

A.P. Eagers

2013 First Half Results

September 2013

Monday, September 02, 2013

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2013 Half Year Highlights

- Record statutory EPS up 12%
- Record statutory NPAT of \$31.4m up 23%
- Record Full Franked interim dividend of 8.0 cents up 14%
- Internal improvements in Parts & Service offset weaker vehicle margins
- Increased returns being achieved from Adtrans acquisition (late 2010)
- Strategic investment in AHG, cost \$147m, Market Value \$200m (30/08/13) plus after tax dividends to June 2013 of \$8.7m
- Strong balance sheet with stable debt and gearing levels.

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Status of Industry New Vehicle Sales YTD July 2013

- July YTD up 4.6%
- Private sales July YTD up 9.9%
- Heavy commercial July YTD up 5.0%
- Diesel sales up, Hybrid and LPG down
- Vehicle sales from China 4854 July YTD down 36%

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Status of Automotive Retail Industry YTD August 2013

- Strong sales but at a cost
- Retail Industry going through cyclical changes (Normal)
- Franchise structure ie Dealer/Manufacturer Partnership always adjusts to the market place – however never instantly.
- An increased number of dealerships are for sale

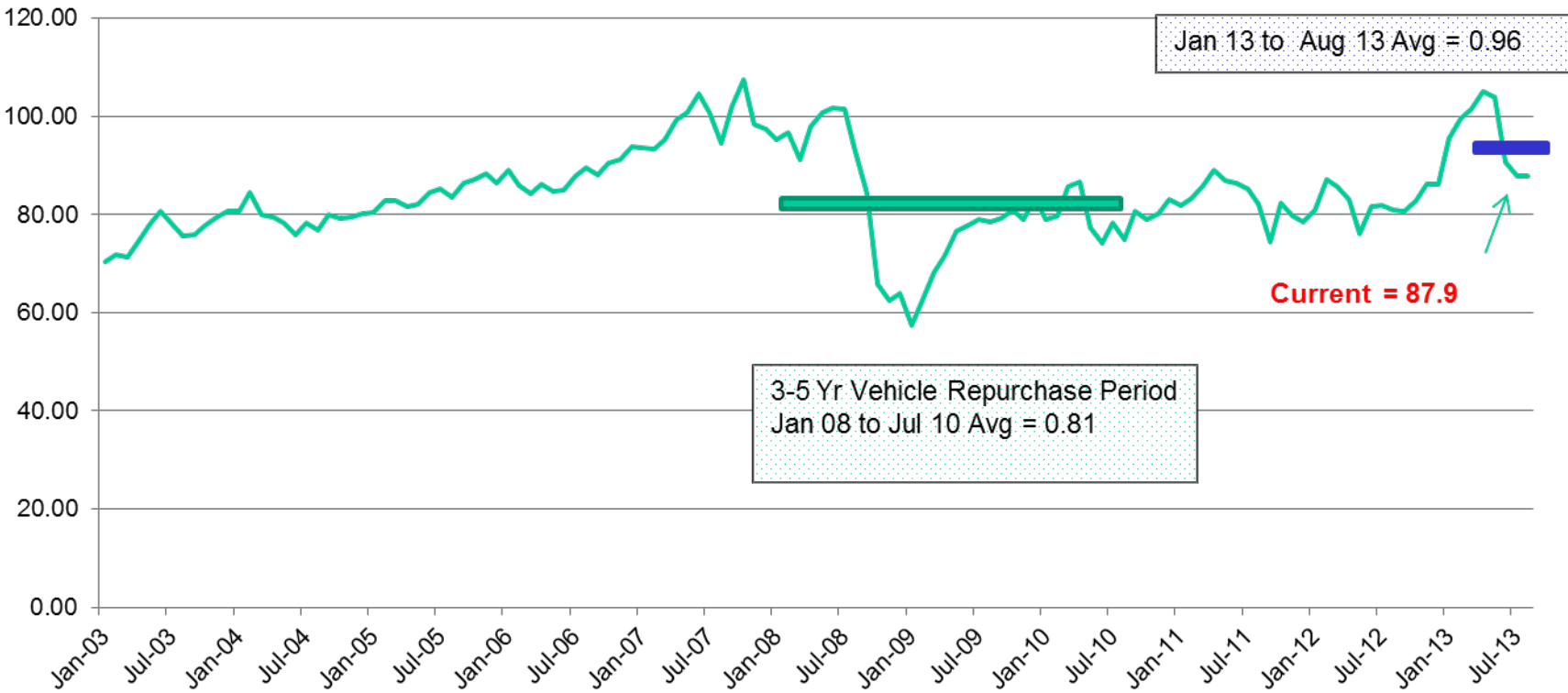
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Yen relativity for Consumers

