

**ASX/Media Statement**

18 November 2016

**AHG AGM PRESENTATION AND ADDRESSES BY CHAIR AND CEO**

Automotive Holdings Group (ASX: AHG) holds its Annual General Meeting at 10.00am today WST at Crown Perth Convention Centre.

The addresses by the Chairman, David Griffiths, and Chief Executive Officer, John McConnell are detailed on the following pages.

The Managing Director, Bronte Howson, will speak to presentation slides (as indicated) without a formal script.

The full presentation is also shown on the following pages.

ENDS

**About AHG** Automotive Holdings Group Limited (ASX: AHG) is a diversified automotive retailing and logistics group with operations in every Australian mainland state and in New Zealand. The Company is Australia's largest automotive retailer, with operations in Western Australia, New South Wales, Queensland and Victoria.

AHG's logistics businesses operate throughout Australia via subsidiaries Rand Transport, Harris Refrigerated Transport, Scott's Refrigerated Freightways and JAT Refrigerated Road Services (transport and cold storage), AMCAP (motor parts and industrial supplies distribution), VSE (vehicle storage and engineering), Genuine Truck Bodies (body building services to the truck industry), Higer Bus (bus and truck importation and distribution), and KTM Sportmotorcycles and HQVA (KTM and Husqvarna motorcycle importation and distribution in Australia and New Zealand).

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**AUTOMOTIVE HOLDINGS GROUP LIMITED  
2016 ANNUAL GENERAL MEETING  
10.00 AM FRIDAY, 18<sup>TH</sup> NOVEMBER 2016  
CHAIRMAN'S ADDRESS – DAVID GRIFFITHS**

**SLIDE 2 David Griffiths**

Good morning and welcome to the 2016 Annual General Meeting of Automotive Holdings Group Limited.

My name is David Griffiths and I am the Chairman of Automotive Holdings Group.

In terms of the usual housekeeping items, please switch your mobile phones to silent. In the event of a fire, the emergency exits are clearly marked.

If you have not already done so, please register your attendance at the Link service desk, just outside the door.

As a quorum is present and the meeting is validly constituted, I formally declare open the 2016 Annual General Meeting.

The minutes of the 2015 Annual General Meeting have been approved by the Board and have been tabled.

Any shareholder who wishes to view a copy of the minutes is welcome to do so and should see the Company Secretary after the meeting.

With me today are my fellow directors:

- Jane McKellar;
- Bronte Howson, Managing Director;
- Howard Critchley;
- John Groppoli;
- Peter Stancliffe;
- Robert McEniry; and
- Greg Duncan.

Also here today we have our Chief Executive Officer, John McConnell, who was appointed in August and who will assume the role of Managing Director when Bronte retires at the end of next month.

And joining John are AHG's Company Secretary, David Rowland, Chief Financial Officer Phil Mirams and Glyn O'Brien from our auditors, BDO.

I would like to welcome Jane McKellar to her first AHG Annual General Meeting.

Shareholders may have read in the Annual Report that Jane comes to the Group with a strong consumer-focused and digital background. Her contribution has been appreciated by the Board.

This will be the last AGM for Peter Stancliffe who has decided not to re-nominate this year and I would like to take this opportunity to thank Peter for his valuable contributions to the Board and its committees.

Peter is our longest-serving Director, having been appointed within a few weeks of the Company listing on the ASX in 2005. Peter has been a pleasure to work with on the Board and his contributions will have a lasting effect on the Company. We wish him well.

### **SLIDE 3 Today's Agenda**

I would like to commence the Chairman's address today by providing a brief overview of the company and its performance in FY2016, before handing over to Bronte, who will provide more details of the Group's financial performance and highlights from the company's business units.

I will then ask John McConnell to offer some commentary on trading in the period since 30<sup>th</sup> June.

We will then turn our attention to the matters to be resolved at this meeting in the 'Formal Business' section, before closing the meeting.

Following that, the Directors would welcome the chance to answer any further questions from shareholders as we enjoy refreshments in the foyer.

As we have mentioned in the Annual Report, AHG remains Australasia's largest automotive retailer by sales, profitability and workforce.

### **SLIDE 4 Company Overview**

The Company presently holds 191 franchises at 110 dealerships across four Australian states and New Zealand.

AHG also provides temperature-controlled transport and cold storage services through the Company's Refrigerated Logistics division, which comprises the operations of Rand, Harris, Scott's and JAT.

Our Other Logistics operations include AMCAP, Genuine Truck Bodies, Vehicle Storage and Engineering, KTM and Husqvarna franchise distribution, and AHG International, which holds the Australian distribution of Higer buses and JAC light trucks.

### **SLIDE 5 FY2016 Highlights**

AHG's performance in the 2016 financial year was pleasing, in that the Company delivered increased revenue, profits and dividends to shareholders, despite some significant challenges, both economic and operational.

