



**AUTOMOTIVE HOLDINGS GROUP**

**Automotive Holdings Group Limited**  
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ABN 35 111 470 038

**PRESENTATION TO MACQUARIE CONFERENCE**

7<sup>th</sup> May 2015

The company advises the attached presentation is being delivered at the Macquarie Australia Conference in Sydney today.

ENDS

**About AHG** Automotive Holdings Group Limited (ASX: AHE) 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.

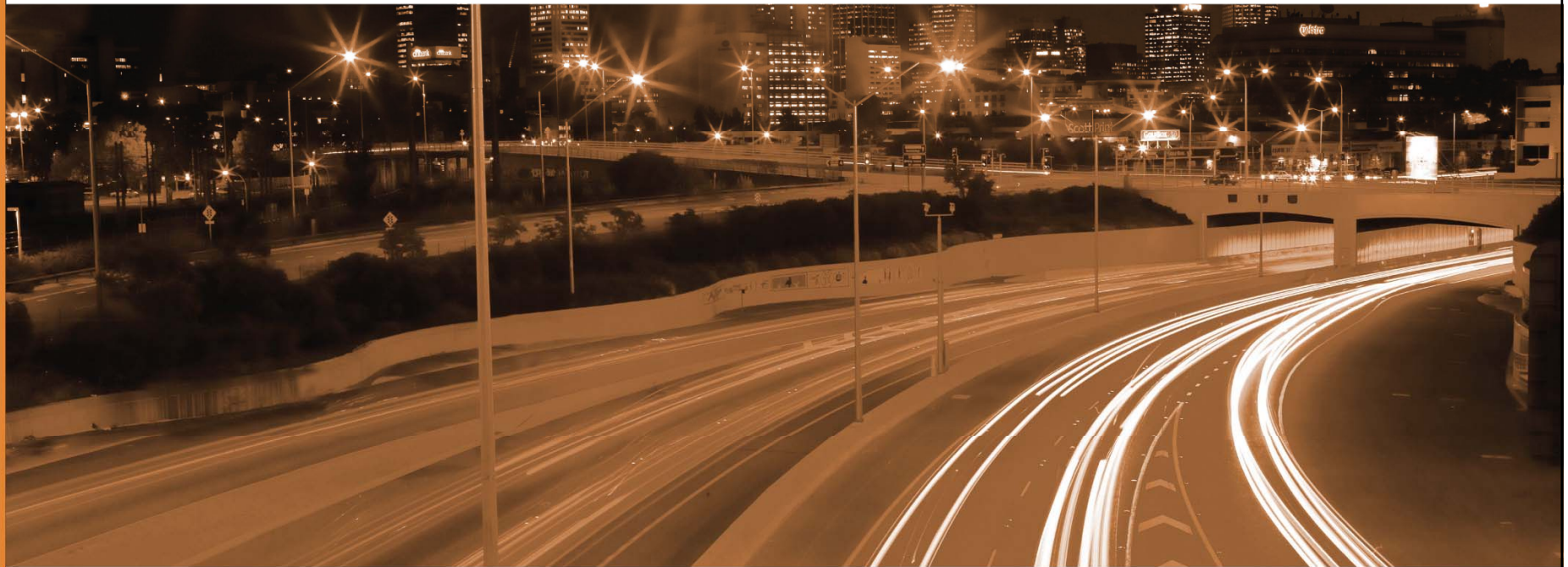
AHG's logistics businesses operate throughout Australia via subsidiaries Rand Transport, Harris Refrigerated Transport, Scott's Refrigerated Freightways and JAT Refrigerated Road Services (transport and cold storage), AMCAP and Cova (motor parts and industrial supplies distribution), VSE (vehicle storage and engineering), Genuine Truck Bodies (body building services to the truck industry), WMC (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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# Macquarie Australia Conference

7 May 2015



## Company Overview



AUTOMOTIVE HOLDINGS GROUP



Australia's largest automotive retailer – established 1952



Australia's largest provider of refrigerated transport and cold storage



Mature auto parts businesses



Established importer and distributor of KTM and Husqvarna motorcycles



FY14 Group revenue \$4.7-billion



7,500 employees across Australia and New Zealand



Experienced, stable management

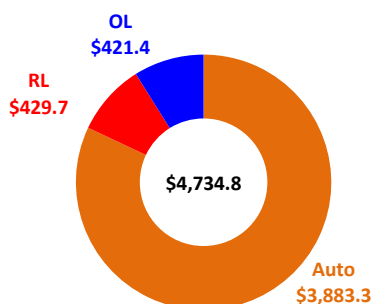


## Diversification and Cross-Business Opportunity



### Automotive

- ✓ Car, truck and bus franchises with multiple revenue streams:
- ✓ New vehicles
- ✓ Used Vehicles
- ✓ Finance and Insurance
- ✓ Service
- ✓ Parts and accessories



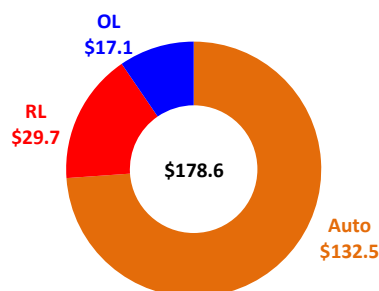
FY2014 Revenue \$'000

### Logistics

Significant fleet sales and service opportunities to AHG business units and their clients

### Refrigerated

- ✓ National mainland footprint
- ✓ State of the art facilities
- ✓ Modern fleet
- ✓ Scale offers competitive advantage
- ✓ Blue-chip clients
- ✓ Solid long-term relationships with producers and customers



