

Full Year Results Presentation

August 2015



Company Overview



AUTOMOTIVE HOLDINGS GROUP



ASX 200 Company with a market capitalisation of ~\$1.27 billion
In excess of \$5 billion in revenue



Over 7,500 employees across Australia and New Zealand

AUTOMOTIVE

- ❑ Australia's largest automotive retailer
- ❑ 175 franchises at 101 dealerships
- ❑ Sale of new and used cars and trucks
- ❑ Vehicle servicing
- ❑ Aftercare (parts and accessories)
- ❑ Finance and Insurance



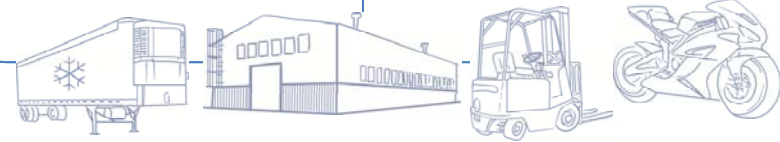
LOGISTICS

Refrigerated Logistics

Australia's largest provider
of temperature controlled
logistics solutions

Other Logistics

Wholesale distribution of
automotive parts, mining
supplies, KTM and Husqvarna
motorcycles, truck body building
services and vehicle storage, bus
importation and distribution



The year in review



AUTOMOTIVE HOLDINGS GROUP

FY2015 Statutory profit up 20.8% to \$88.1m driven by outperformance in Automotive segment

Financial Performance

- \$5.2bn in Revenue (up 10.8%)
- Operating NPAT of \$94.2m (up 20.0%)
- Operating EBIT margins up 0.2% to 3.3%
- Operating EPS up 6.0% to 30.7 cents

Operational Achievements

- Strong contribution from Bradstreet Motor Group
- Improved Auto performance in NSW, Qld, Vic and NZ
- Opening of world class Daimler Trucks facility in WA
- Completion of Erskine Park cold store in Sydney
- Opening of Truck service facility in Newman (WA)
- New acquisitions/Greenfield (Paceway Mitsubishi WA, Leo Muller CJD Qld and Hillcrest Mazda Qld)

Outlook

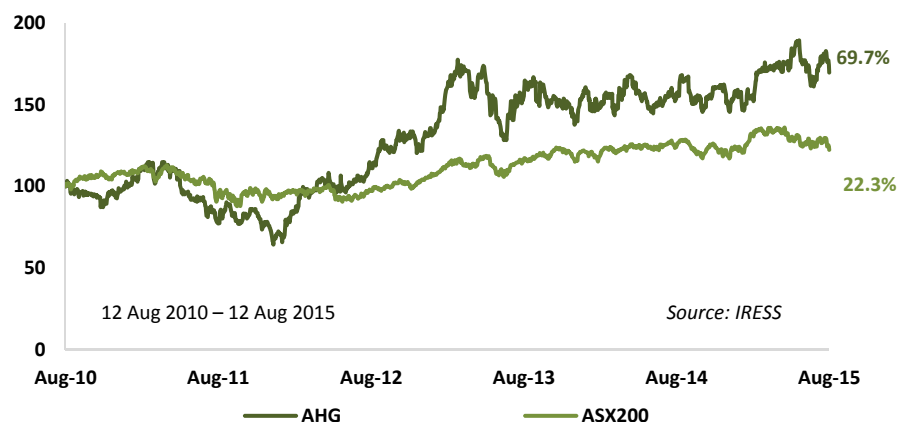
- Acquisitions and Divestments announced (Mercedes/Covs)
- Sale of property in NSW and Queensland to fund growth
- Profit improvement focus in Refrigerated Logistics
- Restructure and/or divest underperforming businesses
- Specific cost-down and productivity improvement initiatives

Shareholder returns profile



AUTOMOTIVE HOLDINGS GROUP

Share Price Performance – Five years



12 Aug 2015	AHG	ASX 200
Share price	\$4.14	5382.08
1-Yr TSR ²	14.3%	1.7%
3-Yr TSR ²	75.9%	43.9%
5-Yr TSR ²	131.1%	53.0%

²Includes capital growth and reinvestment of dividends

Market Snapshot (12 Aug 2015)