Net Operating Profit, which includes adjustments for one-off effects as described in the Annual Report, increased by 3.2% on the previous year to a record \$97.2-million.

Statutory Profit After Tax increased by 2.2% to \$90.1-million.

Operating Earnings Per Share increased 3.3% and shareholders received an increased fully-franked, full year dividend of 22.5-cents per share.

#### **SLIDE 6 FY2016 Highlights**

The Automotive division reported record results.

The Group benefitted from strong trading performances from its dealerships in New South Wales, Victoria, Queensland and New Zealand. And while new vehicle volumes were suppressed in Western Australia, in line with the broader state economy, it was pleasing to see strong organic growth in used vehicle numbers.

#### **SLIDE 7 History of sustained growth**

I mentioned the challenges, which impacted the Group's performance in both Automotive and Refrigerated Logistics, and Bronte and John will address those challenges in detail. But by any measure AHG's performance over the five years since (and including) FY2012, has been solid.

Measured at the 30<sup>th</sup> June 2016, Revenue has grown at a Compound Annual Growth Rate of 7.4%, Operating EBITDA has grown at a CAGR of 8% and Operating NPAT has grown at a CAGR of 8.6%

#### **SLIDE 8 Shareholder returns**

AHG's Total Shareholder Return, measured at the 30th of June, and which includes capital growth and reinvestment of dividends, stands at 38% over three years, and at more than 127% over five years.

Your Company will be pushing for further improvements in profit and EPS as AHG restructures and rationalises under-performing operations and as maturing Greenfield dealerships add to our bottom line.

(PAUSE)

#### **SLIDE 9 Outlook**

Bronte will give you a more in-depth review of the year operationally, and John present our trading update, however I'd like to touch on some of the key issues that I think will be of interest to our Shareholders.

The capital raising undertaken in September was well supported by institutional and retail investors, raising more than \$110 million to refresh the Group's balance sheet and support the Company's future growth strategy.

On the Automotive front, the outlook for new vehicle sales in Australia and New Zealand remains strong except in Western Australia.

AHG is well placed to continue its growth strategy including greenfield developments and acquisitions where the benefits of such investments have been clearly identified.

The Company also expects to realise significant benefits over the short to medium term from the national expansion of its used car strategy, branded as EasyAuto123.

And AHG is actively pursuing opportunities in the non-conventional and digital car sales space.

The Board and management are closely monitoring the outcome of reviews by ASIC into commissions paid to dealerships by financiers and insurers.

As the industry response to future regulatory reforms is developed, AHG will be better placed to quantify any potential impact on future earnings.

Based on current understanding of the likely timetable for implementing these proposed reforms, AHG does not anticipate any material impact on earnings in the current financial year ending 30 June 2017.

The Board's focus in Refrigerated Logistics is on the broad transformation program designed to drive efficiencies and synergy savings in FY2017 and beyond.

The new operating model is being vigorously implemented as it eliminates duplication and costs, streamlines processes and improves productivity in a single commercial structure that is aligned to customers' needs and relationships.

There has been speculation in the press regarding the sale of AHG's Refrigerated Logistics businesses and we have responded to say that there is no formal sale process and that the company is focused on driving improvements in the business.

This remains the case but we will of course respond, as we are bound to do, to any approach by a serious party that reflects full value as we look to find ways to maximise the return to shareholders from this division.

Other Logistics will also be an area of focus for our new CEO John McConnell as we work our way through the portfolio of businesses to determine how to optimise value for shareholders.

(PAUSE)

#### **SLIDE 10 Employees**

AHG now employs almost 8,000 people and I'm proud to say they are undeniably our greatest resource – and a great responsibility.

As detailed in the Annual Report, AHG's Lost Time Injury Frequency Rate and the Incident Rate both showed significant reductions in FY2016 and the Group has a five-year strategic plan focused on maintaining, and improving, that performance.

Providing our employees with a safe environment and giving them opportunities to advance within AHG are key performance measures.

AHG conducts a biennial Group-wide employee survey and the results of the 2016 survey show very strong levels of both engagement and enablement, and a high level of confidence in management.

(PAUSE)

#### **SLIDE 11 Title slide**

On behalf of the Board, I also want to pay tribute today to Managing Director Bronte Howson who will retire from that position on 31 December 2016.

Bronte has been the Company's CEO and Managing Director for more than 17 years and has been an executive with AHG for 28 years.

He has made an outstanding contribution. As CEO he successfully led AHG's evolution from a private group, based largely in Western Australia, to its position today as Australasia's largest listed automotive group and a significant player in logistics.

His service to the industry and the wider community was recognised in the 2016 Queen's Birthday honours list when he was awarded the Medal of the Order of Australia.

On behalf of the board, staff and shareholders I would like to thank Bronte for his outstanding performance and wish him well for his future.

Bronte's successor, John McConnell, brings to AHG extensive experience in the automotive retail industry, both in Australia and internationally as well as significant experience in logistics.

