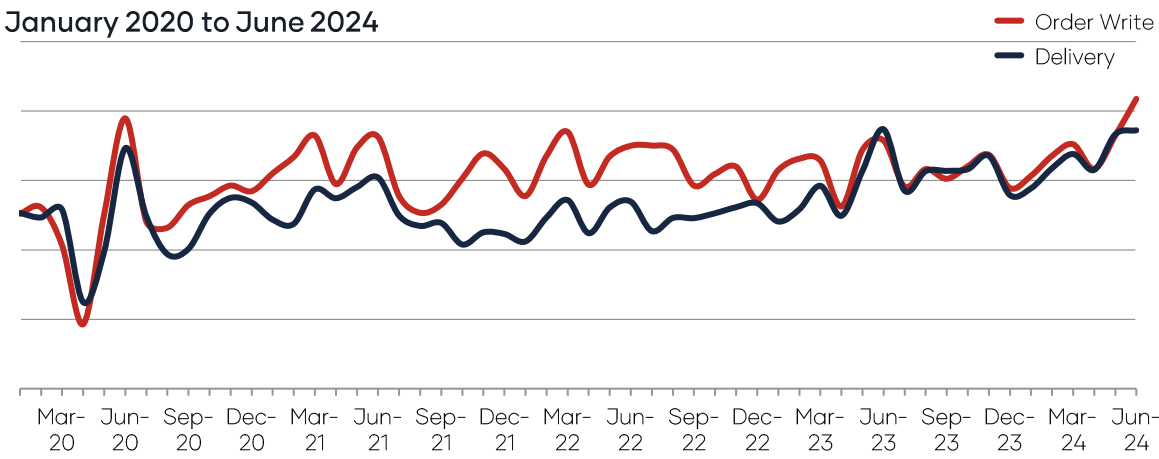
Australian New Vehicle Market⁽¹⁾

January 2020 to June 2024



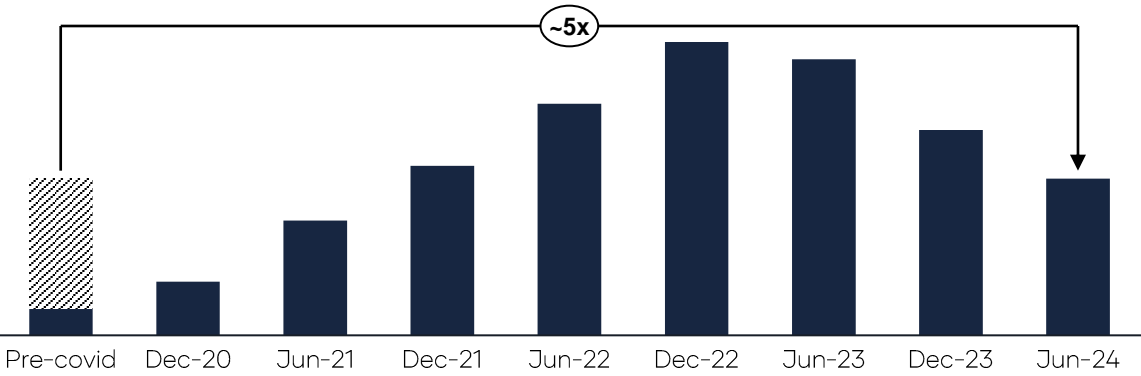
Australian New Vehicle Order Write vs Deliveries

January 2020 to June 2024



New Vehicle Order Bank

Pre-COVID to December 2023



Key Takeaways

Record 1H24 new vehicle deliveries - monthly records in 10 of last 12 months

Demand remains strong relative to historic levels with order write tracking in line with record new vehicle deliveries

Reset order bank circa 5x pre-COVID levels

Driving turnover growth & supporting resilient new vehicle margins

(1) Source: VFACTS.