FY2014 EBITDA \$'000

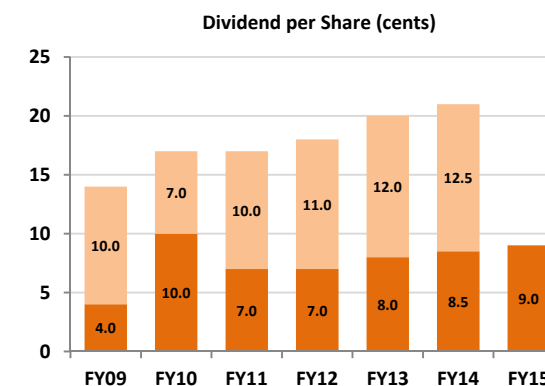
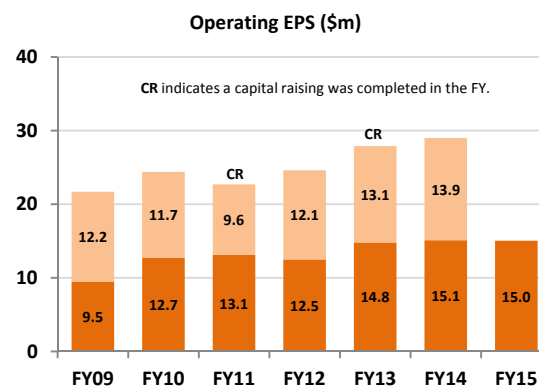
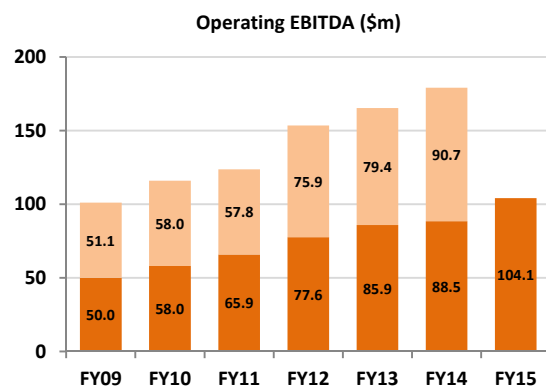
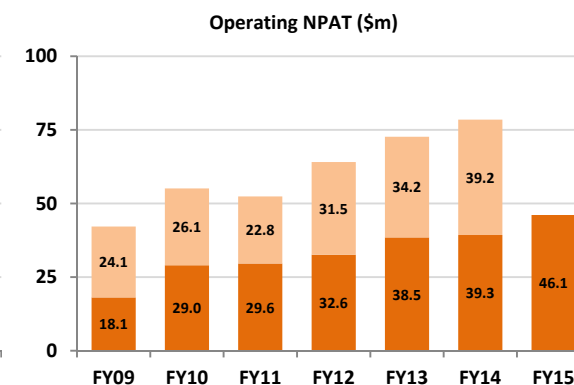
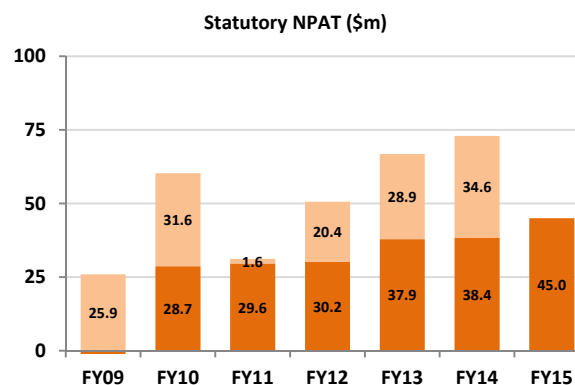
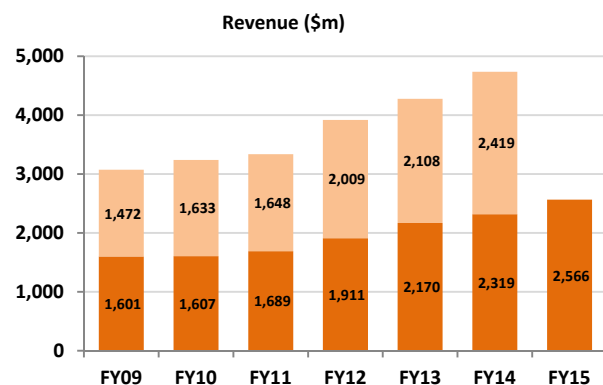
### Other

- ✓ Mature auto parts business (AMCAP and Covs)
- ✓ OEM and aftermarket
- ✓ Solid long-term relationships with manufacturers and customers
- ✓ KTM and Husqvarna are high performance brands
- ✓ GTB/VSE provides services to RL businesses