Ticker	ASX : AHG
Share Price (12 Aug 2015)	\$4.14
Shares on Issue	306,541,437
Market Capitalisation	\$1.27 billion

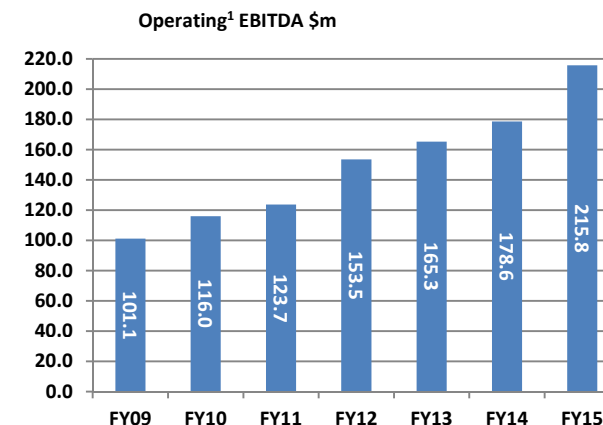
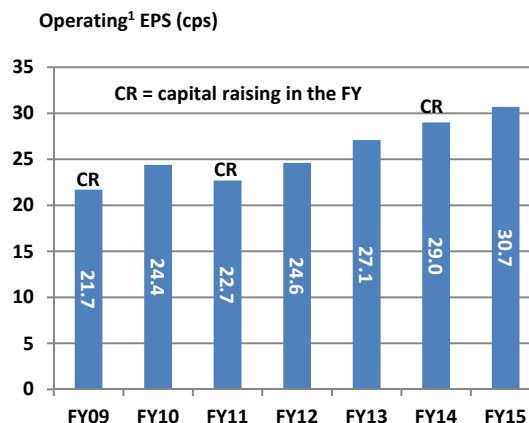
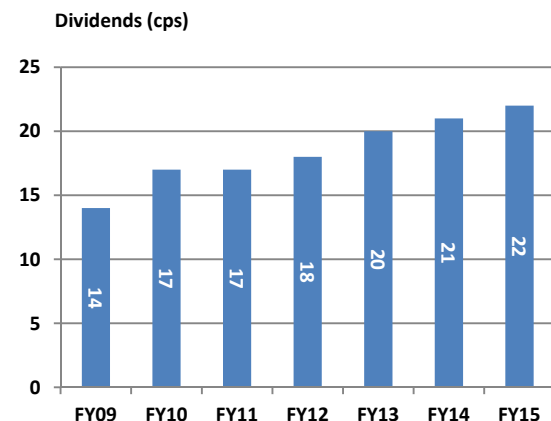
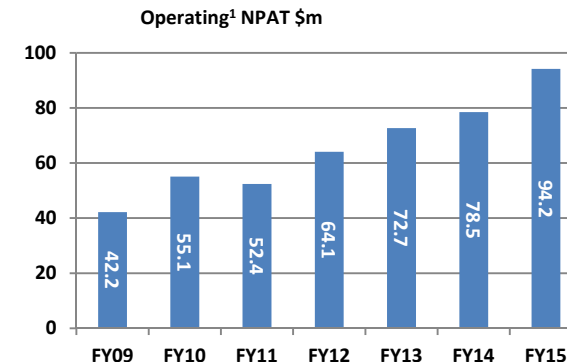
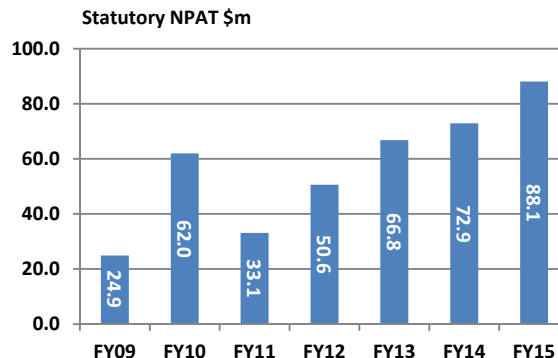
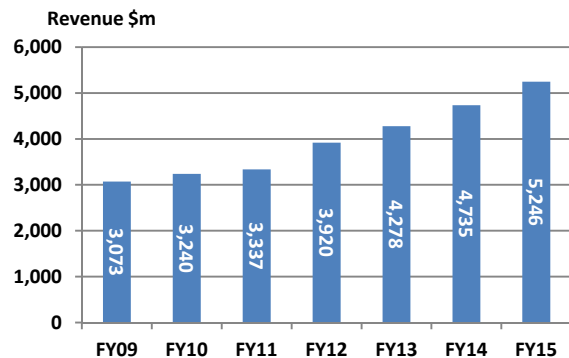
Divisional Split* (FY2015)