Resilience of the Automotive Retail Model

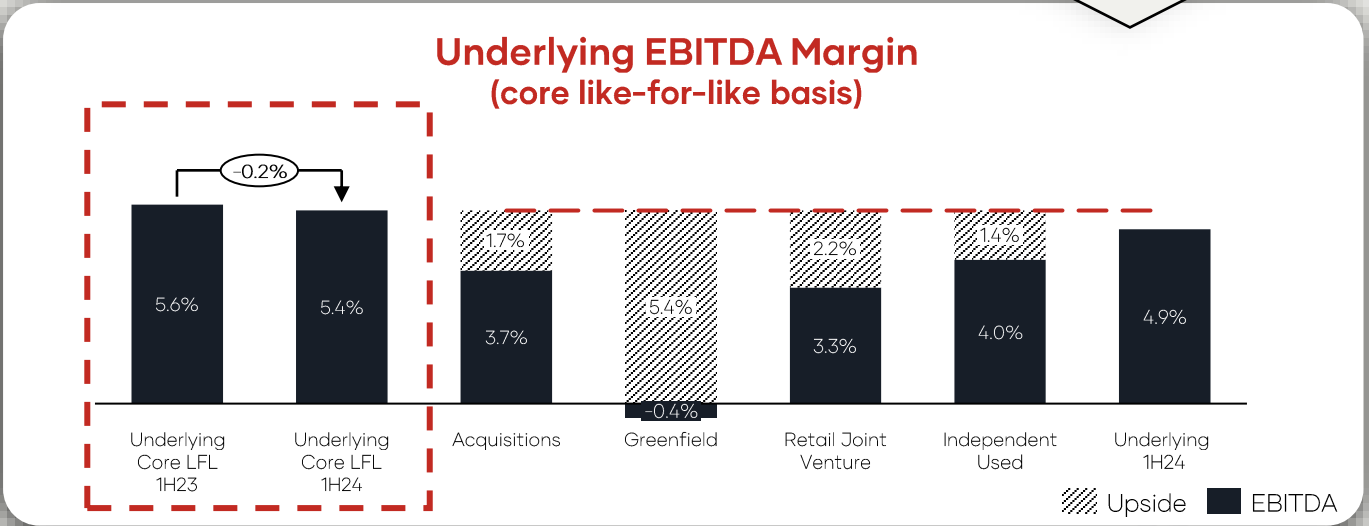
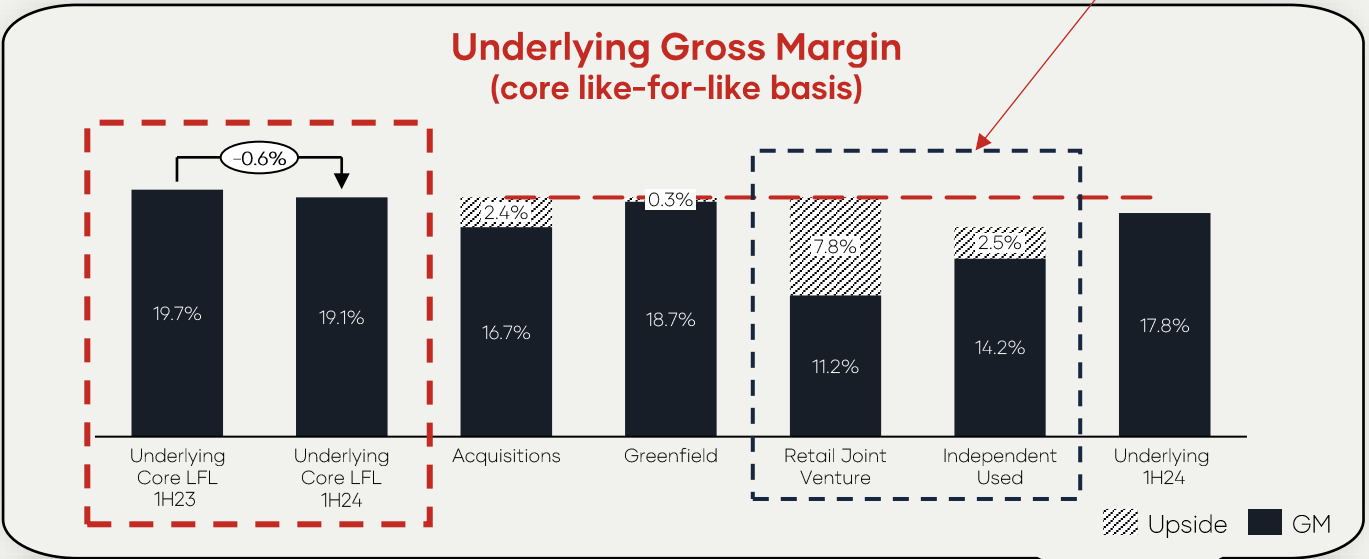
Key Levers – Outlook vs 1H24

	2024 Outlook	1H24
Industry Dynamics		
New Car Volume	⊖	⬆️
New Car GPU	⬇️	⬇️
Used Car Volume	⬆️	⬆️
Used Car GPU	⬆️	⬆️
Parts Department PBT	⬆️	⬆️
Service Department PBT	⬆️	⊖
F&I Penetration	⬆️	⊖

Dynamics

Gross margins skewed by greater share for Retail Joint Venture & Independent Used