AUD/JPY Monthly



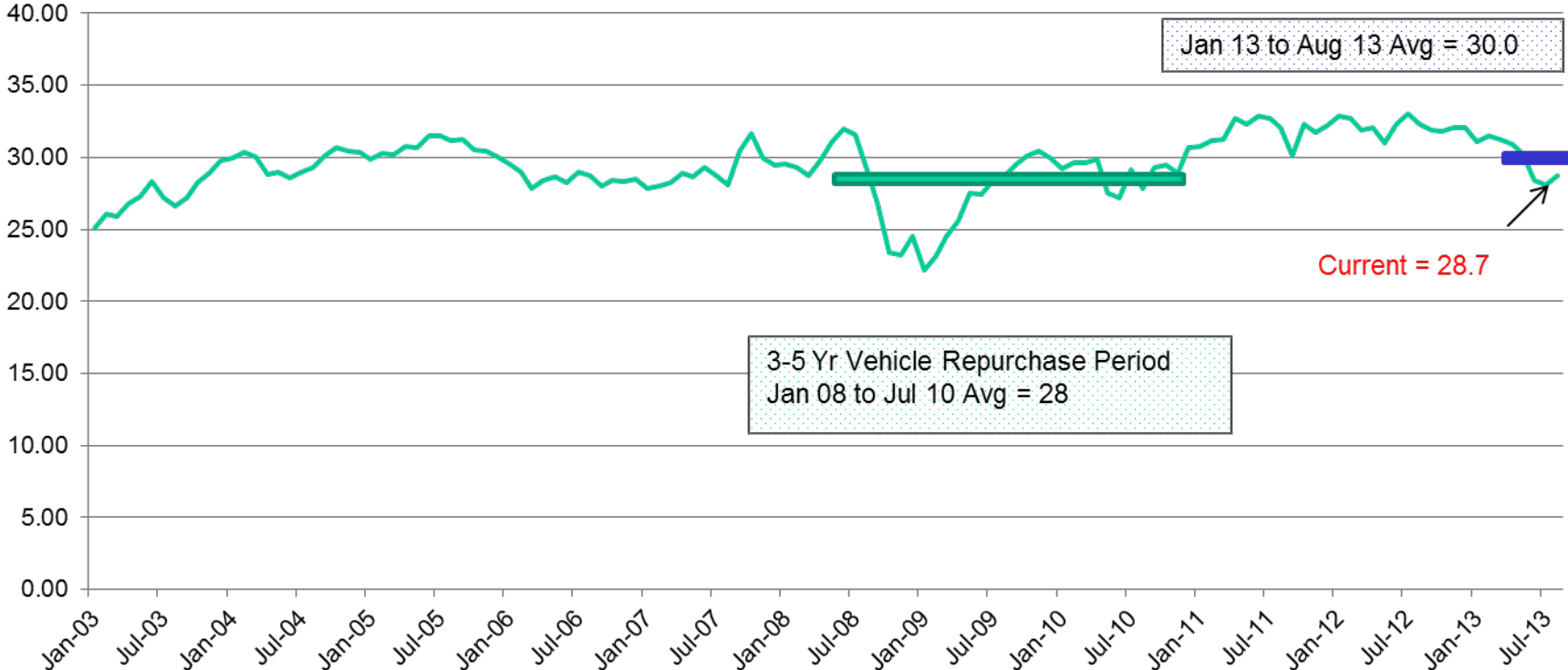
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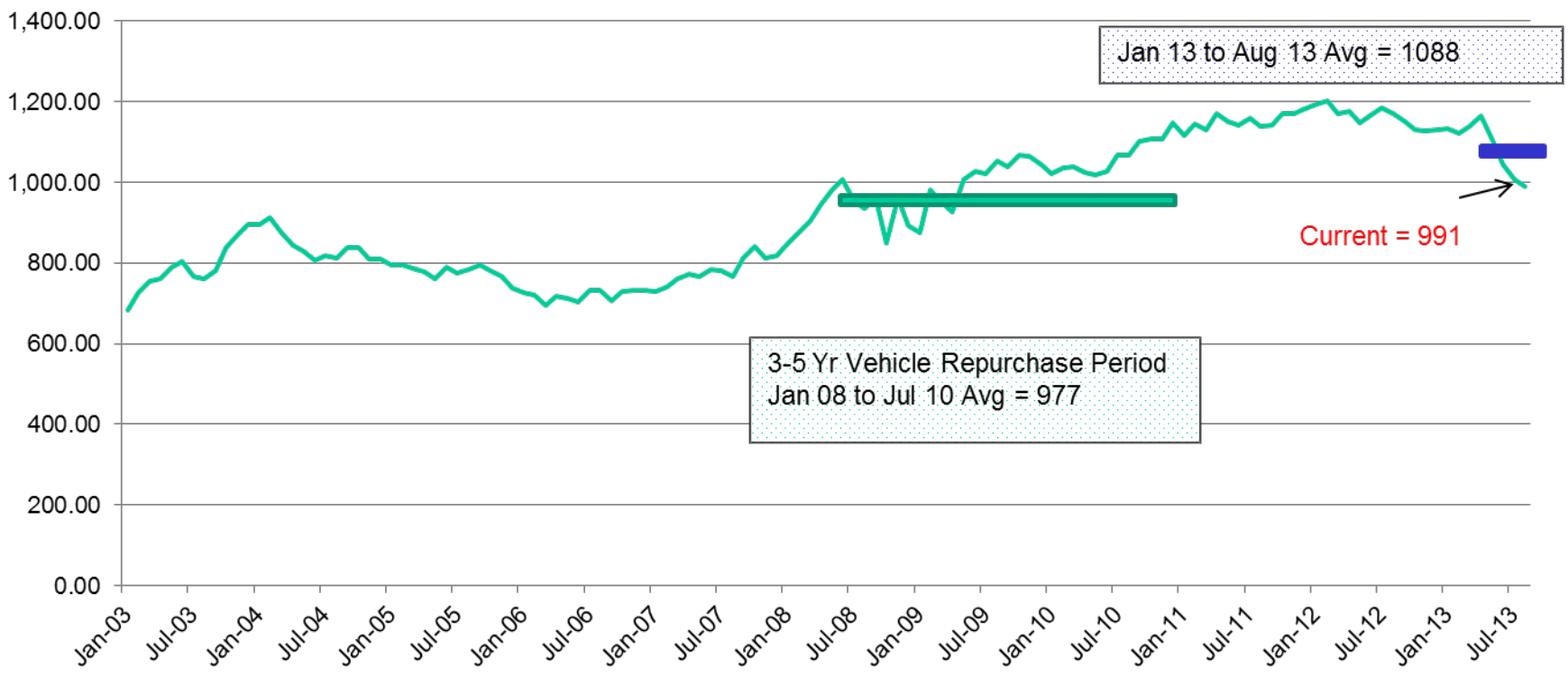
Thai Baht relativity for Consumers