History of sustained growth



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AHG – Consolidated Financial Performance FY2015

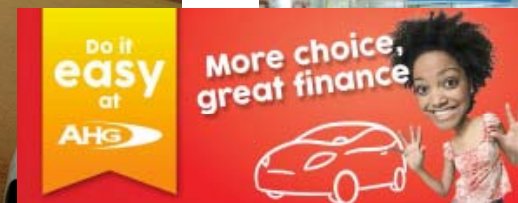


Consolidated Financial Performance	FY2014 (\$m)	FY2015 (\$m)	% change
Operating¹ Performance			
Revenue	4,734.8	5,245.8	10.8%
EBITDA	178.6	215.8	20.8%
EBITDA %	3.8%	4.1%	
EBIT	148.3	175.2	18.2%
EBIT %	3.1%	3.3%	
Operating Net Profit after Tax	78.5	94.2	20.0%
Earnings Per Share (cps)	29.0	30.7	6.0%
Interest Cover (times)	4.8	5.2	
Statutory IFRS Profit after Tax			
Net Integration and Acquisition, Asset Divestment and Sale of Properties	(5.6)	(6.1)	
Statutory Net Profit after Tax	72.9	88.1	20.8%
Earnings Per Share (cps)	26.9	28.7	6.7%

- \$5.2 billion in Revenues up 10.8% on FY2014
- Record Operating¹ NPAT of \$94.2 million
- Statutory IFRS profit of \$88.1 million
- Operating¹ EBIT and EBITDA margins improved
- Increased Operating¹ EPS (up 6.0%)
- Strong interest cover



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Automotive



Automotive highlights



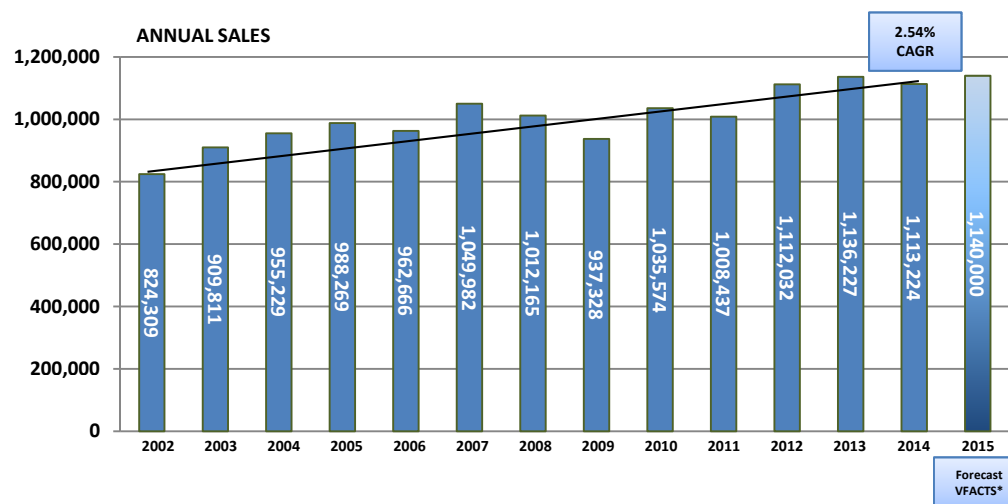
- AHG outperformed the wider market in WA
- Improved performances in New South Wales, Queensland, Victoria and New Zealand from existing franchises
- Bradstreet Motor Group traded very strongly through FY2015 with a full six month contribution in second half (business was acquired in August 2014)
- Opening of the new Daimler Trucks Perth facility provides a world class sales and service capability in Australia
- Completed development of AHG Service Centre Newman expanding capability in the north west with state-of-the-art facilities
- Strong finish to the financial year