The automotive retail industry is continuously evolving. The Board is more than confident that John has the skills and experience to ensure AHG is well positioned to address and embrace the changing automotive marketplace and ensure the Company's logistics businesses deliver value to Shareholders.

In closing, the 2016 Financial Year produced a solid performance in a challenging environment.

The Board and management remain focused on providing satisfactory returns for our shareholders and the Company's performance over time has reflected that.

On behalf of the Board I would like to take this opportunity to pay tribute to all of our shareholders and our employees who have contributed to the Company's growth and success.

AHG is well placed to continue its growth and your Board looks to the future with confidence.

I will now hand over to our Managing Director, Bronte Howson.

#### **SLIDES 12 - 21 Bronte Howson presentation**

**AUTOMOTIVE HOLDINGS GROUP LIMITED  
2016 ANNUAL GENERAL MEETING  
10.00 AM FRIDAY, 18<sup>TH</sup> NOVEMBER 2016  
CEO ADDRESS – JOHN MCCONNELL**

**SLIDE 22 (JMcC)**

Good morning.

I am delighted to be standing here before you and feel privileged to have been given the opportunity to lead AHG.

I would like firstly to recognise the outstanding platform created by Bronte and his team.

**SLIDE 23 (Initial observations and focus)**

Since taking the role as CEO on the 29<sup>th</sup> August my priority has been to deepen my understanding of AHG, from both an internal and external perspective.

I have had the opportunity to meet a number of our shareholders together with the Chairman.

On the Automotive front, I have visited the majority of our dealerships and met with each of our regional general managers and most of our dealer principals, and I've spoken with many of their staff.

I have found a passionate and knowledgeable team of colleagues who are genuinely committed to the continued success of AHG.

I have made a point of meeting most of our key business partners in Australia and New Zealand, from the manufacturers whose franchises we hold to our financiers, our insurers and our major suppliers and service providers.

Our business relationships are strong and there is respect for our operational performance.

The diversified nature of the Automotive division, both in terms of the brand portfolio and the geographic footprint, makes it extremely strong, as evidenced by the Company's ability to withstand the significant economic downturn in the Western Australian economy.

I have also spent a considerable amount of time with the senior executive management of AHG's Refrigerated Logistics division and engaged in the very significant transformation program underway across those business units.

I'm encouraged by the granularity of the turnaround plans, which address structure, culture, processes and operational excellence.

There are clear, actionable plans in place to drive organic improvement in performance.

At our half-year results presentation I will report on the progress of the initiatives together with our CEO of Refrigerated Logistics Stephen Cleary.

Having had the opportunity to do an initial review of our operations, we will focus on developing plans to drive shareholder value with a strong focus on cash flow.

As the Chairman has already mentioned, we will look to restructure and rationalise underperforming aspects of our operations and, where necessary, divest.

#### **SLIDE 24 (Automotive)**

We are continuing to build our Automotive portfolio as evidenced by our recent acquisitions.

We've most recently acquired three Victorian dealerships in Doncaster Jaguar Land Rover, City Mazda and Daimler Trucks Laverton, and the Newcastle Audi dealership.

The automotive retail landscape remains highly fragmented and will continue to present opportunities for growth. Our strong relationships with manufacturers position us well to take advantage of those opportunities.

We are also very conscious of changes in consumer behaviour and external disruption, which is why AHG is well advanced in its used car expansion strategy under the banner of EasyAuto123 and in its digital marketing initiatives.

I believe that AHG is on the right track to continue its growth trajectory in Automotive through the multifaceted strategy of targeted greenfield developments, value-accretive acquisitions and organic growth, with the divestment of underperforming businesses as and when appropriate.

#### **SLIDE 25 (Refrigerated Logistics)**

On the Refrigerated Logistics front, there is clearly work still to be done and Bronte has given you an overview of the transformation program already underway.

Our market-leading position and national footprint give us a strategic advantage to deliver nation-wide customer solutions.

The management team is confident that its restructuring and cost-out focus will deliver improved results. And we have clear action plans and KPIs that enable us to track the progress.

As the Chairman indicated we believe we have the right plans in place to drive organically a change in trajectory, however we are mindful of the (external) interest in our Refrigerated Logistics business and about maximising value for Shareholders.

#### **SLIDE 26 (Trading update)**

Which bring us to the trading update...



On a consolidated basis the Company has delivered Operating EBITDA of \$62.7-million, which is down on last year, driven by Refrigerated Logistics and the fact that in 2016 we had a \$2-million gain on properties.

Our Automotive business has delivered solid growth of 8.4%.

We have had strong performances from our dealerships in Sydney, Newcastle, Melbourne and Auckland, offset by the acknowledged challenging conditions in Western Australia where private buyer sales are down 14.9%.

We have taken action to reduce our cost base in Western Australia however margins on new and used vehicles have declined.

Our EasyAuto123 pilot dealership in Joondalup, in Perth's northern suburbs, has performed strongly and we will be expanding that business nationally during 2017.