# History of Sustained Growth



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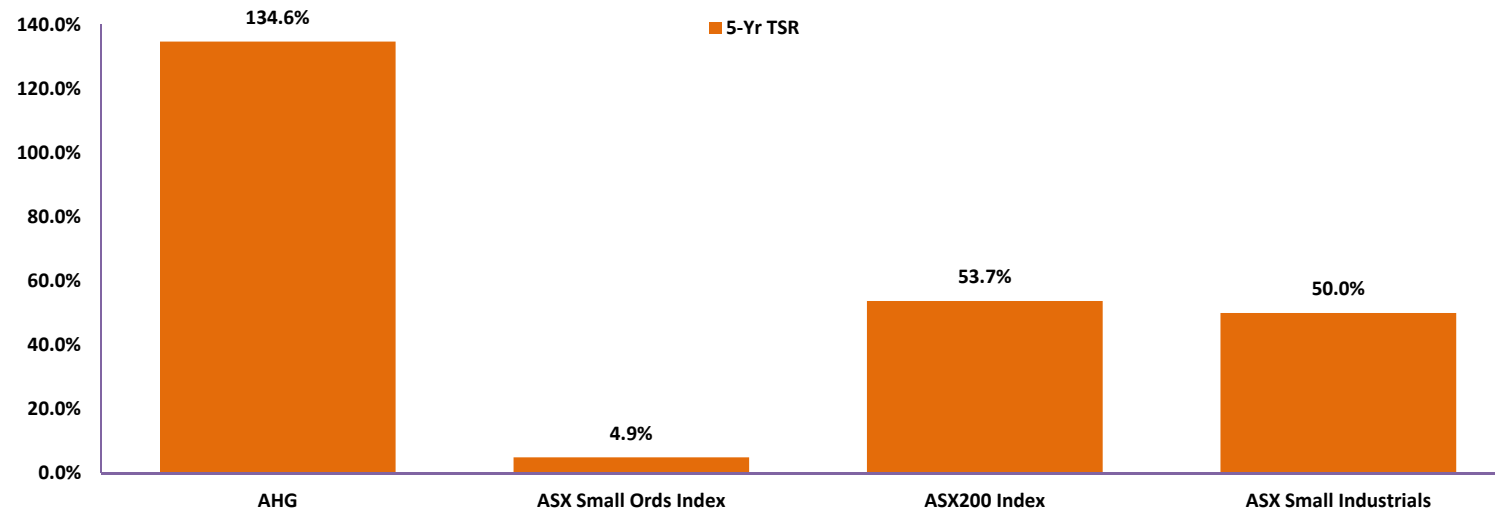


## AHG Share Price Performance (5 Years)



Key Market Statistics (5 May 2015)	
Ticker	ASX:AHG
Share Price (4 May 2015)	\$4.31
Shares on Issue	306,541,437
Market Capitalisation	\$1.321 billion

## AHG Share Price Performance (5 Year TSR)



### Total Shareholder Return at 4 May 2015

	AHG	ASX200
1 Year	15.2%	11.6%
3 Years	98.0%	51.6%
5 Years	134.6%	53.7%

## Strong Balance Sheet



- Commercial debt facilities of \$286m with \$56m undrawn at 31 December 2014
- \$79m of available cash and cash equivalents
- Funding capacity at 31 December 2014 of \$135m

Balance Sheet	31 DEC 2014
Total Borrowings	867.7
Cash & Cash Equivalents	(79.3)
<b>Net Debt</b>	<b>788.4</b>

<i>Inventory Finance (Floorplan)</i>	<i>(550.2)</i>
<i>Net Debt – Excluding Floorplan Finance</i>	<i>238.2</i>
<b>Net Debt + Equity Excluding Floorplan Finance</b>	<b>911.8</b>

Key Ratios	
<b>Net Debt / [Net debt + Equity] Excluding Floorplan Finance</b>	26.1%
<b>Interest Rate Cover</b>	4.8



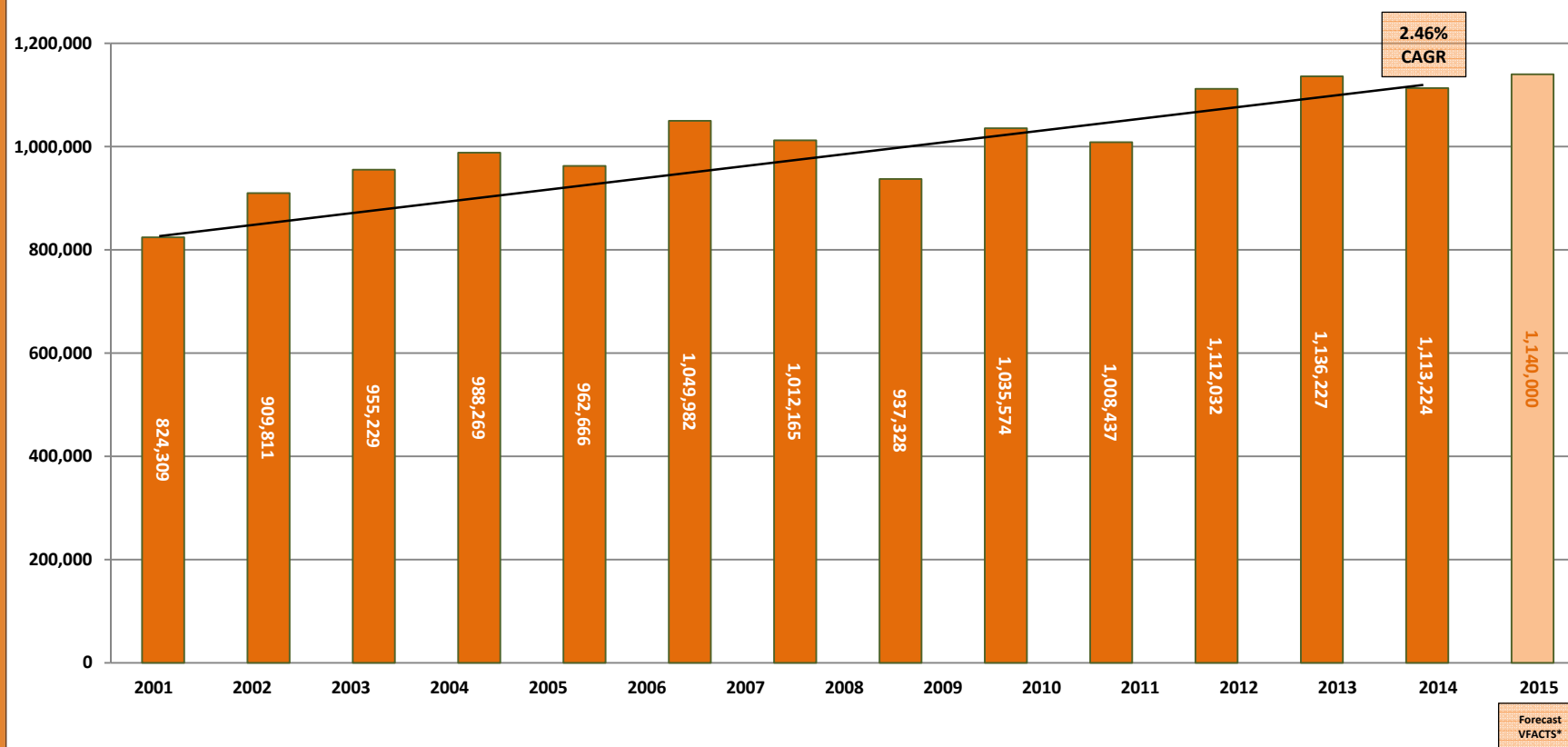
## Automotive



## New Vehicles Sales – Australia VFACTS 2001-2014



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## Industry Volumes – Automotive