AUD/THB Monthly



Korean Won relativity for Consumers

AUD/KRW Monthly



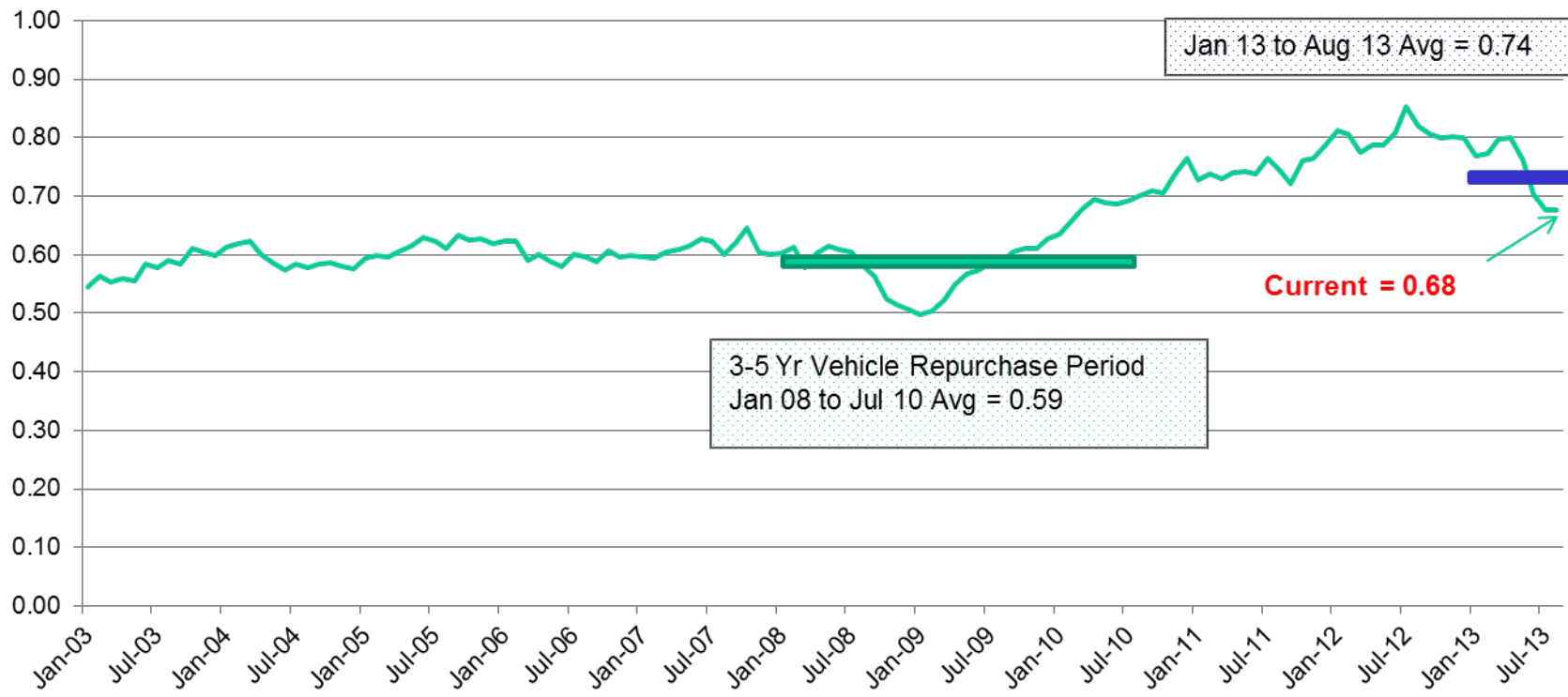
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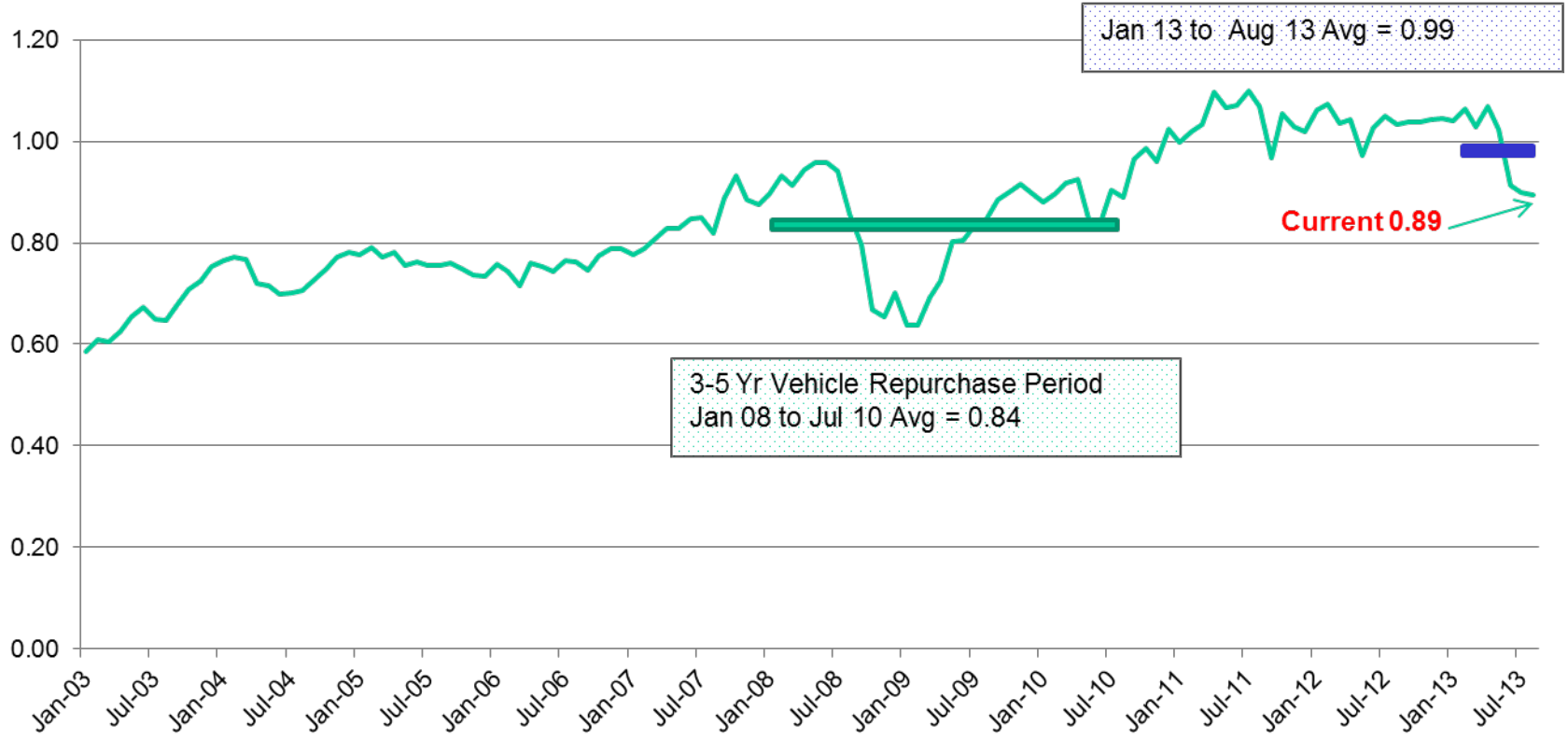
Euro relativity for Consumers

AUD/EUR Monthly



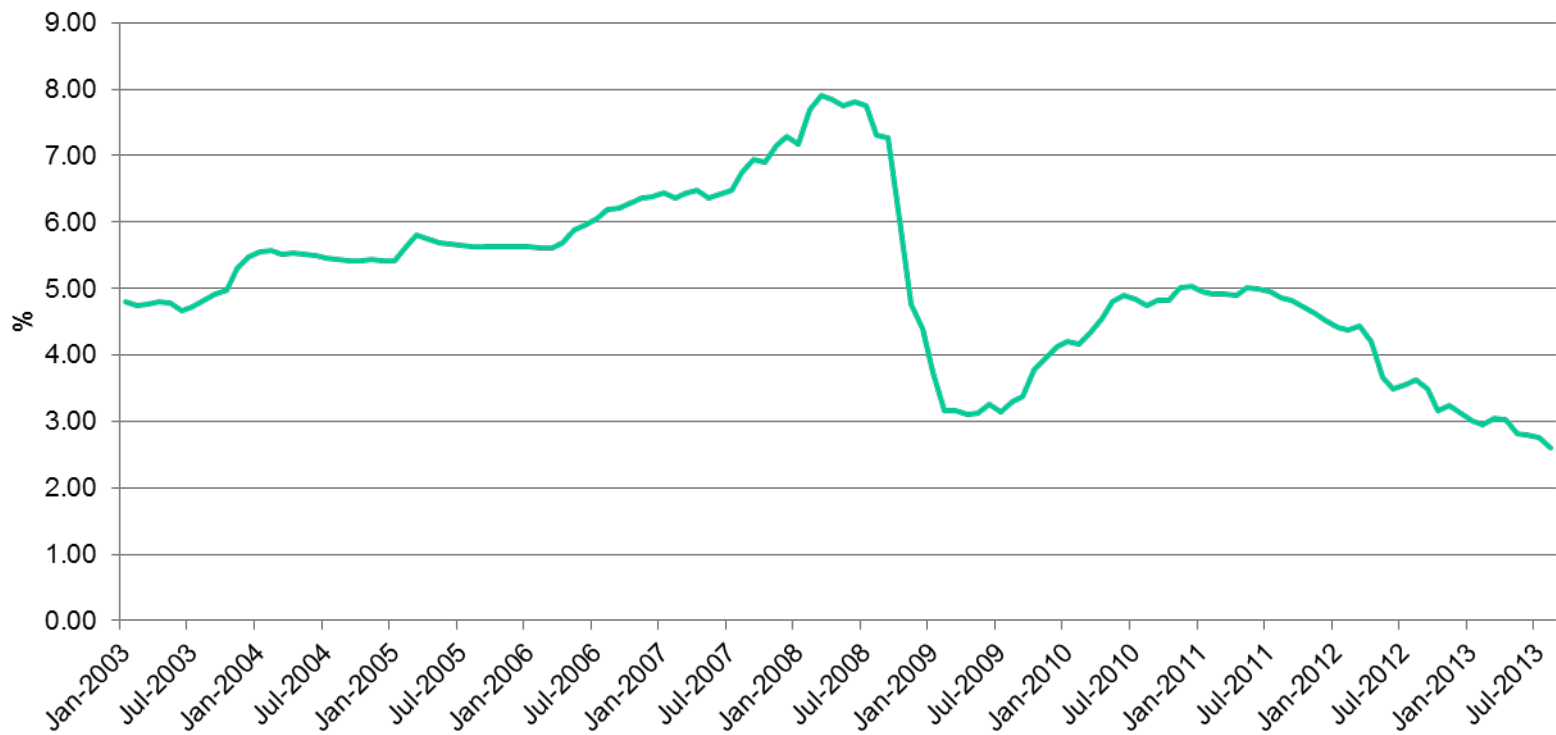
Reducing disadvantage for Australian sourcing/exports.