As expected our Refrigerated Logistics business was down by \$7.9-million, however the revenue run rate has stabilised and we are progressing well on new revenue opportunities.

The combination of revenue growth and our cost reduction program positions us well for a significant improvement in performance in the second half of FY2017 and beyond.

Our Other Logistics division performance has been strong, and that's driven primarily by KTM.

The Company currently expects to deliver a full year Operating<sup>1</sup> NPAT outcome ahead of FY2016.

#### **SLIDE 27 (ASIC/ACCC)**

Many of you will be aware of the twin reviews by the Australian Securities and Investments Commission into the sale of finance and add-on insurance products and the commissions paid to dealerships.

ASIC has an issue with the "flex" mechanism used in finance commission payments, and a number of concerns over add-on insurance products.

Until ASIC makes its determinations from the reviews it is not possible to say much more than we already have, but it is worth noting that we do not anticipate any material impact on results in FY2017.

AHG is actively engaged with the Australian Automotive Dealers Association and with our insurers and financiers to respond to ASIC and the ACCC within the relevant timeframe.

Beyond that time we are confident that the market and margins will be adjusted to ensure that both the consumer and the dealership are treated fairly.

**SLIDE 28 (Outlook)**

As mentioned, we expect to see a significant improvement in the performance of Refrigerated Logistics in the second half of FY2017 and beyond.

Our recent Automotive acquisitions will contribute to growth as we integrate them, and we expect to see continued market growth with the exception of WA where we anticipate conditions will remain challenging in the short term.

We are expanding the roll-out of the EasyAuto123 fixed-price retail format to target growth in used cars.

And we will continue to focus on strategic value-added dealership acquisitions and targeted Greenfield developments.

All of which, together with active management of underperforming operations, will continue to drive value for our shareholders.

ENDS



## 2016 Annual General Meeting of Shareholders



### Welcome



# David Griffiths

Chairman of the Board of Directors

## Today's Agenda



- Chairman's Address
- Managing Director's Presentation
- CEO Address
- Formal Business
- Close
- Refreshments



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## Company overview



**Founded  
1952**

**Largest Automotive  
retailing group in  
Australasia**

**> 7,800  
Employees**



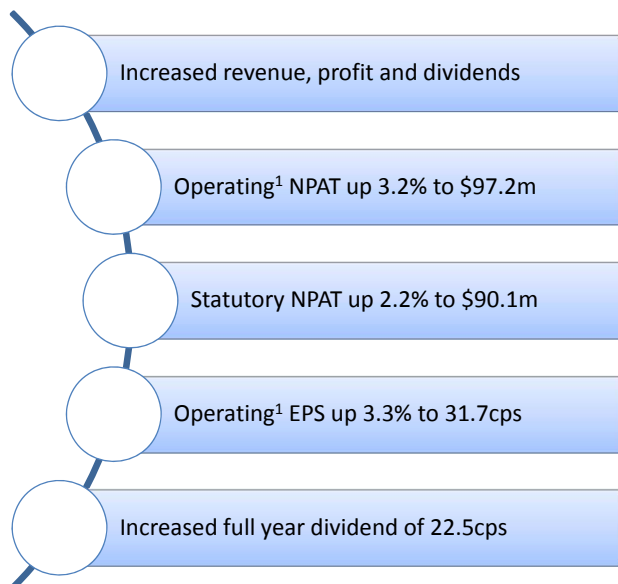
**191** motor vehicle  
franchises at **110**  
dealership locations

Significant **logistics  
capability** across  
automotive parts and  
refrigerated transport

**Record Group  
Revenue of  
\$5.6bn**

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## FY2016 Highlights



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Operating<sup>1</sup> – excludes costs and fees in relation to integration and acquisition-related activities, profit/loss on sale of assets and operations, impairment of assets and benefits applicable to GST refunds