- AHG consistently outperforms the broader new car market
- Represented in 89.7% of the market (Exclude SA/TAS/ACT/NT)
- Private sector represents 52.7% of the market
- AHG strength in private sector sales

YTD Sales Units Analysis History by State

NEW VEHICLE SALES UNITS	CY to Mar '13	CY to Mar '14	CY to Mar '15	Market Share Mar '13	Market Share Mar '14	Market Share Mar '15
NSW	317,528	352,799	360,420	31.1%	31.2%	32.1%
VIC	270,827	305,945	307,200	26.5%	27.1%	27.3%
QLD	213,060	230,789	226,700	20.9%	20.4%	20.2%
WA	112,183	121,773	113,867	11.0%	10.8%	10.1%
SA/TAS/ACT/NT	107,765	118,243	116,261	10.6%	10.5%	10.3%
<b>Total</b>	<b>1,021,363</b>	<b>1,129,549</b>	<b>1,124,448</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

YTD Sales Units Analysis History by buyer Type

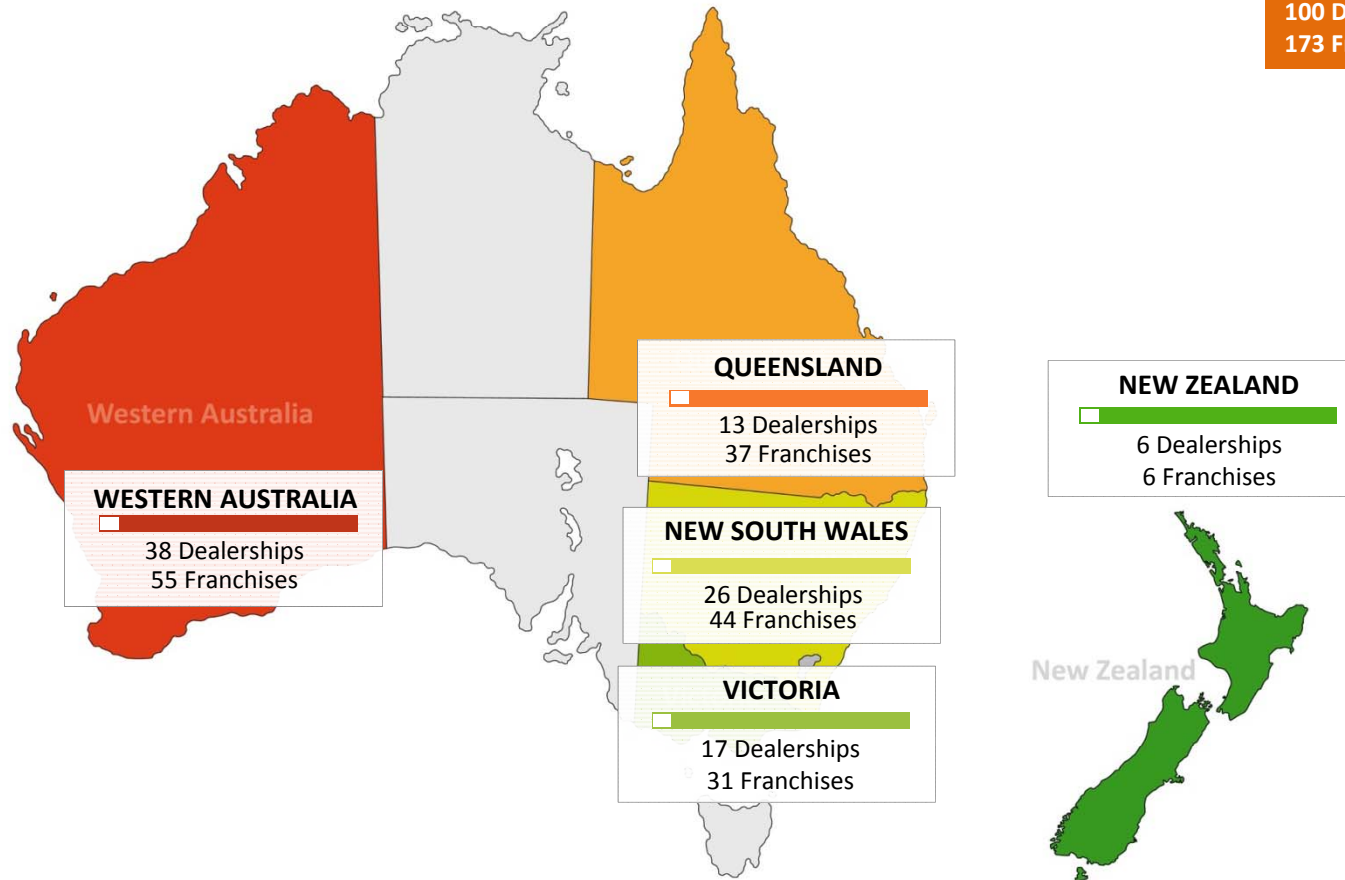
NEW VEHICLE SALES UNITS	CY to Mar '13	CY to Mar '14	CY to Mar '15	Market Share Mar '13	Market Share Mar '14	Market Share Mar '15
Private	493,376	584,294	592,891	48.3%	51.7%	52.7%
Business	391,811	419,732	399,355	38.4%	37.2%	35.5%
Government	54,275	41,408	42,344	5.3%	3.7%	3.8%
Rental	53,347	52,581	58,482	5.2%	4.7%	5.2%
Heavy Commercial	28,554	31,534	31,376	2.8%	2.8%	2.8%
<b>Total</b>	<b>1,021,363</b>	<b>1,129,549</b>	<b>1,124,448</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