AUD/USD Monthly



Interest Rate Trend

90 Day Bank Bill Rate



2013 Half Year Highlights - Financial

- Record statutory EPS up 12%.
- Record statutory NPAT of \$31.4 million up 23%.
- Fully franked interim dividend of 8.0 cents.
- EBITDA of \$60.6 million up 11%.
- NPBT increased by 13% to \$42.0 million.
- Cash flow from operations of \$57.7 million.
- Cash assets of \$69.3 million as at June 30, 2013.
- Stable debt and gearing levels.

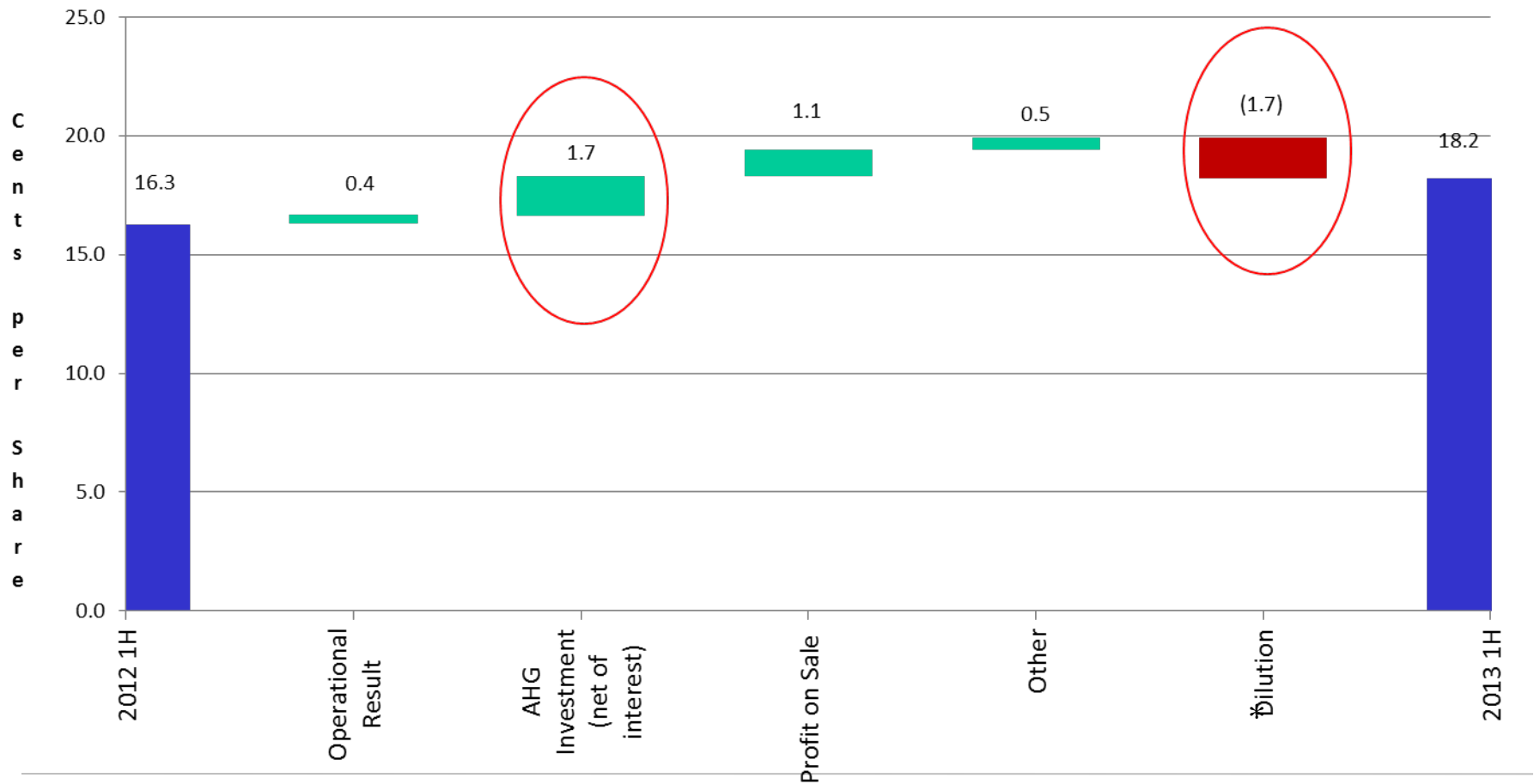
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Earnings Per Share

EPS Underlying 1H 2013 Bridge



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* Dilution mostly related to AHG investment

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Financial Summary

\$ Million	1H 2013	1H 2012	Change
Revenue	1,349.4	1,297.8	Up 4%
EBITDA	60.6	54.9	Up 11%
EBIT	54.3	49.3	Up 10%
PBT	42.0	37.2	Up 13%
PAT	31.4	25.6	Up 23%
Cash from operating activities	57.7	32.3	Up 79%
NTA/share	2.15	1.74	Up 24%
Net gearing excluding bailment debt	27.6%	28.6%	Down 3%