Margins remain well above long-term trends

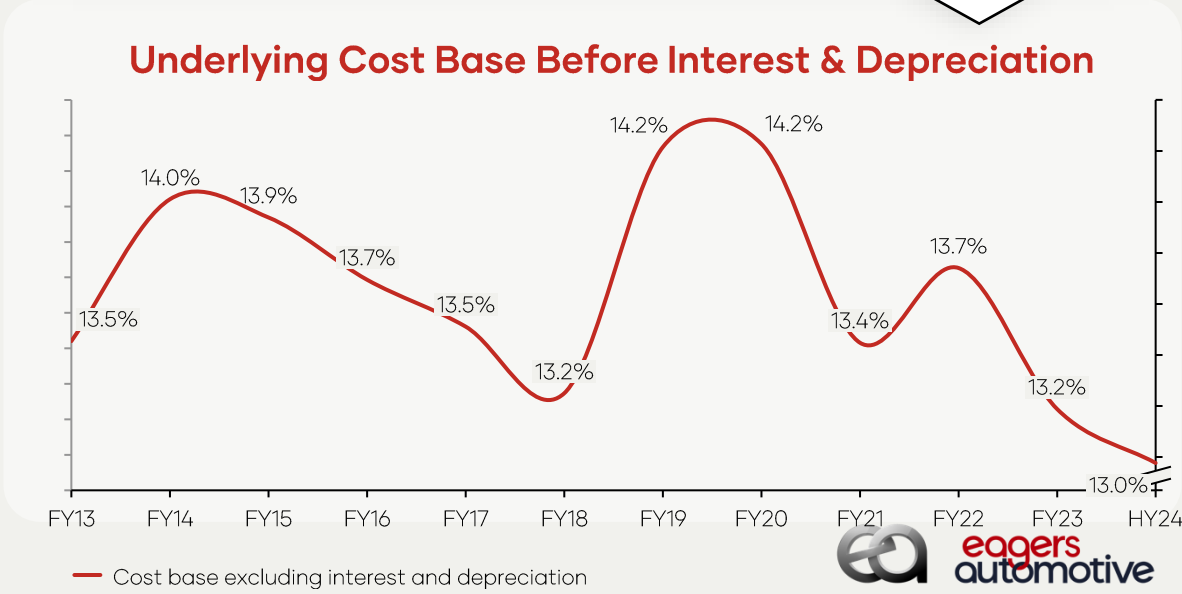
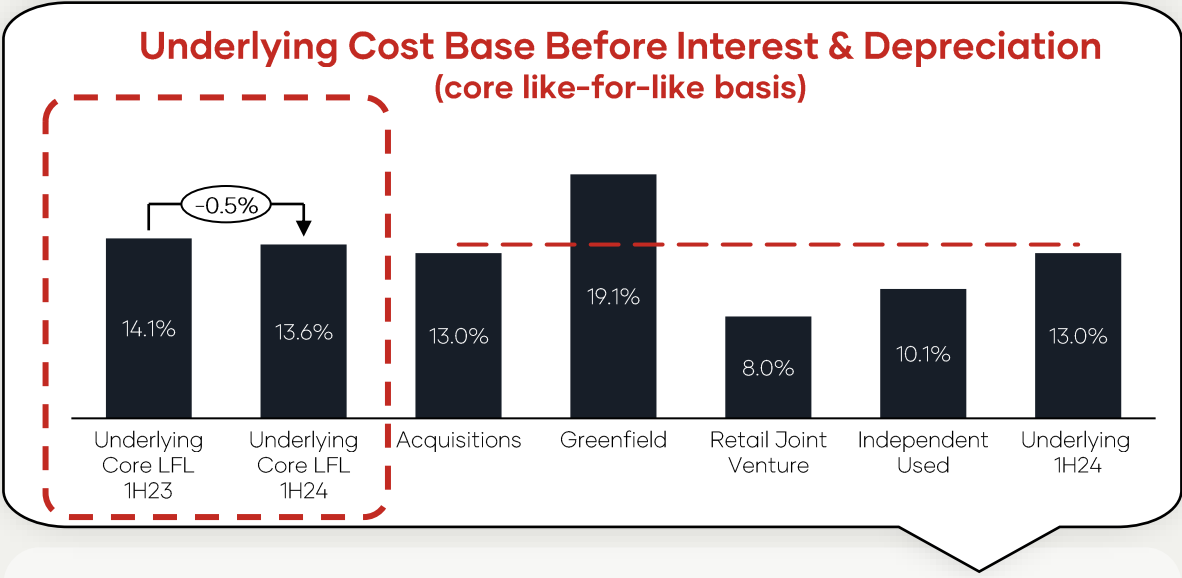