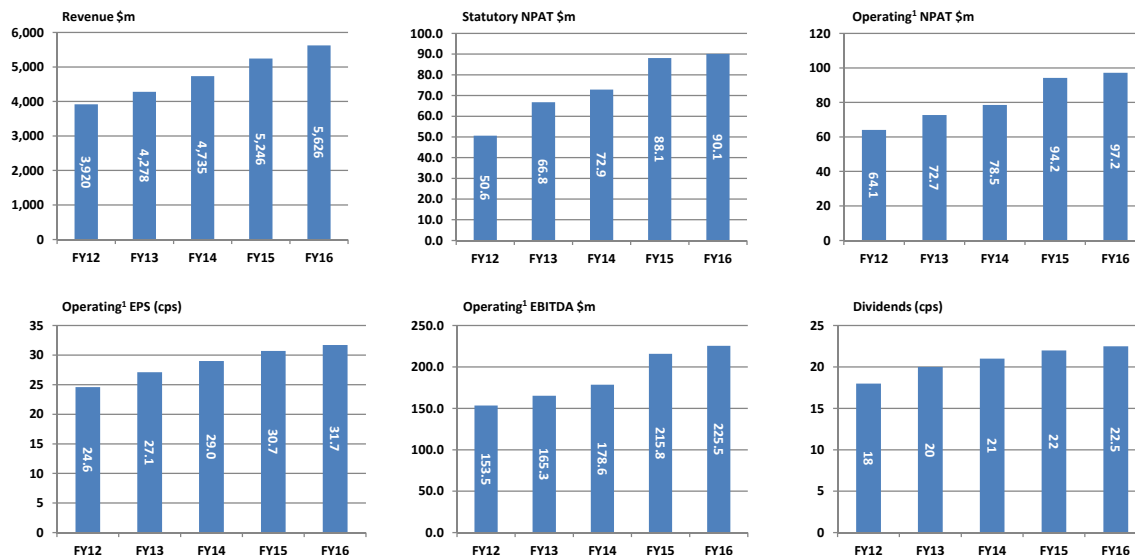
## FY2016 Highlights



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Operating<sup>1</sup> – excludes costs and fees in relation to integration and acquisition-related activities, profit/loss on sale of assets and operations, impairment of assets and benefits applicable to GST refunds

## History of sustained growth



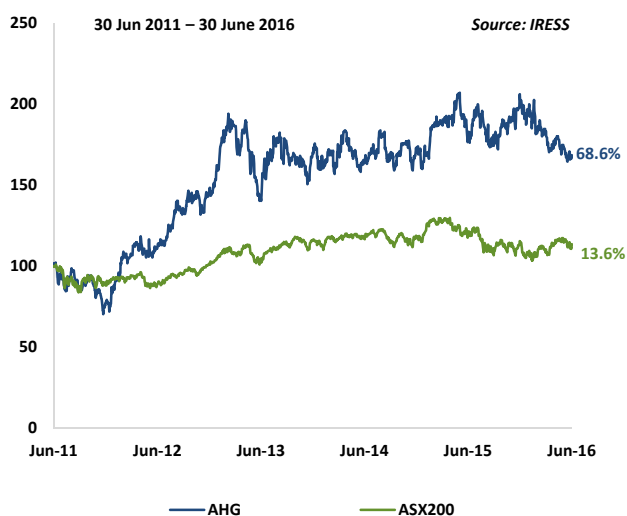
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Operating<sup>1</sup> – excludes costs and fees in relation to integration and acquisition-related activities, profit/loss on sale of assets and operations, impairment of assets and benefits applicable to GST refunds

## Shareholder returns



### Share Price Performance – Five years to June 30 2016



30 June 2016	AHG	ASX 200
Share price	\$3.76	5,233.38
1-Yr TSR*	(0.3%)	0.6%
3-Yr TSR*	38.4%	24.8%
5-Yr TSR*	127.3%	42.9%

\*Includes capital growth and reinvestment of dividends

### Market Snapshot (17 Nov 2016)

Ticker	ASX : AHG
Share Price (17 Nov 2016)	\$3.67
Shares on Issue	331,623,014
Market Capitalisation	\$1.22 billion

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## Outlook



- Capital raising well supported
- New vehicle sales outlook is strong
- AHG well placed to continue to grow its automotive business
- National expansion of our used car strategy
- ASIC reviews of F&I commissions being monitored but no likely material impact in FY2017
- Clear plan to improve performance and returns in Refrigerated Logistics



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## Employees



- Resource and responsibility
- Further improvements in Lost Time Injury Frequency Rate and Incident Rate
- Focus on development
- Strong levels of employee engagement and enablement
- High level of confidence in management



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## 2016 Annual General Meeting of Shareholders



# Bronte Howson

Managing Director



## Managing Director's Review



- Final AGM after 17 years as CEO/MD – much ground covered over that time
  - Driven by Automotive growth strategy – acquisitions and Greenfield
  - Logistics has played a significant role in the Group's success – especially during GFC
- RL revenue growth significant over past two years (Scott's/JAT)
  - Largest RL business in Australia
  - Transformation program will create significant shareholder value
- Major management restructure
  - Stephen Cleary, CEO Logistics
  - John McConnell, Group CEO
- FY2016 highlights and performance
- John McConnell to present Trading Update and Outlook

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## Operational highlights during FY2016



### Acquisitions

Mercedes-Benz dealerships in WA (Oct 2015)  
 Knox Mitsubishi in Melbourne (Mar 2016)  
 Sinclair Hyundai in Penrith, NSW (May 2016)

### Greenfield Developments

Aspley Nissan, Queensland – commenced temporary trading October 2015  
 Browns Plains Mazda, Queensland – commenced temporary trading June 2016

### Divestments

Covs (WA), Duncan Nissan (WA), and sale of properties to Charter Hall (NSW)

### National Used Car Strategy

Launch of expanded used car strategy - easyauto123 in WA

### Refrigerated Logistics

Transformation program - development of a revised operating model, organisational structure and continued roll out of new technology platforms