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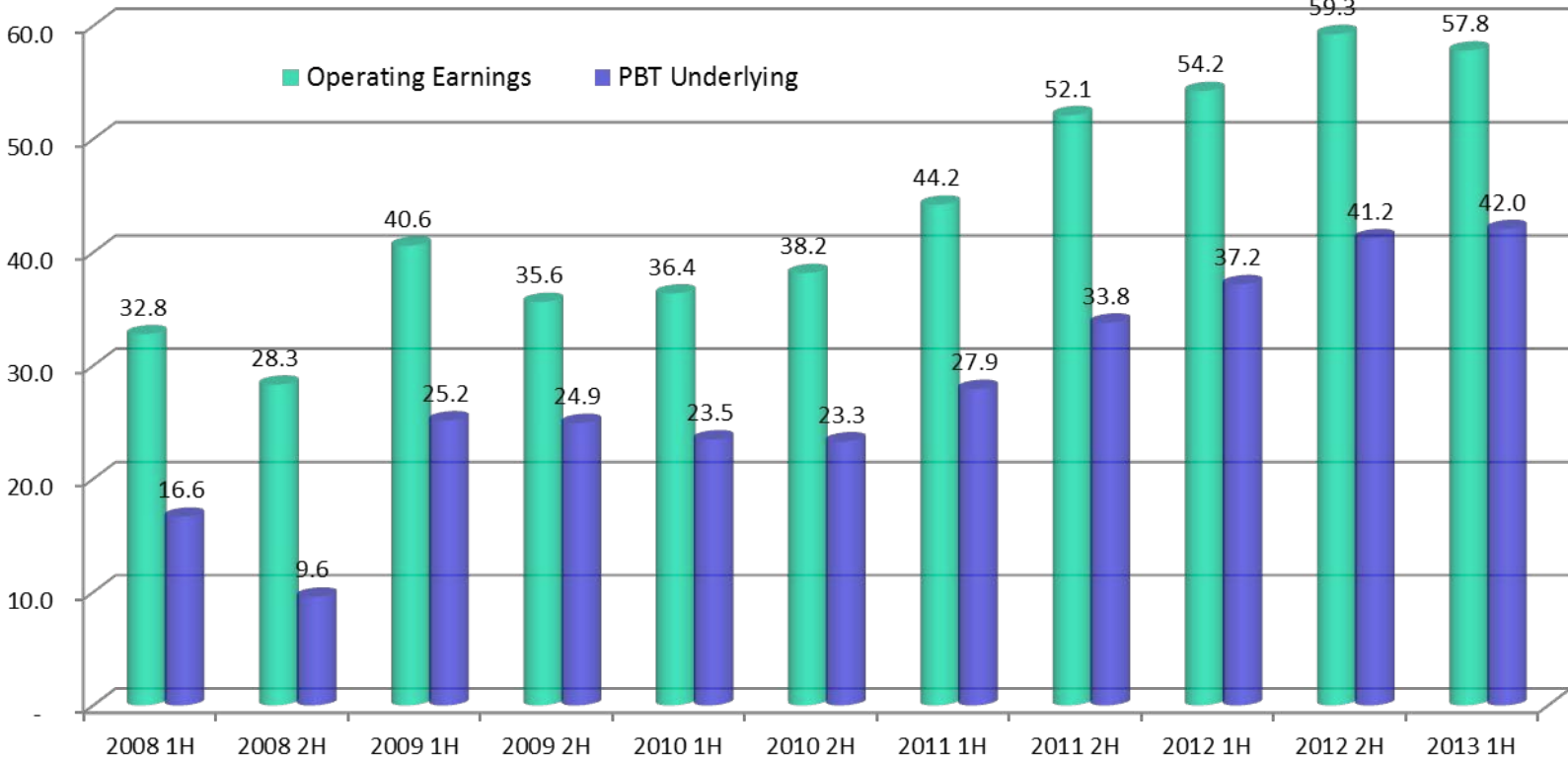


Balance Sheet - Summary

- New vehicle inventory and receivables funded by bailment debt.
- Parts and most used vehicle inventory is balance sheet funded.
- Available for sale investments of \$162.6 million.
- Substantial property portfolio underwrites the company's financial position.

	30/06/13 \$m
CA-CL (excl. held for sale)	87.7
Freehold Property (incl. held for sale)	326.6
Other Non Current Tangible Assets	203.1
Intangible Assets	117.6
Non Current Debt	(211.1)
Other N/C Liabilities (Deferred tax, and provisions)	(27.3)
Net Assets	496.6

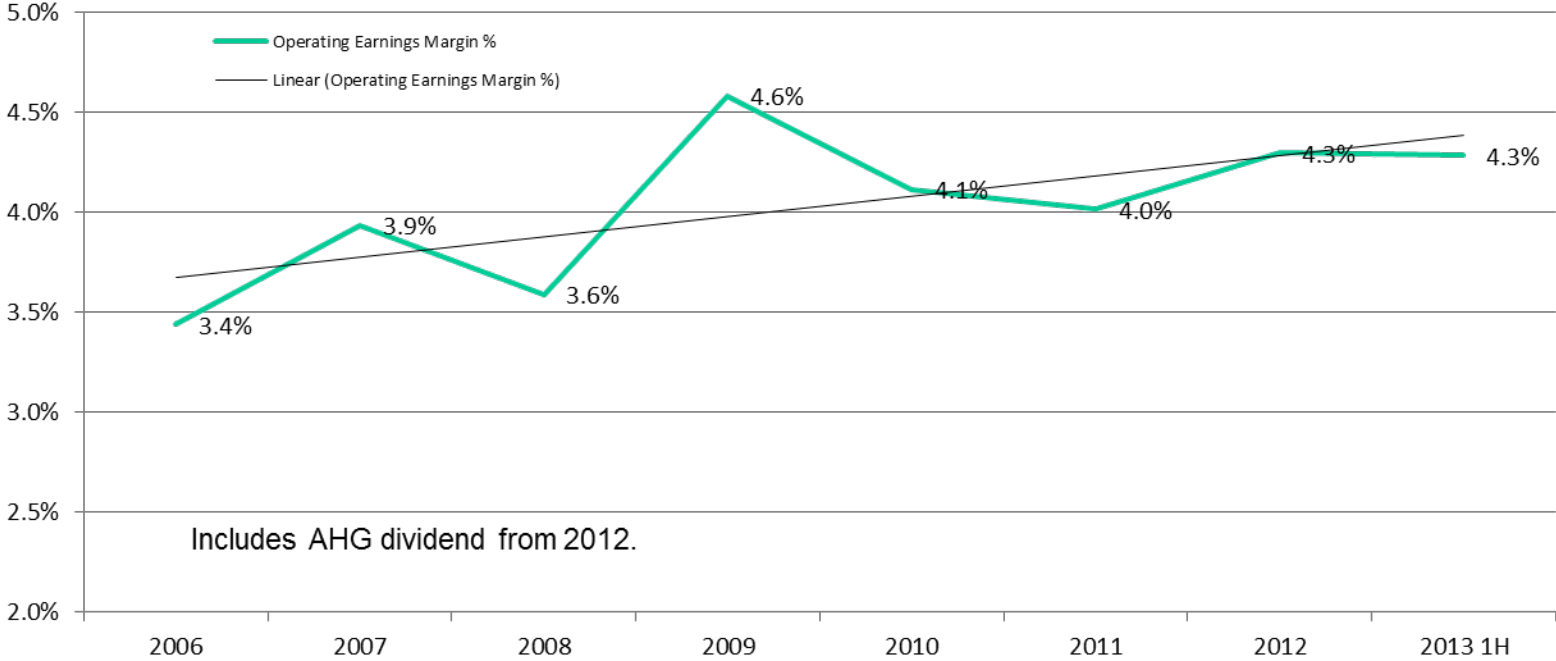
Financial Trends



Operating Earnings is EBITDA and Impairment excluding profit/loss on sale of assets and from associates. It includes AHG dividend.