National sales of new vehicles remain strong outside WA



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- Private sector represents 54.2% of the market
- WA market tougher but AHG performing well
- Acquisitions contributing to AHG's increased market share
- New vehicle sales tracking towards 1.14m vehicles

NEW VEHICLE SALES UNITS	July CY14	July CY15	July '15 v July '14
NSW	206,870	219,234	6.0%
VIC	174,244	181,397	4.1%
QLD	132,803	139,898	5.3%
WA	68,771	62,581	-9.0%
SA/TAS/ACT/NT	67,127	67,625	0.7%
Total	649,815	670,735	3.2%

YTD Sales Units Analysis History by Buyer Type

NEW VEHICLE SALES UNITS	July CY14	July CY15	July '15 v July '14
Private	347,911	363,858	4.6%
Business	231,789	236,443	2.0%
Government	24,384	24,421	0.2%
Rental	28,242	28,038	-0.7%
Heavy Commercial	17,489	17,975	2.8%
Total	649,815	670,735	3.2%

AUTOMOTIVE – Operating¹ Performance



AUTOMOTIVE HOLDINGS GROUP

Operating ¹ Performance	FY2014 (\$m)	FY2015 (\$m)	% change
Revenue	3,883.3	4,271.1	10.0%
EBITDA	132.5	161.2	21.7%
<i>EBITDA Margin (%)</i>	<i>3.4%</i>	<i>3.8%</i>	
EBIT	116.9	143.4	22.7%
<i>EBIT Margin (%)</i>	<i>3.0%</i>	<i>3.4%</i>	
Profit Before Tax	95.4	122.0	27.8%

- Revenues up 10% mainly due to Bradstreet Motor Group acquisition
- Operating¹ Profit before tax up 27.8% to \$122.0
- Increase in EBIT and EBITDA margins
- Automotive result includes 10.5 months contribution from Bradstreet Motor Group
- WA dealerships revenue slightly down but outperformed the broader WA market
- Growth in NSW, Queensland, Victoria and New Zealand operations
- Strong fixed operations (service, parts) performances

Operating¹ – excludes costs and fees in relation to integration and acquisition-related activities, impairment of assets and benefits applicable to GST refunds (Son of Holdback)



Franchise relationships are important



- 22 passenger brands in Australia including 9 of the top 10*
- Nine truck brands
- Long term partnerships
- State-of-the-art facilities
- AHG's scale offers a wide range of choice and benefits to its customers
- Addition of Mercedes passenger car brand in WA extends reach into the luxury market