Focused on controllable costs

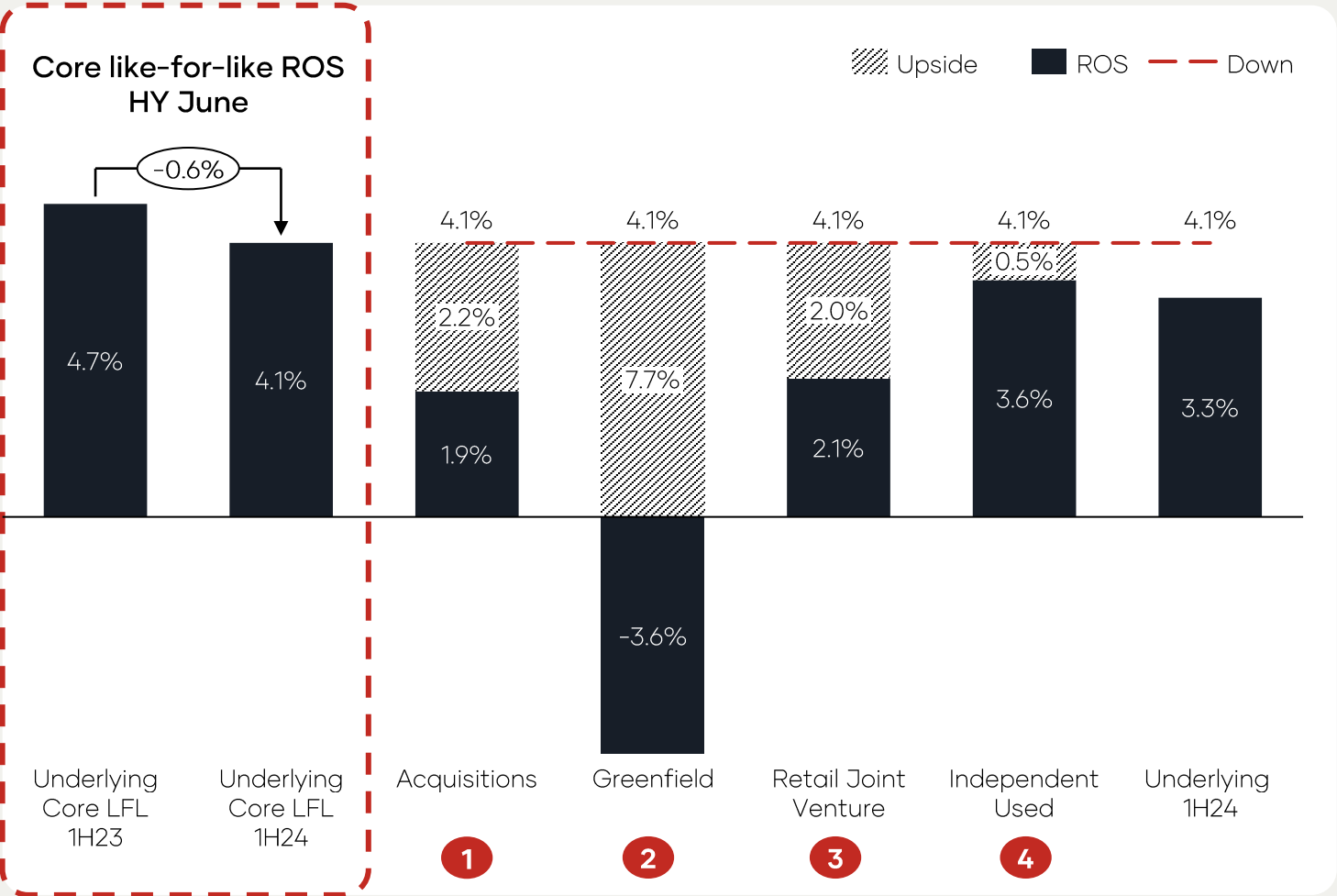
Costs before interest & depreciation at historic lows relative to turnover evidencing benefits of scale and disciplined cost management

Controllable Costs		
	Impact	Mitigation
People	Increases in legislated award & superannuation	Technology enabled productivity gains driving lower headcount
Property	High inflation driving high annual rent escalation	Rebalancing owned vs leased portfolio mix
Advertising	Higher inventory levels driving increase in advertising	Disciplined cost control with 1H24 +\$38 per retail unit vs 1H23

Interest & Depreciation	
Inventory	Property
Higher inventory levels and 12 year high interest rates driving higher finance costs	Strategic growth in owned property portfolio driving higher depreciation costs



Further upside from optimisation



Opportunity for material upside

- 1 Improved contribution from ongoing **integration & optimisation of acquisitions**
- 2 Continuous improvement in performance of **maturing greenfield operations**
- 3 Strong performance of **Retail Joint Venture in 2H24** following resolution of excess inventory position
- 4 Continued **optimisation and sustainable growth** in independent used business