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## FY2016 Financial Performance



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Operating<sup>1</sup> – excludes costs and fees in relation to integration and acquisition-related activities, profit/loss on sale of assets and operations, impairment of assets and benefits applicable to GST refunds

## Segment contribution



### AUTOMOTIVE



REVENUE	UP 10.6%	\$4.72b
EBITDA <sup>1</sup>	UP 10.4%	\$177.9m
PBT <sup>1</sup>	UP 11.3%	\$135.7m

### REFRIGERATED LOGISTICS



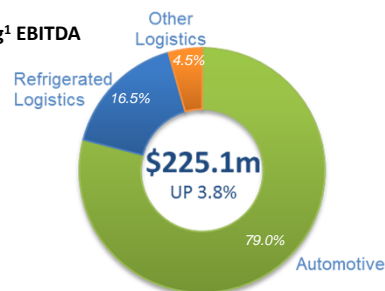
REVENUE	DOWN 4.7%	\$580.4m
EBITDA <sup>1</sup>	DOWN 17.9%	\$37.2m
PBT <sup>1</sup>	DOWN 59.6%	\$8.2m

### OTHER LOGISTICS



REVENUE	DOWN 12.2%	\$320.5m
EBITDA <sup>1</sup>	DOWN 5.2%	\$10.0m
PBT <sup>1</sup>	DOWN 7.5%	\$4.9m

### Operating<sup>1</sup> EBITDA



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Operating<sup>1</sup> – excludes costs and fees in relation to integration and acquisition-related activities, profit/loss on sale of assets and operations, impairment of assets and benefits applicable to GST refunds

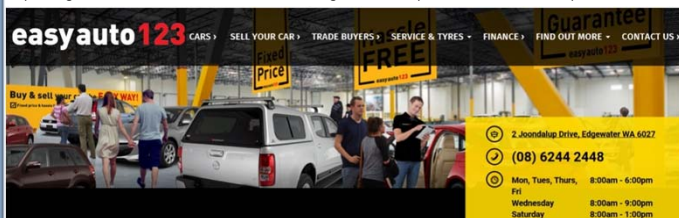
## Automotive

*Continued growth from acquisitions and expansion of used car business*



- Significant acquisition of **Mercedes Benz (WA) and Lance Dixon Jaguar Land Rover (Vic)** continues strategic move into luxury sector
- **City Mazda (Vic)** acquisition
- Successful opening of **easyauto123** in Joondalup WA – fixed price “no haggle” car warehouse
- **Record national new vehicles registrations** in CY2015 (1.16m) and forecast CY2016 (1.18m)
- Record performances from **Sydney, Newcastle and Auckland (NZ)**
- Strong performance in **used car operations and diversified scale and geography** helped mitigate weaker WA economy
- Strong growth in **Operating<sup>1</sup> EBITDA up 10.4%** on prior year

Operating<sup>1</sup> – excludes costs and fees in relation to integration and acquisition-related activities, profit/loss on sale of assets and operations, impairment of assets and benefits applicable to GST refunds



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## Refrigerated Logistics

*Transformation program targeting EBITDA improvement in FY2017*



Reorganise operations into a national RL business with a single network of RL assets	RESTRUCTURE OPERATIONS	<ul style="list-style-type: none"> <li>• New operating model and organisation structure</li> <li>• 4 distinct transport segments (Fresh, Chilled, Frozen and General)</li> <li>• Standalone warehouse division with separate P&amp;L</li> <li>• Single commercial structure aligned to customer needs and relationships</li> </ul>
	PRODUCTIVITY IMPROVEMENTS	<ul style="list-style-type: none"> <li>• Operational efficiencies and productivity savings</li> <li>• Improved standardisation and automation</li> <li>• Eliminate duplicate functions and unnecessary activities</li> <li>• Consolidation of facilities</li> </ul>
	REVENUE GROWTH	<ul style="list-style-type: none"> <li>• Management of national key account customers</li> <li>• Customer profitability analysis</li> </ul>
	TECHNOLOGY IMPROVEMENTS	<ul style="list-style-type: none"> <li>• Automation to substantially reduce manual inputs</li> <li>• New transport management system will enhance network planning capabilities and fleet utilisation</li> <li>• Warehouse solution enabling standardisation and operational savings</li> <li>• Improved customer profitability and business intelligence capabilities</li> </ul>

Restructuring underway with Refrigerated Logistics target to return to low double-digit EBITDA margins in FY2018. FY2017 run rate savings expected to be >\$20m.

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## Other Logistics

Operational Highlights



- Premium brands in Australian Road and Off-Road markets
- Significant product development and new models enhance customer loyalty
- Growth in market share with record unit sales
- FY2016 result impacted by FX weakness



- Divestment of Cova delivered regional truck and auto parts presence
- Mature business model with strong market position in WA
- Growth in national mining supplies, truck parts and industrial sales
- Potential national distribution opportunities



- Major five-year contract awarded to supply Coles home-delivery units
- Improvement performance in storage
- Strong engineering relationships with OEMs
- Focus on supplying trailer market demand with our core customers

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## Corporate responsibility

AHG supports **more than 300 charitable, community and sporting organisations** raising more than \$1m in FY2016 with the support of its business partners and suppliers...