## Geographical Location of AHG Dealerships



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100 Dealership locations  
173 Franchises



## Competitive Advantage



- AHG represents 22 passenger brands in Australia including 9 of the top 10\*
- Nine truck brands
- Record of performance
- Long term partnerships
- State of the art facilities
- As Australasia's largest motoring group, AHG's scale offers a wide range of choice and benefits to its customers and their employees





## AHG Holds A Distinctive Position



- Strong leadership and management structure
- Experienced in a changing environment
- High performance retail culture
- Strong relationships with manufacturers
- Retail more than 100,000 vehicles a year
- Write more than \$1 billion p.a. auto finance
- Service database (almost 800,000 repair orders in FY14)
- Customer lifecycle (service, tyres, batteries... next sale)
- Industry leading operating systems and processes

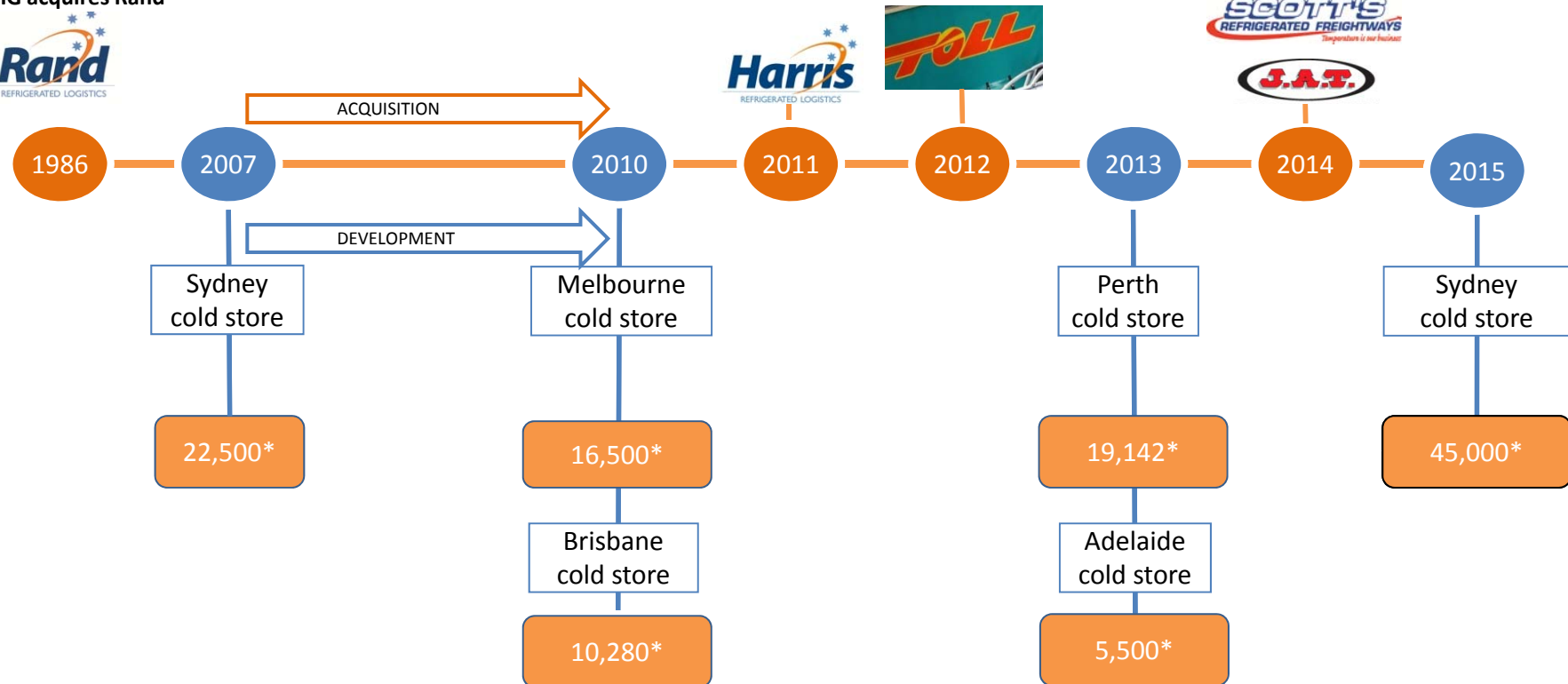


## Refrigerated Logistics



## The Evolution of AHG Refrigerated Logistics

AHG acquires Rand

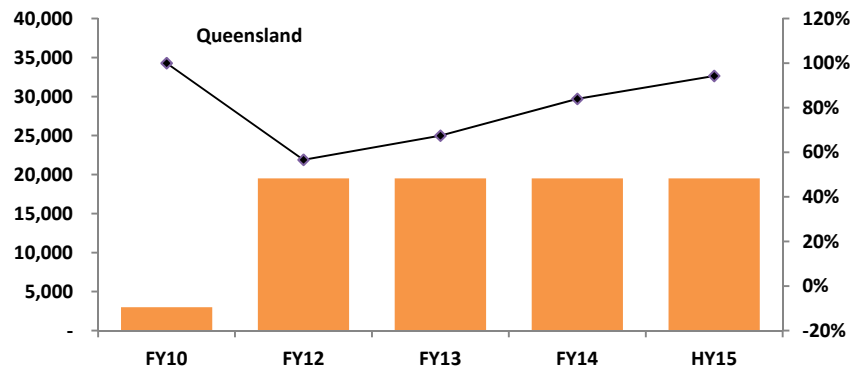
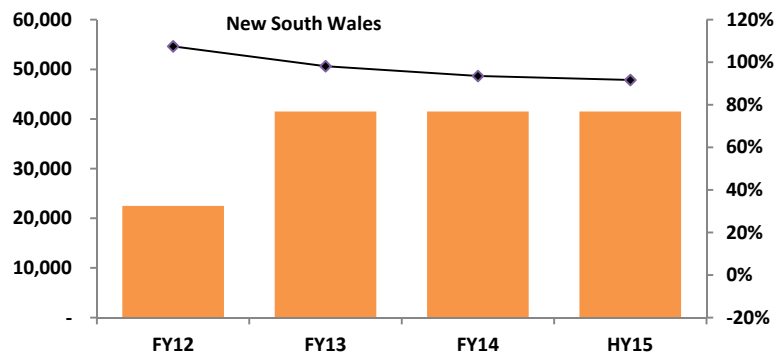
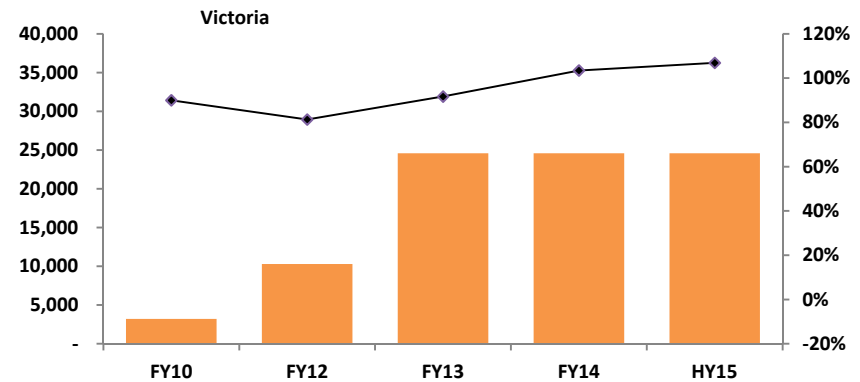
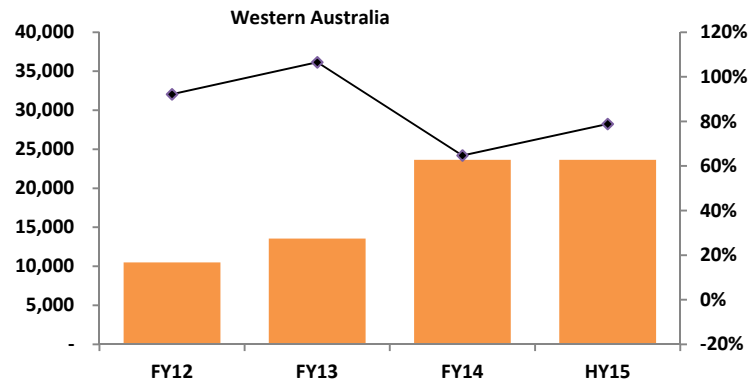




## The Cycle of Pallet Capacity and Utilisation



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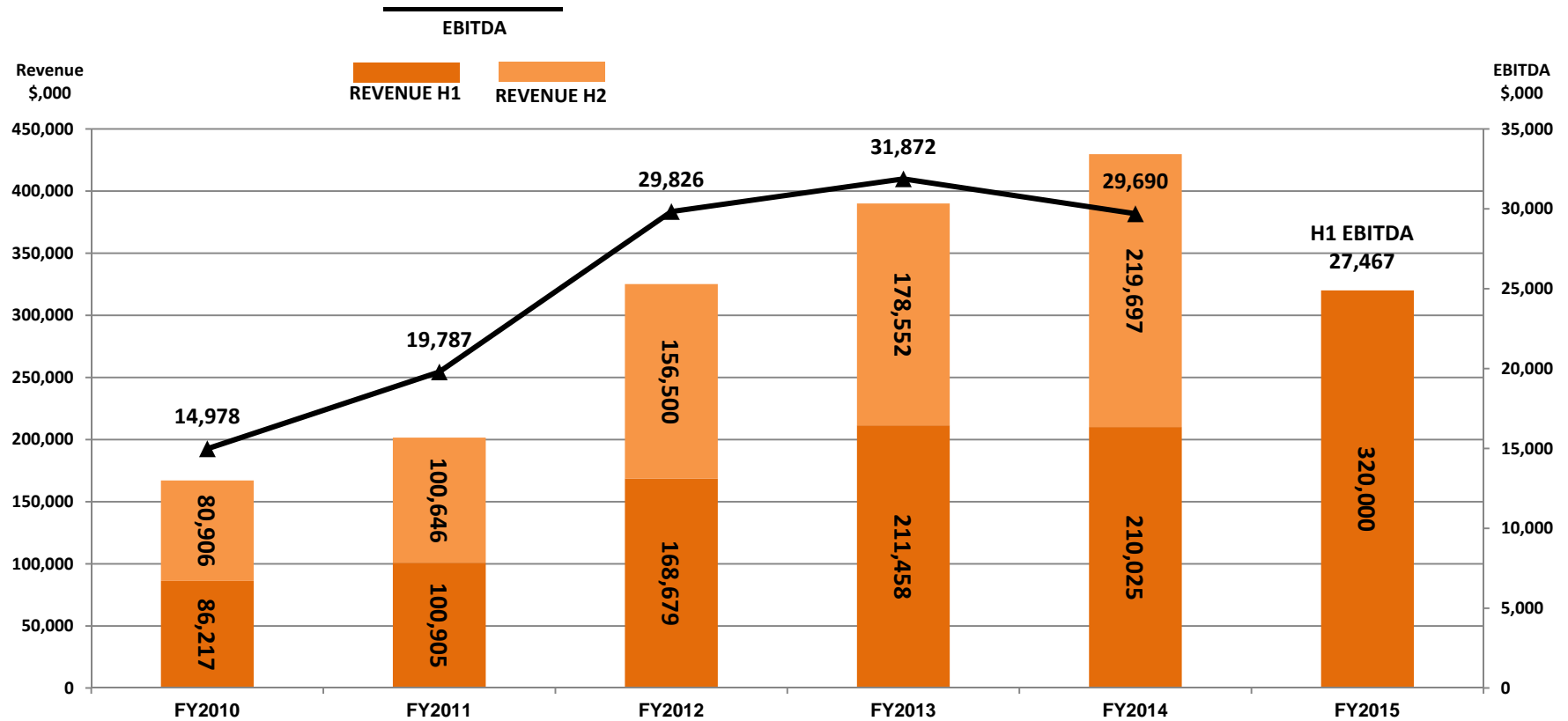
Utilisation