Strategic Initiatives

Further **property consolidation** under development

Continued development & rollout of **proprietary technology** to drive further productivity gains

Upside in contribution from key margin levels – **Finance & Insurance and Car Care**

Strategic Priorities

3

Optimisation of business model and clear growth strategy

Optimisation

Building an optimised business model to maximise operating leverage



Growth pillars

Expanding core business

Consolidation,
Rationalisation,
Evolution

Growth with
existing partners

Establishing new
retail formats

Scaling our
independent pre-
owned business

Leading low emission vehicle transition

Supporting existing OEM
partners with transition to
alternative powertrains

Preferred retail partner
for new market entrants

Diversification into
battery electric & plug-
in hybrid portfolio

Investing in enablers

Preferred partnership
arrangements

Supporting NEV transition
via novated leasing and
fleet management

Competitive advantage
through adjacent markets
driving mutual success

New adjacents

New products &
services

New market
opportunities

New distribution
models

Strategic progress on key margin levers

Driving long term sustainable strong return on sales through execution of key strategic initiatives

Property

Portfolio at
Jun-24
\$726.9m

vs \$597.9 million
at Dec-23⁽²⁾

2H24 Committed
Acquisitions
~\$56m

Increasing portfolio
value to ~\$780m

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

People & Technology

+6.2%

Increase in revenue
per employee vs 1H23

-3.0%

Reduction in LFL
headcount vs 1H23

Leveraging proprietary technology to
drive industry leading productivity



Finance & Insurance

F&I PVR vs Industry Average

+62%

New vehicles

+110%

Used vehicles

Key margin driver in 2024 and beyond

F&I penetration continues to outperform
industry averages

New +~8.0% | Used⁽¹⁾ +~15.0%

Ancillary product strategy driving margin
growth +~6.0% vs 1H23

Car Care growth continues

Total PVR +17.3% vs 1H23 | +58% since 2019

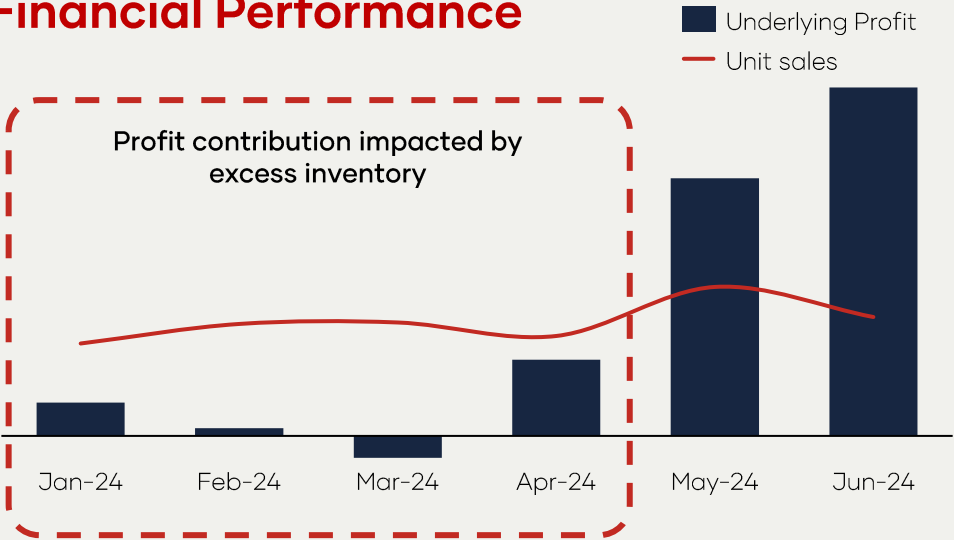
(1) Finance penetration for easyauto123 relative to used car industry average
(2) Includes properties classified as Held for Sale

Retail Joint Venture

Market Performance 1H24

9,296	18.1%	2.1%
Deliveries	BEV Market Share ⁽¹⁾	Return on Sales
New Energy Vehicle Market	7.9%	1.3%
	BEV Total Market Share ⁽¹⁾	PHEV Total Market Share ⁽¹⁾

Financial Performance



Current Dynamics

Demand	Model Range	Network	NEV Appeal	Outlook
Current order write >22,000 units on an annualized basis ⁽²⁾	2 new models in 2H24 Further 3 new models expected in 2025	Footprint expansion via Retail Partner model 56 retail locations operational end of 2024	Powertrain advantage versus full BEV players ~45% plug-in hybrid mix since model introduction	Strong performance expected for 2H24