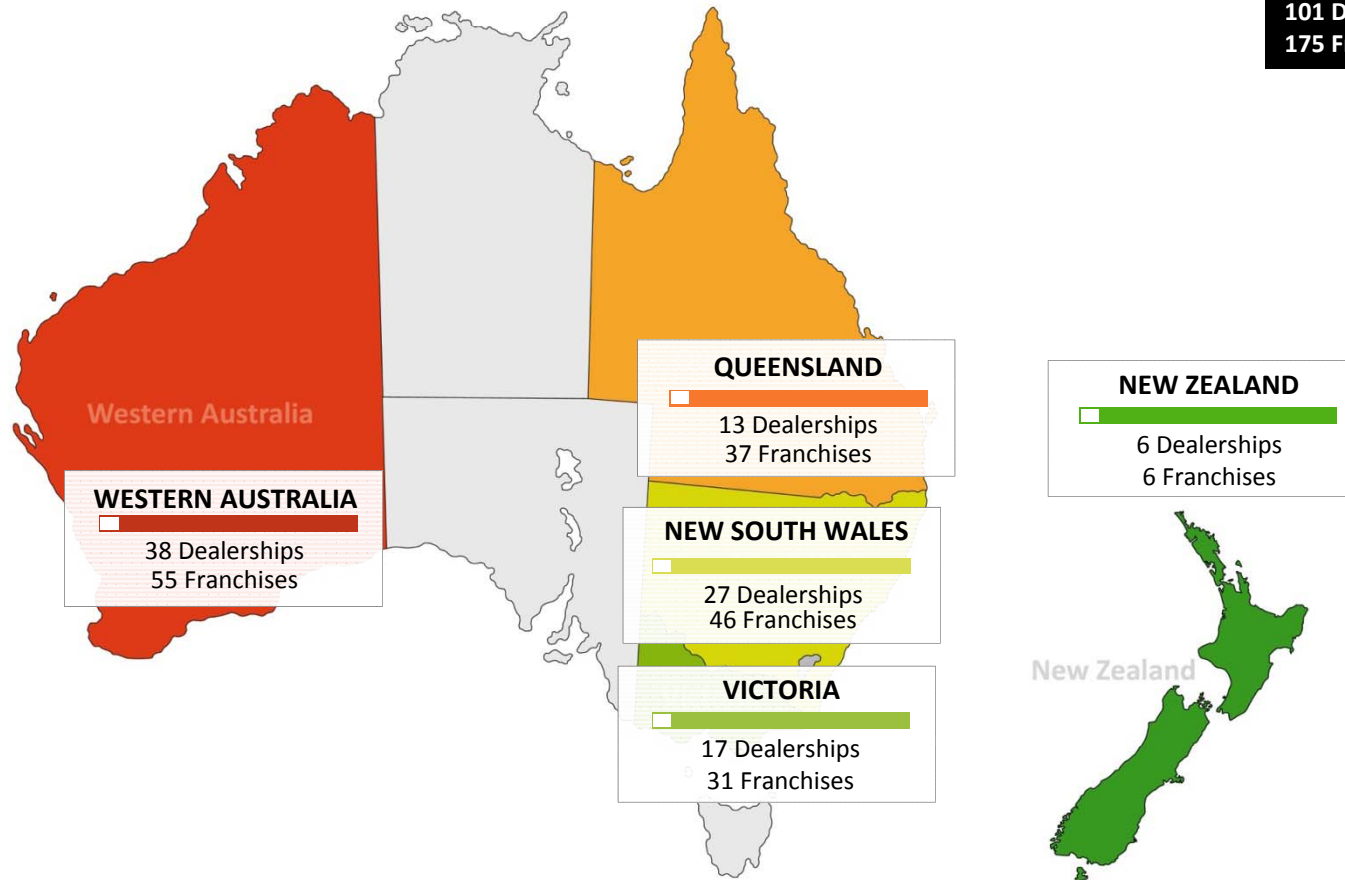


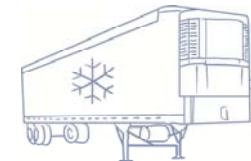
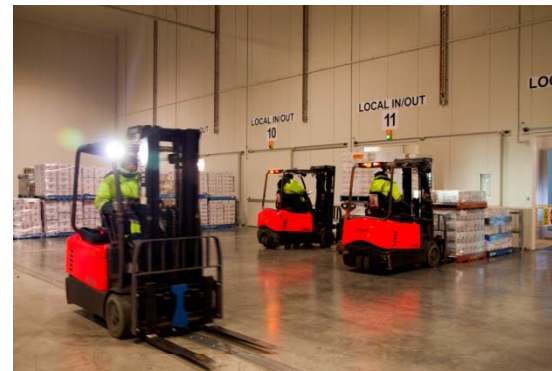
Geographical Location of AHG Dealerships



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**101 Dealership locations
175 Franchises**





Refrigerated Logistics

Refrigerated Logistics Highlights



- Investment cycle of business acquisition and facility expansion coming to an end
- Operating out of new Erskine Park cold store facility since February 2015
- Investment in core technology infrastructure well advanced
- Progress made in consolidating trading sites and eliminating duplicated functions
- Trading year experienced difficult market conditions with reduced transport volumes
- EBITDA margin up on FY2014 to 7.4%