Proud supporters of **Rocky Bay and Telethon** in WA

Major supporter of **Westmead Hospital Kids Rehab** unit and **Bear Cottage** in NSW

**Camp Quality** in NZ

Major supporters of Brisbane's **Hummingbird House**

Foundation partner and continuing supporter of **Perth Symphony Orchestra**



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# Bronte Howson

Managing Director

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# John McConnell

CEO and incoming Managing Director

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## Initial observations and focus



- Review of operations
- Meetings with shareholders
- Visited dealership teams, OEMs, business partners
- AHG has strong business partnerships and respected performance
- Engaged with Refrigerated Logistics transformation program
- Turnaround plans address structure, culture, processes and operational performance
- Driving shareholder value and strong focus on cash flow
- Restructure, rationalise and divest where necessary

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## Automotive



### Acquisitions

- ✓ Doncaster Jaguar Land Rover (Victoria)
- ✓ City Mazda (Victoria)
- ✓ Daimler Trucks Laverton (Victoria)
- ✓ Audi Newcastle (New South Wales)

### Landscape

- Highly fragmented and will present opportunities for growth
- Conscious of consumer behaviour and digital disruption
- Right track for growth trajectory



Mercedes-Benz



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## Refrigerated Logistics



### Transformation

- ✓ More work to be done
- ✓ Market-leading position
- ✓ Confident of significantly improved results

### Landscape

- Right plans for organic change
- Mindful of external interest
- Maximising shareholder value



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## Trading update FY2016 (YTD Oct 2016)



Operating <sup>1</sup> EBITDA - Unaudited	FY2016* Jul-Oct (\$m)	FY2017 Jul-Oct (\$m)	% change
<b>CONSOLIDATED GROUP</b>	<b>68.0</b>	<b>62.7</b>	<b>(7.8%)</b>
Automotive	48.8	52.9	8.4%
Refrigerated Logistics	15.3	7.4	(51.6%)
Other Logistics	2.7	3.2	18.5%
Property	1.3	(0.7)	(153.8%)
Depreciation and Amortisation	(14.5)	(15.6)	7.6%
Group Interest	(12.2)	(14.3)	17.2%
<b>Operating<sup>1</sup> NPAT attributable to shareholders</b>	<b>27.8</b>	<b>22.0</b>	<b>(20.8%)</b>

\* Reflects continuing operations so adjusted to exclude the divested Cova business

### CONSOLIDATED

- FY2016 included ~\$2m in gain on sale of properties

### AUTOMOTIVE

- Weak WA new car sales and lower margins in challenging market
- Depressed Heavy truck market
- Impact of new acquisitions

### REFRIGERATED LOGISTICS

- Revenue run rate in line with CY2016 but growing as we head into H2
- Transformation program successfully reducing costs but majority of impact is expected in H2

### OTHER LOGISTICS

- Stronger AUD/EUR FX rates assisting KTM performance

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Operating<sup>1</sup> Excludes costs and fees in relation to integration and acquisition-related activities, impairment of assets and benefits applicable to GST refunds and costs associated with the Refrigerated Logistics transformation program.



## ASIC Review of Finance and Insurance products



### FINANCE REVIEW

#### Issue

ASIC has an issue with “flex” mechanism used in commission payments

#### Status

AHG engaged with AADA and financiers to respond to ASIC

### INSURANCE REVIEW

#### Issue

ASIC has concerns over the pricing, policy design and distribution arrangements for “add-on” insurance products.

#### Status

AHG engaged with AADA and insurers to respond to ASIC and ACCC

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## Outlook



- Significant improvement in Refrigerated Logistics
- Automotive market growth to continue
- WA Auto to remain challenging short-term
- National roll-out of **easyauto123**
- Continued strategic investment in Automotive acquisitions and targeted Greenfield developments
- Actively manage the portfolio of assets to drive shareholder value



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## 2016 Annual General Meeting of Shareholders



### Formal Business



## Consideration of Reports

**Formal Business**

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**Questions**

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**Formal Business**

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**Items for Approval**

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### Resolution 1.1: Re-election of Mr David Griffiths



That Mr David Griffiths be re-elected as a Director of the Company.

	#	%
FOR	187,275,078	90.50
OPEN	1,192,875	0.58
AGAINST	18,459,946	8.92
ABSTAIN	15,507,244	N/A

33

### Resolution 1.2: Election of Ms Jane McKellar



That Ms Jane McKellar be elected as a director of the Company.