(1) Source: VFACTS.
(2) Based on July 2024 net order write

Australia's largest independent used car retail operation

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

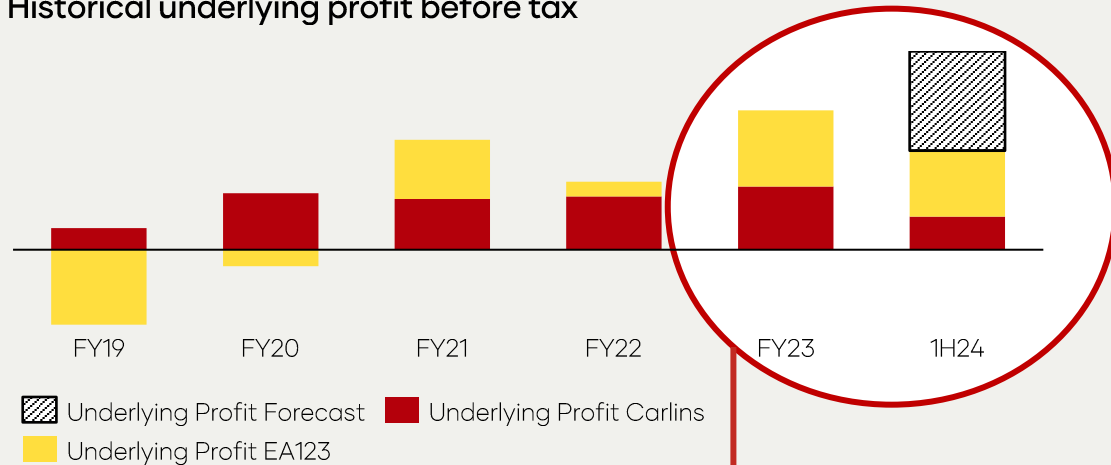
- + Best Experience
- + Best Choice
- + Best Price



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

Record independent used result

Historical underlying profit before tax



1H24 performance in line with global industry leader

easyauto123

\$1,270 Net operating profit per retail unit ⁽¹⁾

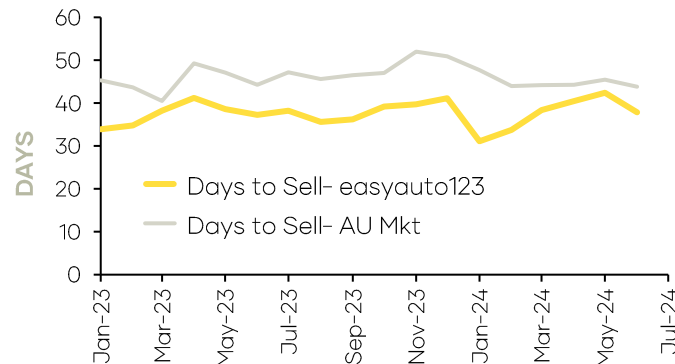
\$3,783 Pool of gross per retail unit ⁽¹⁾

CARmax

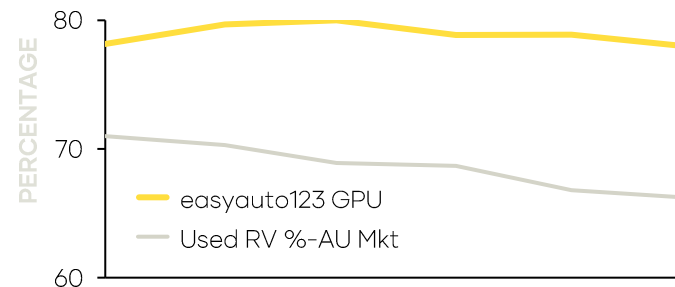
US\$710 Net operating profit per retail unit ⁽²⁾

US\$2,304 Pool of gross per retail unit ⁽²⁾

Profit performance achieved despite changing market dynamics⁽³⁾



easyauto123 GPU vs AU used market RV %⁽⁴⁾



easyauto123 key statistics

Pool of Gross per Unit	vs pcp	+11.6%
Cost Base per Unit	vs pcp	⊖
Finance Income PVR	delta to FA	+35.9%
Car Care Income PVR	delta to FA	+5.9%
Revenue / Employee	delta to FA	+96.4%

(1) Figures based on the Half Year Ended 30 June 2024 – 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 results for 4Q24 and 1Q25 – Used Vehicle Unit Sales, Used Vehicle Gross Profit per Unit and Total Earnings Before Income Taxes

(3) AU market: sourced from the monthly Used Car Sales Figures reports available on the AADA Dealer Bulletins (<https://www.aada.asn.au/dealer-bulletins/>). 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 mid 2024

Unique business model & competitive advantage

Unique Business Model



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



Real estate light model to reduce overheads.