REFRIGERATED LOGISTICS – Operating¹ Performance



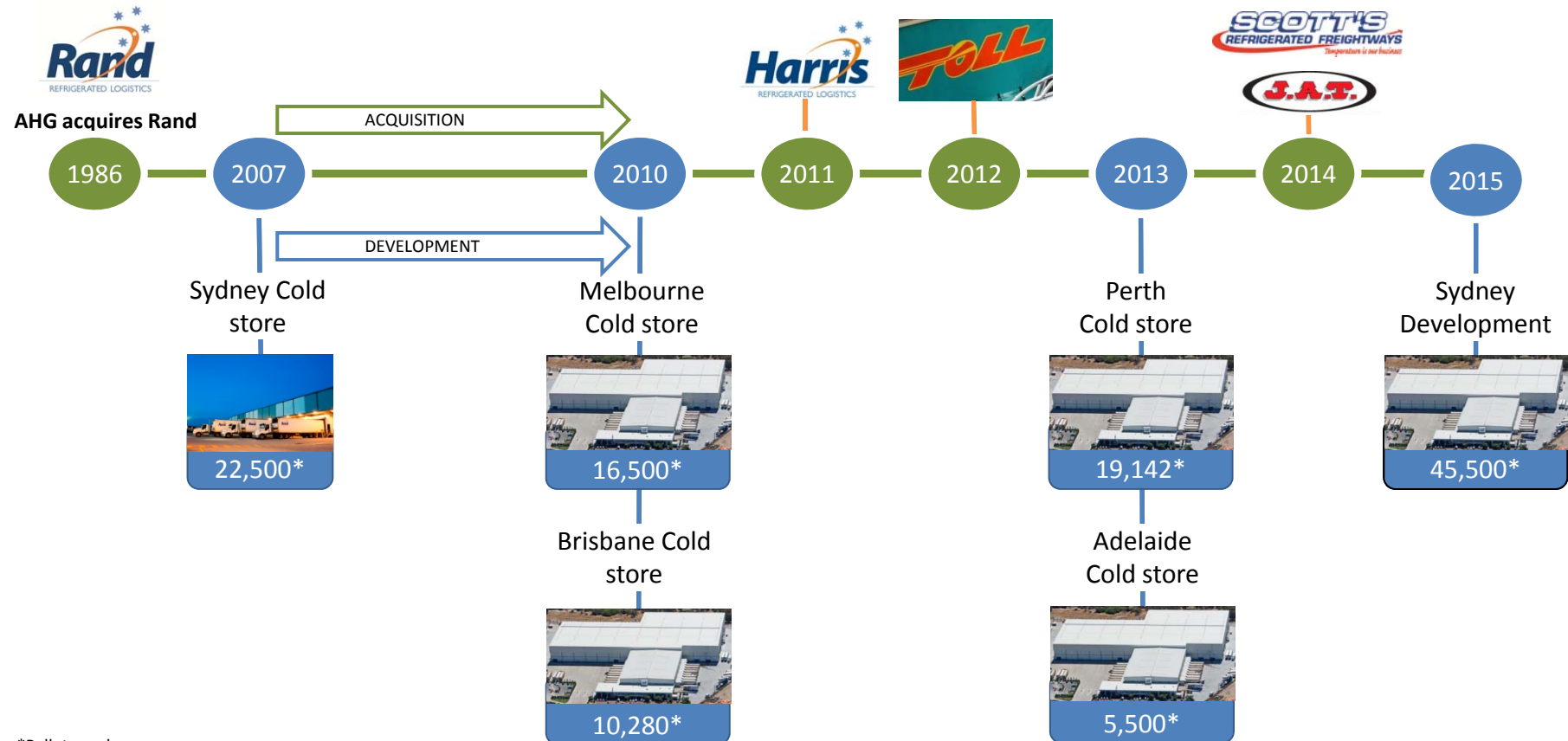
Operating ¹ Performance	FY2014 (\$m)	FY2015 (\$m)	% change
Revenue	429.7	609.1	41.7%
EBITDA	29.7	45.2	52.4%
<i>EBITDA Margin (%)</i>	6.9%	7.4%	
Profit Before Tax	14.2	20.2	42.8%

- Business reflects full 12 months of Scott's acquisition
- Improved EBITDA margin of 7.4%
- Revenue growth lower than expected due to weaker transport demand
- Rent overhang on old leases largely finished
- New Erskine Park facility not yet at optimal utilisation but ahead of expectations

Operating¹ – excludes costs and fees in relation to integration and acquisition-related activities, impairment of assets and benefits applicable to GST refunds (Son of Holdback)