	#	%
FOR	203,932,741	98.56
OPEN	1,241,810	0.60
AGAINST	1,746,554	0.84
ABSTAIN	15,514,038	N/A

34

## Resolution 2: Approval of Amended Performance Rights Plan



That any securities issued under the amended AHG Performance Rights Plan be issued as an exception to ASX Listing Rule 7.2, Exception 9, and for all other purposes, on the terms which are described in the Explanatory Notes that accompany this Notice, during the three years following the date of this Meeting.

	#	%
FOR	201,759,999	98.61
OPEN	1,245,784	0.61
AGAINST	1,600,568	0.78
ABSTAIN	16,217,627	N/A

35

Please note that voting exclusions apply to this Resolution. Details of the voting exclusions applicable to this Resolution are set out in the Notice of Meeting.

## Resolution 3: Grant of Performance Rights to Mr Bronte Howson



That, for the purpose of ASX Listing Rule 10.14, sections 200B and 200E of the Corporations Act 2001 (Cth) and for all other purposes, approval is given for the grant of up to 65,878 performance rights by the Company to Mr Bronte Howson, and either the issue or transfer of ordinary shares in the Company to Mr Howson upon the vesting and exercise of those performance rights, under and in accordance with the AHG Performance Rights Plan, as amended, and on the terms and conditions set out in the Explanatory Notes that accompany this Notice.

	#	%
FOR	197,053,791	96.22
OPEN	1,222,873	0.60
AGAINST	6,525,953	3.19
ABSTAIN	16,195,659	N/A

36

Please note that voting exclusions apply to this Resolution. Details of the voting exclusions applicable to this Resolution are set out in the Notice of Meeting.

#### Resolution 4: Approval of Mr Bronte Howson's termination package



That for the purposes of sections 200B and 200E of the Corporations Act 2001 (Cth) and for all other purposes, approval is given for the Company to give benefits to Mr Bronte Howson in connection with Mr Howson's cessation of employment with the Company, as described in the Explanatory Notes that accompany this Notice.

	#	%
FOR	131,408,663	64.53
OPEN	1,222,073	0.60
AGAINST	71,018,987	34.87
ABSTAIN	17,348,553	N/A

37

Please note that voting exclusions apply to this Resolution. Details of the voting exclusions applicable to this Resolution are set out in the Notice of Meeting.

#### Resolution 5: Grant of Performance Rights to the new CEO



That, for the purpose of ASX Listing Rule 10.14 and for all other purposes, approval be given for the grant of up to 207,684 performance rights to the new Chief Executive Officer, Mr John McConnell, in relation to the FY2017 grant under the AHG Performance Rights Plan, as amended, and either the issue or transfer of ordinary shares in the Company to Mr McConnell upon vesting and exercise of those performance rights, on the terms and conditions set out in the Explanatory Notes that accompany this Notice.

	#	%
FOR	201,894,340	98.62
OPEN	1,224,480	0.60
AGAINST	1,605,891	0.78
ABSTAIN	16,273,565	N/A

38

Please note that voting exclusions apply to this Resolution. Details of the voting exclusions applicable to this Resolution are set out in the Notice of Meeting.

### Resolution 6: Approval for increase to NED Remuneration Cap



That, for the purposes of rules 38.2 and 42.1 of the Company's constitution, ASX Listing Rule 10.17 and for all other purposes, the maximum annual aggregate amount of remuneration that non-executive Directors of the Company are entitled to be paid for their services as Directors out of the funds of the Company, in respect of each financial year of the Company commencing on or after 1 July 2016, be increased by \$200,000 from \$900,000 to \$1,100,000.

	#	%
FOR	200,549,592	98.01
OPEN	1,141,334	0.56
AGAINST	2,920,264	1.43
ABSTAIN	16,212,788	N/A

39

Please note that voting exclusions apply to this Resolution. Details of the voting exclusions applicable to this Resolution are set out in the Notice of Meeting.

### Resolution 7: Approval of prior issue of Placement Shares



That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, approval of the issue by the Company of 19,911,505 fully paid ordinary shares in the Company to institutional, sophisticated and professional investors, as detailed in the Explanatory Notes that accompany this Notice.

	#	%
FOR	177,370,561	98.19
OPEN	1,176,916	0.65
AGAINST	2,085,161	1.15
ABSTAIN	41,802,505	N/A

40

Please note that voting exclusions apply to this Resolution. Details of the voting exclusions applicable to this Resolution are set out in the Notice of Meeting.

## Resolution 8: Adoption of the Remuneration Report



That the remuneration report, which forms part of the Directors' report for the financial year ended 30 June 2016, be adopted.

	#	%
FOR	173,096,559	85.38
OPEN	1,288,870	0.64
AGAINST	28,357,015	13.99
ABSTAIN	18,081,160	N/A

41

Please note that voting exclusions apply to this Resolution. Details of the voting exclusions applicable to this Resolution are set out in the Notice of Meeting.



## Poll Process – Link Market Services

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## Close of Meeting

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**2016 Annual General Meeting of Shareholders**