Digital interaction improves finance penetration.



Economical vehicle delivery model.



Economies of scale.

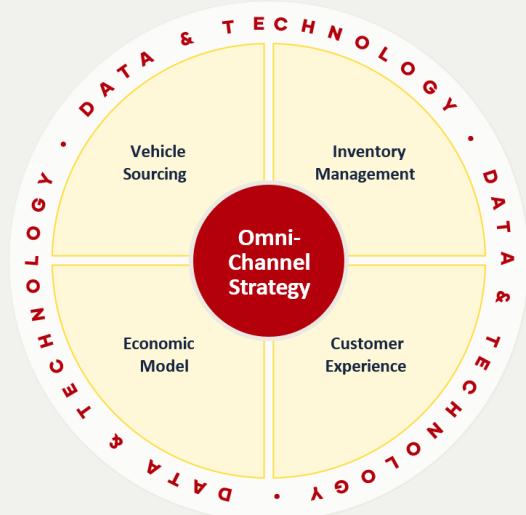


Fractionalisation of fixed costs.



Network effects at scale including sourcing.

Key Success Factors



Competitive Advantage

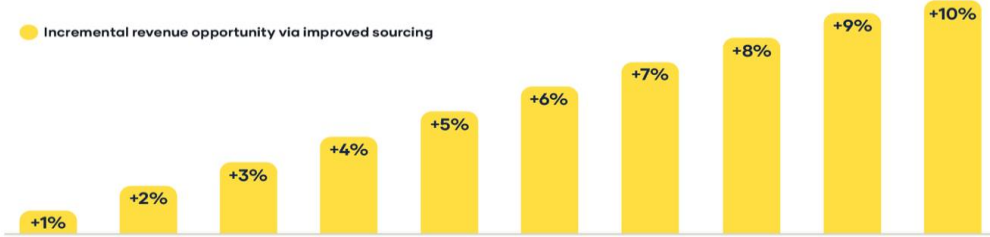


Growth Opportunities

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 (1)
 \$30k average sales price per unit

Revenue Opportunity at 10% uplift
\$1.3bn



(1) 30% wholesaled through Carlins JV

Outlook

4

Outlook

Industry Dynamics

	1H24 Actual	2H24 Outlook
New Car Volume	⬆️	⬇️
New Car GPU	⬇️	⬇️
Used Car Volume	⬆️	⬆️
Used Car GPU	⬆️	⬇️
Parts Department PBT	⬆️	⬆️
Service Department PBT	⬇️	⬆️
F&I Penetration	⬇️	⬆️

Business Units

Franchised Automotive LFL

Continued strength of our core business

- Strong margins and material order bank
- Resilient automotive retail business model
- Challenging macro market conditions

Retail Joint Venture

Strong recovery anticipated in 2H24

- Normalisation of inventory levels
- Strong demand for BEV & PHEV product
- Footprint expansion via retail partners

Independent Used

- Maintain sustainable & profitable growth
- Optimise existing operations to benchmark performance
- Leverage unique sourcing channels and proprietary technology

Acquisitions & Greenfields

- Ongoing integration & optimisation of recent acquisitions
- Maturing greenfield sites
- Opportunities continue to emerge in M&A & new partnerships