The evolution of AHG Refrigerated Logistics

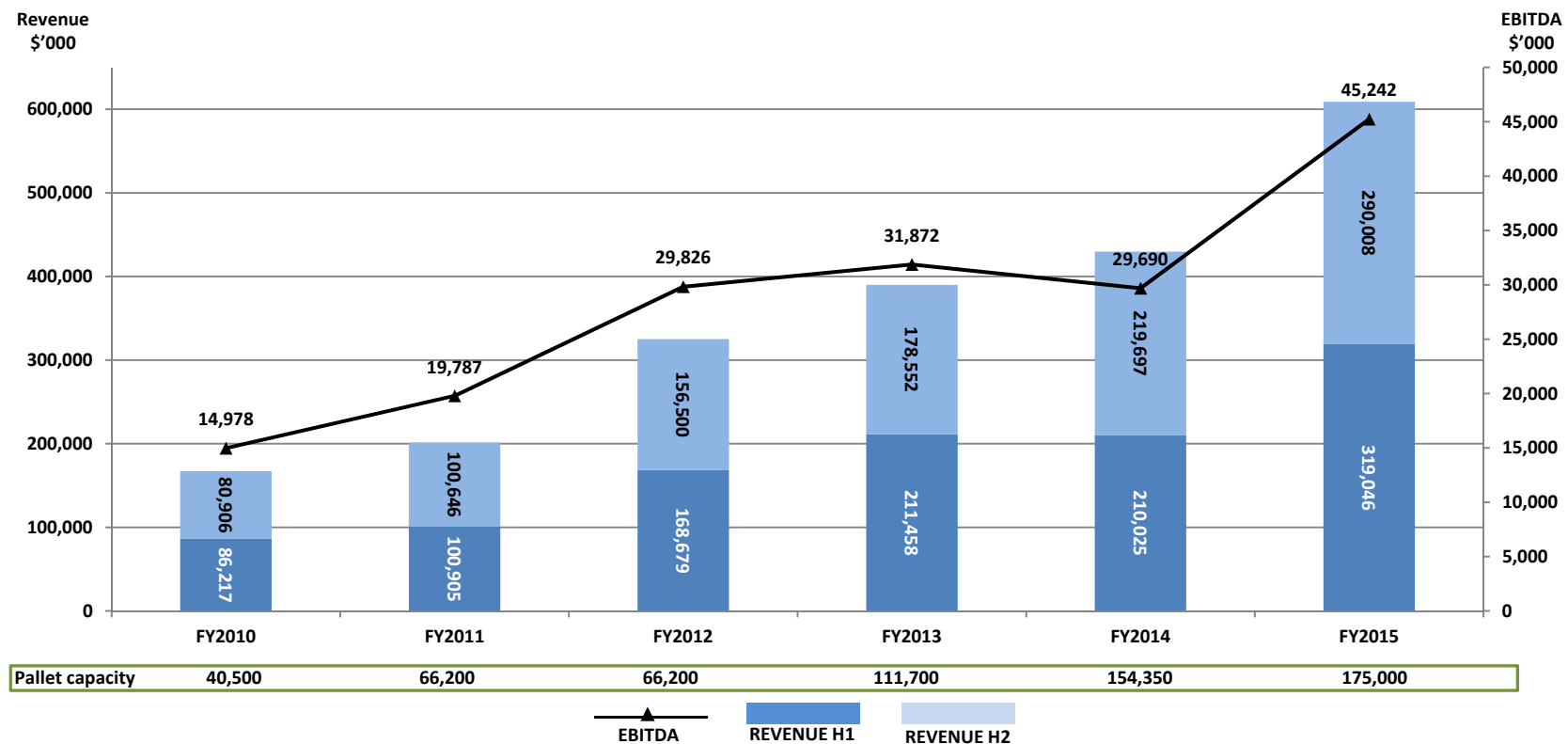


Significant Growth From Investment



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Combined Refrigerated Logistics performance (Rand/Scott's)