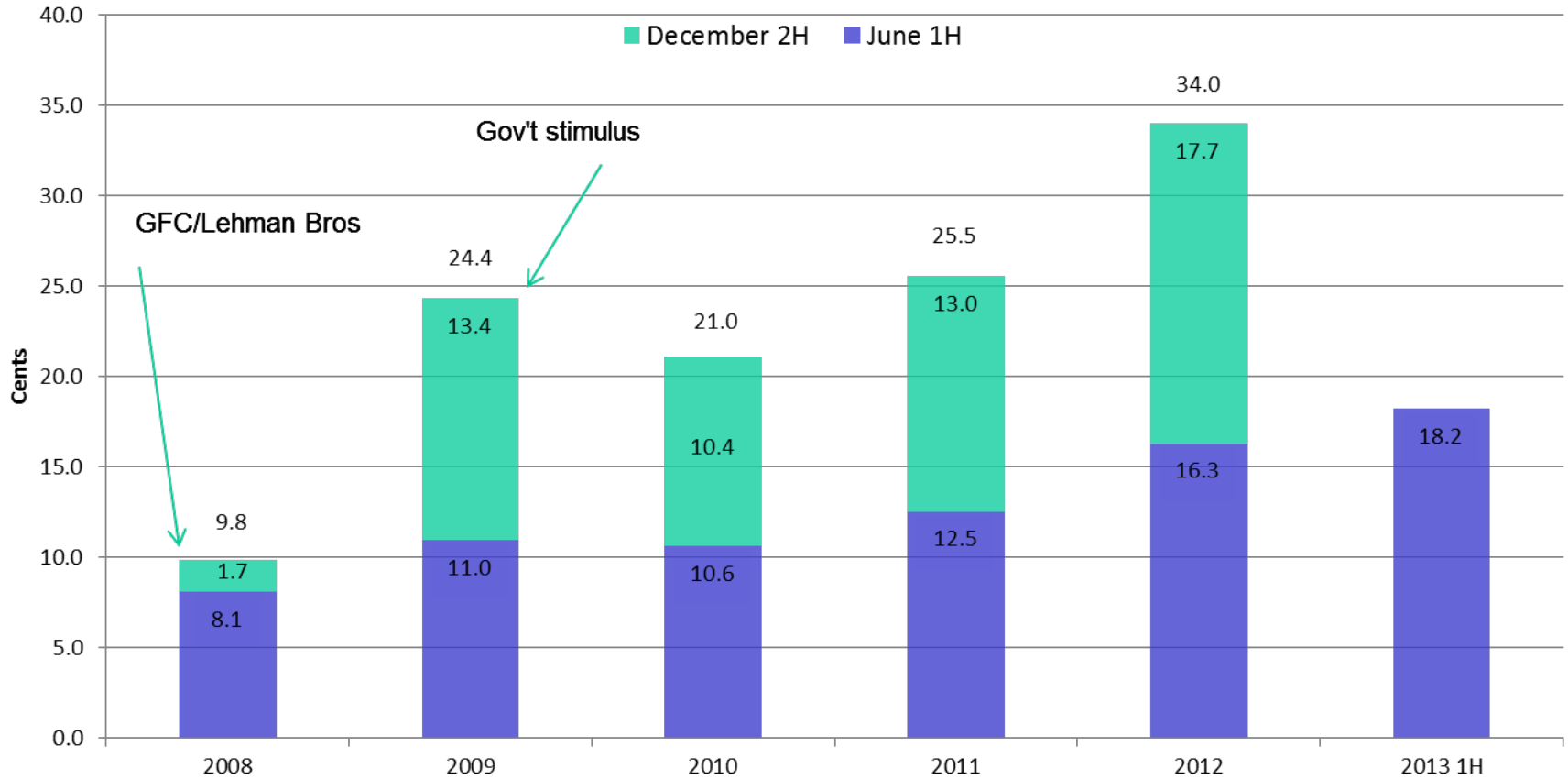
Financial Trends

Operating Margin



Financial Trends

EPS Statutory (Basic)



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Financial Trends

Dividend

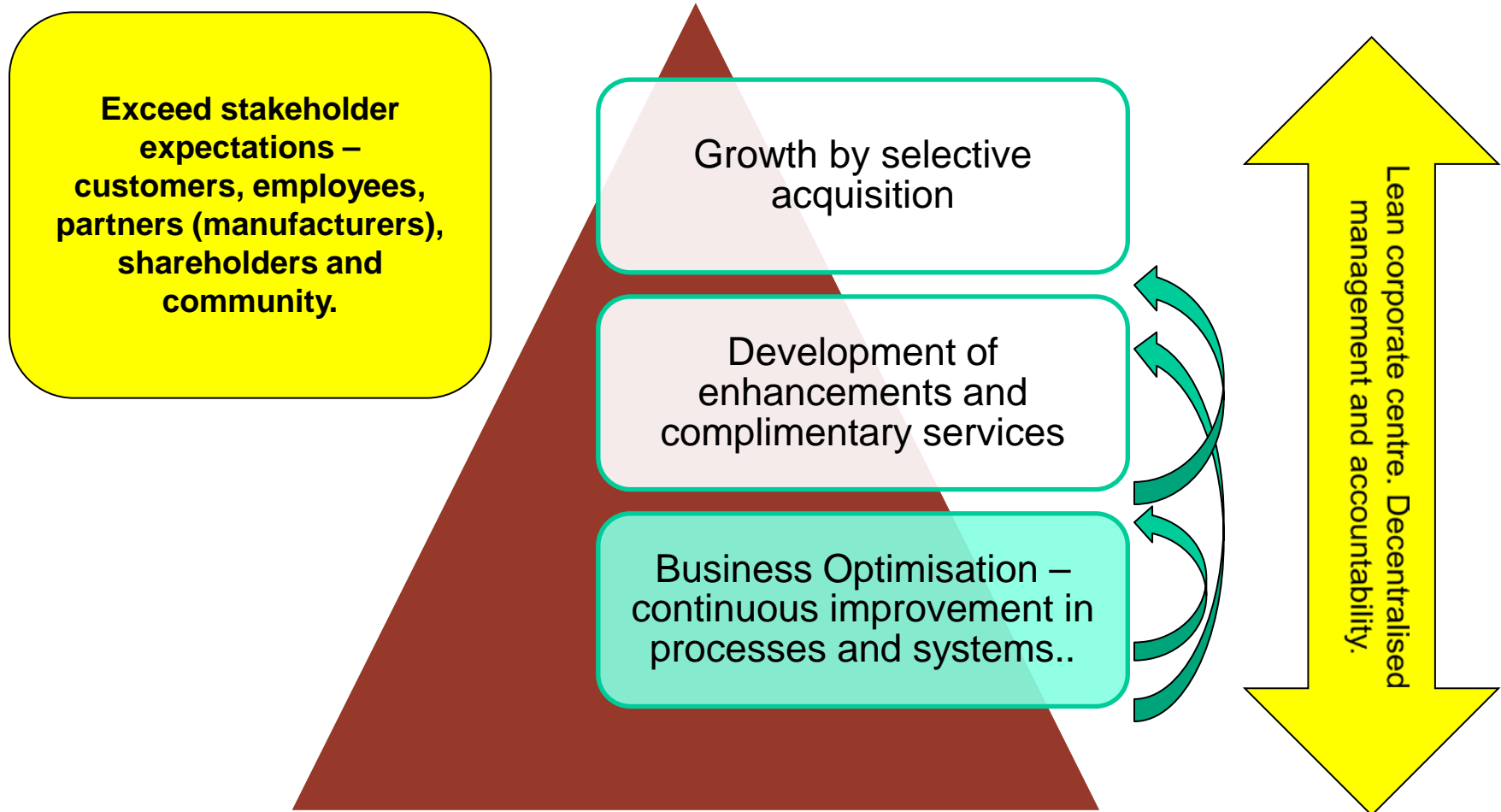


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Strategy (FOCUS: GROW EPS & PAY LARGER DIVIDENDS)



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Strategy (FOCUS: GROW EPS & PAY LARGER DIVIDENDS)

- Business Optimisation – Short Term
- Internal Improvements in Parts and Service offset weaker new vehicle margins.
- Pruning, Hidden Valley Ford divested.
- Jaguar Land Rover added to Brookvale cluster (May 2013).
- VW being added to new Honda, Hyundai, Ford, and Nissan cluster at Cardiff (March 2014).