Capacity

## Significant Growth From Investment



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Pallet capacity	40,500	66,200	66,200	111,700	154,350	FY2015 forecast 175,000
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## Custom Designed State-Of-The-Art Facilities

Large scale temperature controlled warehouses

Large capacity temperature controlled “cross dock” – high volume re-packaging to meet client needs of “less more often”



Efficient vehicle management

- Facilities built under ‘turn-key’ arrangements with landlords
- AHG funds fit-out (Racking and Equipment)
- Designed by AHG to lower operating costs and maximise business model
- Large capacity cross dock
- Improved vehicle flow
- Improved energy efficiency

## Positioned For Further Growth



- Australia's largest Refrigerated Logistics provider
- Enhanced customer value proposition and operational synergies
- Primary supplier to national manufacturers, wholesalers and major retailers
- New state-of-the-art, custom-designed facilities in all states
- Major road and rail transport capacity
  - 459 owned prime movers and rigids
  - 1,013 owned road trailers
  - 464 owned rail containers
  - Major network of 300 sub-contractor prime movers and rigids



coles



Allied Mills





## Other Logistics



## Other Logistics



Mature automotive parts distribution business

3PL and 4PL

Holden, Ford, Fuso, Hyundai, Subaru, Suzuki, VW, Audi, Skoda, Mitsubishi, Iveco, 3M, PPG



Supplies automotive, mining and resource sectors

Warehouse and retail



Importation and distribution of bus and truck



Truck industry storage and engineering services



Importation and distribution of motorcycles in Australia and New Zealand

## Driving Shareholder Value



- Improve returns to shareholders by applying AHG's proven auto dealership model to acquisitions and Greenfield sites
- Focus on integration of Scott's and JAT to realise business efficiencies and synergy savings in FY2015 and beyond
- Continued investment in facilities and systems to support growth
- Maintain business leading performance of existing operations
- Continued focus on control of expenditure
- Manage balance sheet capacity to ensure ability to fund growth



# QUESTION TIME



# APPENDICES

## AHG Consolidated Financial Performance FY2014



Consolidated Financial Performance	FY13 (\$m)	FY14 (\$m)	% change
Operating <sup>1</sup> Performance			
Revenue	4,312.4	4,734.8	9.8%
EBITDA	161.7	178.6	10.5%
EBITDA %	3.7%	3.8%	
EBIT	133.1	148.3	11.4%
EBIT %	3.1%	3.1%	
Net Profit after Tax	70.8	78.5	11.0%
Earnings Per Share (cps)	27.1	29.0	7.0%
Interest Cover (times)	4.7	4.8	
Statutory IFRS Profit after Tax			
Net Integration and Acquisition, Asset Divestment and Sale of Properties	(6.0)	(5.6)	
Statutory Net Profit after Tax	64.8	72.9	9.3%
Earnings Per Share (cps)	24.9	27.0	8.4%

- Revenues of \$4.7 billion up 9.8%
- Record Operating<sup>1</sup> NPAT of \$78.5 million (Statutory IFRS profit of \$72.9 million)
- Operating<sup>1</sup> EBIT and EBITDA margins maintained
- Increased Operating<sup>1</sup> EPS (up 7.0%)
- Strong interest cover

## AHG Consolidated Financial Performance H1 FY2015



Consolidated Financial Performance	1H FY2014 (\$m) *restated	1H FY2015 (\$m)	% change
Operating <sup>1</sup> Performance			
Revenue	2,319.2	2,565.9	10.6%
EBITDA	88.5	104.1	17.6%
EBITDA %	3.8%	4.1%	
EBIT	74.4	84.2	13.1%
EBIT %	3.2%	3.3%	
Net Profit after Tax	39.3	46.1	17.2%
Earnings Per Share (cps)	15.1	15.0	(0.3%)
Interest Cover (times)	4.9	4.8	
Statutory IFRS Performance			
Net Integration and Acquisition, Asset Divestment and Sale of Properties	(0.9)	(1.1)	
Statutory Net Profit after Tax	38.4	45.0	17.4%
Earnings Per Share (cps)	14.7	14.7	-

- Improved operating performance highlighted by integration of acquisitions
- Revenues up 10.6% to \$2,565.9 million
- Record Statutory Net Profit after Tax, up 17.4% on PCP
- Operating<sup>1</sup> EBITDA of \$104.1 million, up 17.6% on PCP
- EPS impacted by equity raising (March 2014)
- Interest cover 4.8 x

\* Corresponding prior period results have been restated in accordance with change of Accounting Standards as described in note 39 of AHG's 2014 Annual Report and Note 13 of AHG's December 2014 Interim Financial Report.