Outlook

Optimisation

Margin Levers

Property



Key Metric:
Rent to Gross Profit
Ratio

20% reduction

People



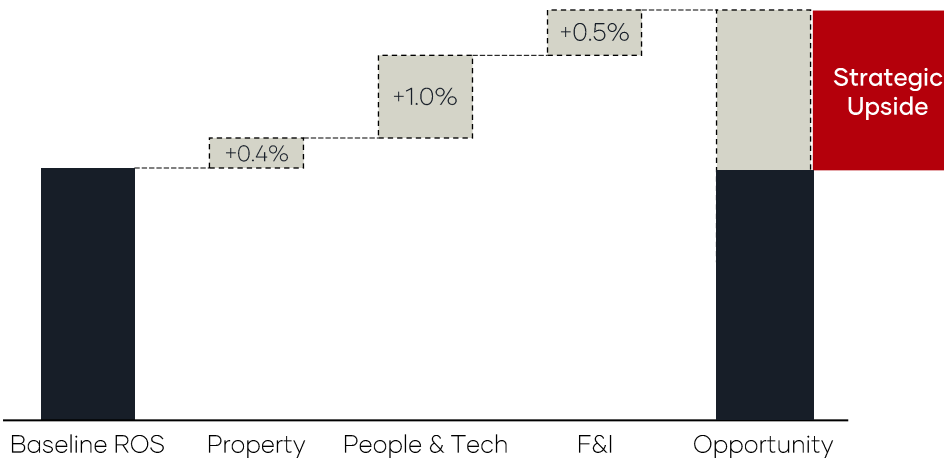
Key Metric:
Revenue per
Employee

\$1.5m per person

Finance & Insurance

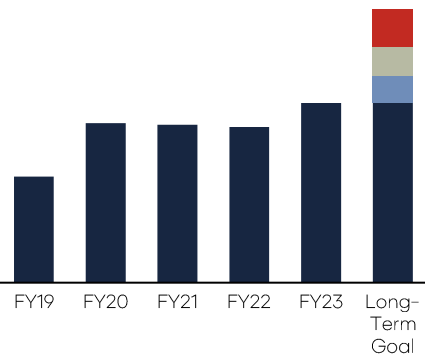


Key Metric:
Penetration



Strategic Ambition

Turnover

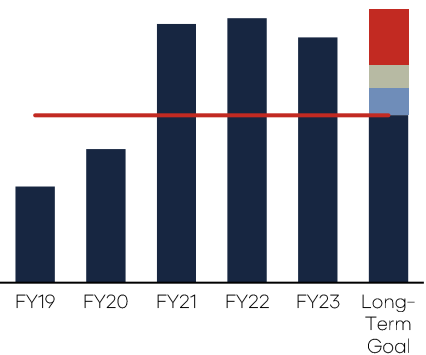


Growth Pillars

Balanced growth across organic, greenfield and acquisitions



Return on sales

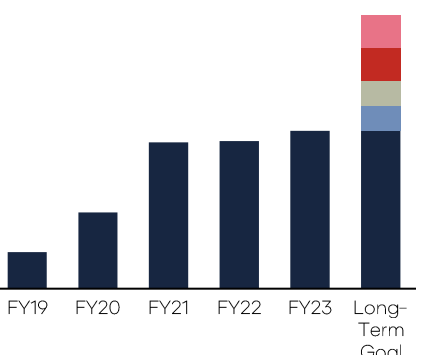


Sustainable Returns

Building an optimized business model to maximise operating leverage



Underlying PBT



Shareholder Wealth

Delivering greater returns for stakeholders



A

X

B

=

C



Thank you



Q&A

Disclaimer

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Investors should consult with their own professional advisers.

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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 30 (HY24) and 31 (comparative financial information) of this Investor Presentation.

Appendix

Statutory to Underlying EBITDA & PBT – HY 2024

\$ MILLION HY 2024	EBITDA	Depn & Amort	Interest Expense	Interest Income	PBT	Tax Expense	NPAT
Underlying Operating	265.9	(17.3)	(66.1)	-	182.5	(57.8)	124.7
Impairment	-				-	-	-
AASB16 Lease Standard	70.8	(51.2)	(21.2)	1.8	0.3	0.1	0.2
Business Acquisition, Divestment & Integration Costs	(4.8)				(4.8)	(1.1)	(3.7)
Sale of Assets	3.4				3.4	1.0	2.4
Miscellaneous	(0.1)				(0.1)	(0.0)	(0.0)
Total Significant Items	69.3	(51.2)	(21.2)	1.8	(1.2)	(0.1)	(1.2)
Statutory	335.2	(68.4)	(87.3)	1.8	181.3	(57.9)	123.4

Statutory to Underlying EBITDA & PBT – HY 2023

\$ MILLION HY 2023	EBITDA	Depn & Amort	Interest Expense	Interest Income	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

Definitions

Non-IFRS Financial Information

BEV	is defined as a battery electric vehicle
CAGR	is defined as compound annual growth rate
Core LFL	excludes all acquisitions, divestments and greenfield operations over a 3-year investment cycle to represent core underlying business. Excludes key business acquisitions, related property and funding costs including Armstrong Ford, Kelly Trotter and Heritage Motor Group, Canberra Group, Newspot Group, Ireland's of Cairns, Alice Springs Toyota & NGP Victoria Dealership Group.
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
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

Definitions

Non-IFRS Financial Information

FA	is defined as Franchised Automotive
F&I	is defined as Finance & Insurance
Independent Used	is defined as the combined easyauto123 and Carlins auction businesses
LFL	excludes business acquired (Ireland's of Cairns, Alice Springs Toyota and NGP Victorian Operations), non-significant greenfield sites, and businesses divested in 2023 and 2024 respectively
NEV	is defined as new energy vehicle which includes hybrid, electric, 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
PHEV	is defined as a plug-in hybrid electric vehicle
PVR	is defined as per vehicle retail

Definitions

Non-IFRS Financial Information

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 30 (1H24) and 31 (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
USP	is defined as unique selling proposition
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