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Jaguar Land Rover Brookvale



AMENDMENTS		
#	Date	Description
<p>Christine J. Avramidis R. Design (Consulting) 222 BENTLEY ST AT SPITAL SQUARE, MUSGRAVE STATION NSW 2100 Mobile: 0883 497 046 Email: christine@rdesign.com.au</p> <p>This drawing is protected under the Copyright Act 1968 and is the copyright of Christine J. Avramidis. No part hereof, wholly or in part, may be copied, reproduced, stored in a retrieval system, or transmitted in any form or by any means, without the prior written permission of Christine J. Avramidis.</p> <p>Do not make this drawing, use, spread, disseminate or copy. Confine all disclosures and uses in this project to the contract and if any work, preparation of drawings or reproduction of documents.</p>		
<p>client BILLBUCKLE AUTO</p> <p>project SIGNAGE CONCEPT SKETCH OF CONVERSION AT 790 PITTWATER ROAD, BROOKVALE NSW 2100</p> <p>drawing title 3D IMAGE</p> <p>date 3/05/12</p> <p>page size A3</p> <p>project number 12MD05</p>		
drawing number	sheet	
SK01	A	

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Proposed Cardiff Cluster NSW



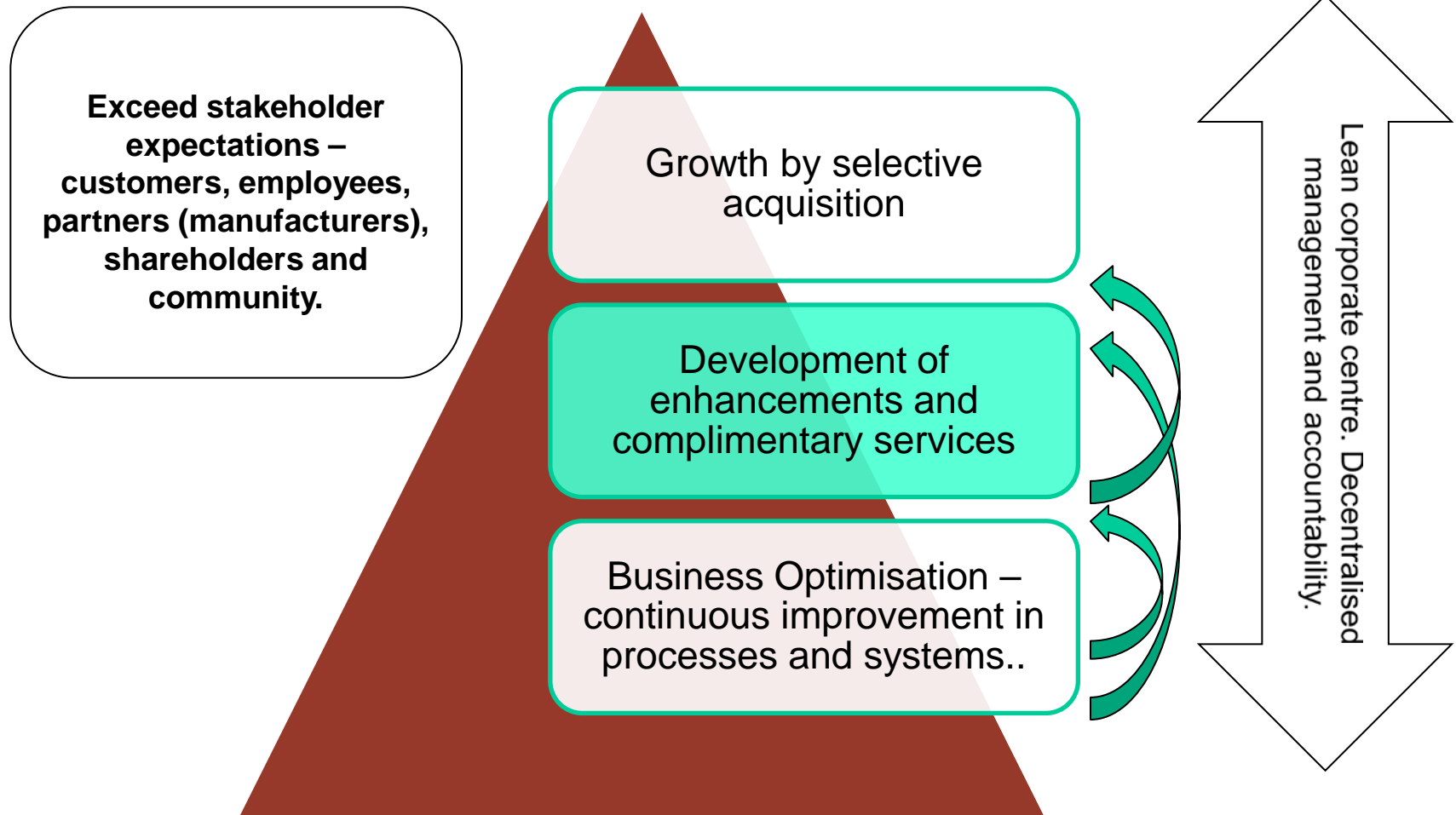
<p>This drawing is protected under the Copyright Act 1968 and is the copyright of Michael Z Avramidis. Do not reproduce, modify or transmit this drawing without the permission of Michael Z Avramidis.</p> <p>Do not scale this drawing. Use figured dimensions only. Confirm all dimensions and levels on site prior to commencement of any work, preparation of shop drawings or fabrication of components.</p>	<p>Christine J. Avramidis S. Design (Consulting) 3D ARCHITECT 41 Clapham Avenue, Vaucluse SYDNEY NSW 2030 Mobile: 0629 487 086 Email: inspire@msuedesign.com</p>	<p>Michael Z. Avramidis B. Arch R.A.I.A. Mem No 443 ARCHITECT Reg No 2652 41 Clapham Avenue, Vaucluse SYDNEY NSW 2030 Telephone: 02 9337 2250 Facsimile: 02 9338 7496 Mobile: 0418 254 342 Email: mzarvemi@bigpond.net.au</p>	<p>client ASSOCIATED FINANCE 34 MORGAN STREET FORTITUDE VALLEY QLD 4006 AUSTRALIA</p>	<p>project PROPOSED VEHICLE FACILITY LOT 12 DP559007 2 STURT ROAD CARDIFF NSW 2285</p> <p>date 6/09/11</p> <p>drawing title Perspective 3</p>	<p>drawing number DA07</p> <p>issue A</p>
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Strategy (FOCUS: GROW EPS & PAY LARGER DIVIDENDS)



Strategy (FOCUS: GROW EPS & PAY LARGER DIVIDENDS)

- Development of Enhancement & Complimentary Services – Medium / Long Term
- MTAI Insurance (25yrs old, APE 21%)
- www.carsguide.com.au (21mths old, APE 7.5%)
- www.carzoos.com.au (17mths old APE 100%)



Used car buying you can't get wrong.