Operating<sup>1</sup> – excludes costs and fees in relation to integration and acquisition-related activities, asset divestments, impairment and sale of properties.

## FY2015 H1 Highlights



Strong H1 performance with Operating<sup>1</sup> NPAT up 17.2%

Automotive EBITDA increased 10.1% driven by Bradstreet acquisition and continued growth in underlying business

Significant year in Refrigerated Logistics as Rand/Harris and Scott's/JAT develop and transition to new facilities

Balance sheet reflects recent acquisitions while retaining funding capacity

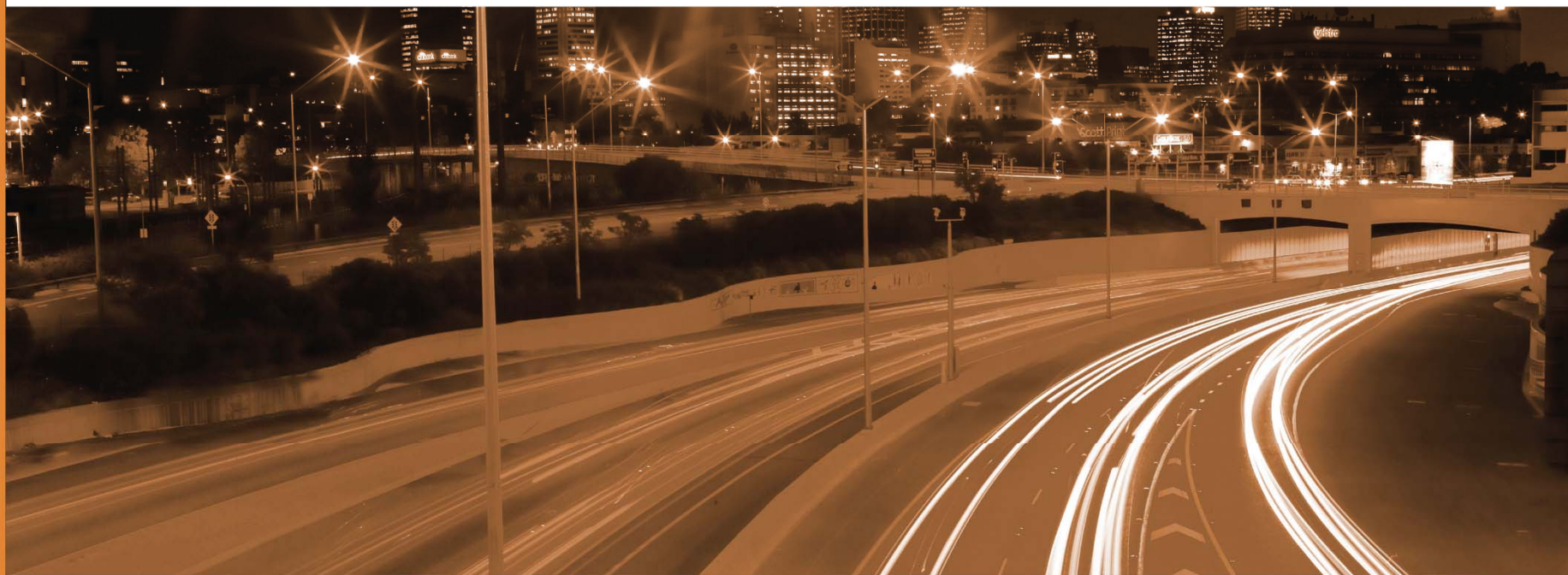


## Key Financial Metrics – Consolidated



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	FY12			FY13			FY14			FY15
(A\$'000s)	H1	H2	FY	H1	H2	FY	H1	H2	FY	H1
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>
Revenue	1,911,262	2,008,877	<b>3,920,139</b>	2,169,648	2,107,905	<b>4,277,553</b>	2,316,150	2,418,610	<b>4,734,760</b>	2,563,962
YoY Growth (%)	13.1%	24.4%	<b>17.5%</b>	13.5%	4.9%	<b>9.1%</b>	6.8%	14.7%	<b>10.7%</b>	10.7%
EBITDA	77,597	75,909	<b>153,506</b>	85,923	79,402	<b>165,325</b>	87,953	90,661	<b>178,614</b>	104,077
EBITDA Margin (%)	4.1%	3.8%	<b>3.9%</b>	4.0%	3.8%	<b>3.9%</b>	3.8%	3.7%	<b>3.8%</b>	4.1%
EBIT	64,163	62,876	<b>127,039</b>	71,986	65,014	<b>137,000</b>	73,953	74,311	<b>148,264</b>	82,276
EBIT Margin (%)	3.4%	3.1%	<b>3.2%</b>	3.3%	3.1%	<b>3.2%</b>	3.2%	3.1%	<b>3.1%</b>	3.2%
Operating NPAT	32,623	31,526	<b>64,149</b>	38,542	34,192	<b>72,734</b>	39,295	39,217	<b>78,512</b>	46,078
Net Profit Margin (%)	1.7%	1.6%	<b>1.6%</b>	1.8%	1.6%	<b>1.7%</b>	1.7%	1.6%	<b>1.7%</b>	1.8%
Unusual Items	- 2,414	- 11,123	- <b>13,537</b>	- 604	- 5,356	- <b>5,960</b>	- 943	- 4,645	- <b>5,588</b>	- 1,057
Statutory NPAT	30,209	20,403	<b>50,612</b>	37,938	28,836	<b>66,774</b>	38,352	34,571	<b>72,924</b>	45,021
Net Profit Margin (%)	1.6%	1.0%	<b>1.3%</b>	1.7%	1.4%	<b>1.6%</b>	1.7%	1.4%	<b>1.5%</b>	1.8%



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