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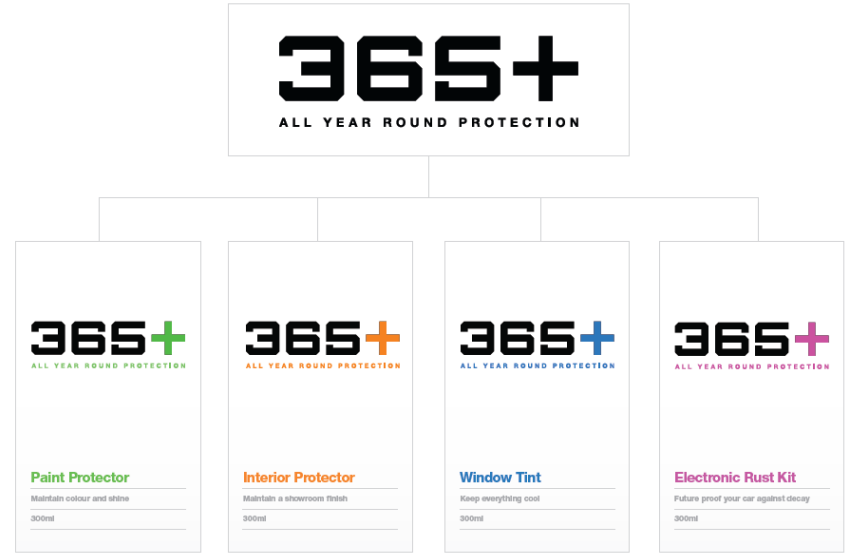


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- www.carzoos.com.au (17mths old APE 100%)
- Precision Automotive Technology Pty Ltd (Launch 1/10/13)

PAT

PRECISION AUTOMOTIVE TECHNOLOGY

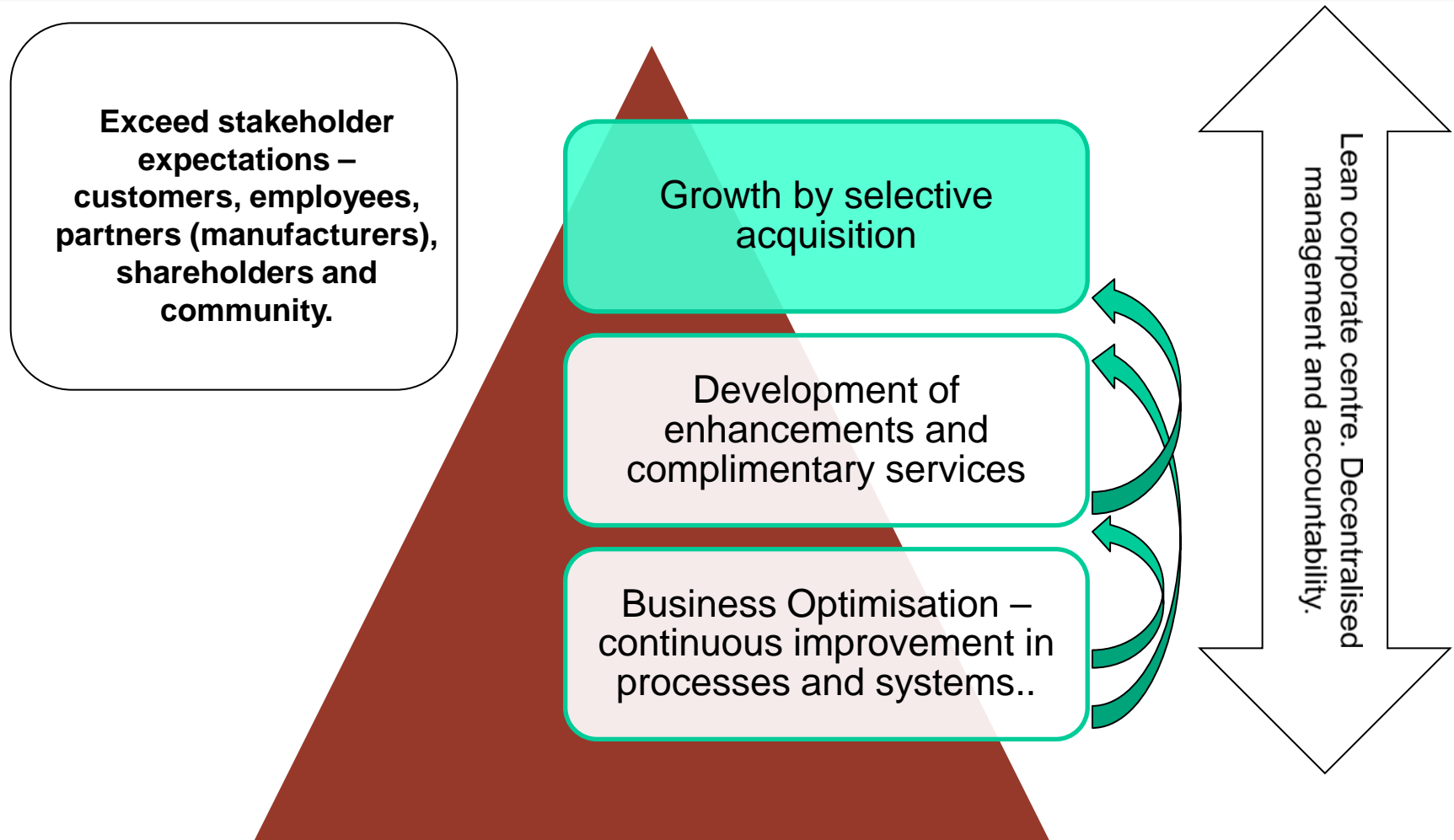


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Strategy (FOCUS: GROW EPS & PAY LARGER DIVIDENDS)



Main North Nissan & Renault and Unley Nissan & Renault (Adelaide)



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The Next 12 Months

- Post election confidence is expected to offset pre-election and FBT uncertainty in July/August
- Consistent strategy – further business optimisation particularly after implementation of Precision Automotive Technology strategy.
- Consistent strategy – currently reviewing some quality acquisition opportunities.

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A.P. Eagers

COMPANY PROFILE

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AP Eagers Today

- **100** year old automotive retail group founded in **1913**
- **55** years as a listed public company – dividend paid every year
- A.P. Eagers owns more than **70** acres of prime real estate with land and buildings of **\$327m (June 2013)**
- Represents all **12** of the top **12** selling vehicle brands in Australia and **27** car brands in total along with **10** truck / bus brands
- **98** dealership locations in QLD, NT, NSW, VIC and SA
- **3,100** employees

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AP Eagers Investments

- 20.7% ownership of MTAI Insurance Company (Since 1985)
- 7.5% ownership of www.carsguide.com.au (Nov 2011)
- 19.5% ownership of Automotive Holdings Group (July 2012)

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AP Eagers Volume Car Brands

Represents 12 of the top 12 selling volume car brands in Australia



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AP Eagers Luxury Car Brands

Represents 8 of the top 9 selling luxury car brands in Australia



AP Eagers Truck and Bus Brands

Representing 10 truck and bus brands



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Revenue by State / % of group Revenue (2012)