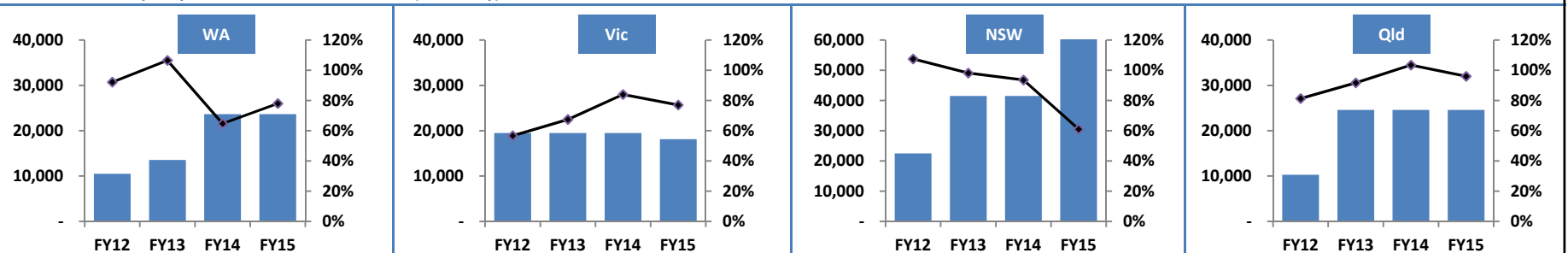
Cold store capacity and utilisation

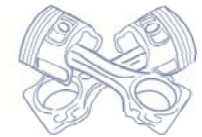


Pallet capacity now at 175,000
Cold store utilisation averaging ~80%

- New Erskine Park facility
 - Reached 60% of capacity by 30 June 2015
 - Expected to reach ~85% by September 2015
- Elimination of “overhang” leases reduces costs by ~\$2.6m in FY2016
- Investment cycle largely completed

Pallet capacity and utilisation at end of June (Rand only)





Other Logistics

Other Logistics Highlights



- Strong underlying business metrics
- Overall profitability reduced due to lower AUD/EUR rates



- Mature business model
- Reduced contribution due to change in Mitsubishi distribution model



- Loss-making in FY2015
- Restructure of business underway in line with strategic focus



- Non equity interest in White Motor Corporation
- Exposure mitigated in FY2015, restructure of business expected



- Divestment of Covs expected September 2015
- Retain Holden and Ford wholesale trade in AMCAP

OTHER LOGISTICS – Operating¹ Performance



AUTOMOTIVE HOLDINGS GROUP

Operating ¹ Performance	FY2014 (\$m)	FY2015 (\$m)	% change
Revenue	421.4	365.2	(13.3%)
EBITDA	17.1	10.5	(38.5%)
<i>EBITDA Margin (%)</i>	<i>4.1%</i>	<i>2.9%</i>	
Profit Before Tax	13.9	5.3	(62.1%)

- Contributions from KTM and AMCAP down compared to FY2014 for structural reasons (Lower AUD/EUR rates and change in Mitsubishi distribution model)
- Losses experienced in GTB/VSE and Higer businesses due to weak truck and bus market
- Sale of Cova agreed but no impact on FY2015 financial contribution
- Restructure of GTB/VSE underway to eliminate future losses

Operating¹ – excludes costs and fees in relation to integration and acquisition-related activities, impairment of assets and benefits applicable to GST refunds (Son of Holdback)



Strong Balance Sheet



- Debt capacity as at 30 June 2015 was supported by \$129 million of cash and undrawn commercial bill facilities
- June 2014 net debt reflects position prior to the settlement of Bradstreet and final dividend payment
- Settlement of Mercedes Benz acquisition is expected to be fully funded by proceeds from sale of Cvs and sale of properties.

Balance Sheet Gearing	30 June 2014	30 June 2015	Movement
Total Borrowings	782.5	882.9	100.4
Cash & Cash Equivalents	(99.5)	(69.9)	(29.6)
Net Debt	683.0	813.0	130.0
Inventory Finance (Floorplan)	(565.6)	(582.1)	16.5
Net Debt – Excluding Floorplan Finance	117.4	230.9	113.5
Interest Rate Cover	4.8	5.2	0.4
Gearing Ratio			
Net Debt + Equity – Excluding Floorplan Finance	781.8	922.5	140.7
Net Debt / [Net Debt + Equity] – Excluding Floorplan Finance	15.0%	25.0%	10.0%

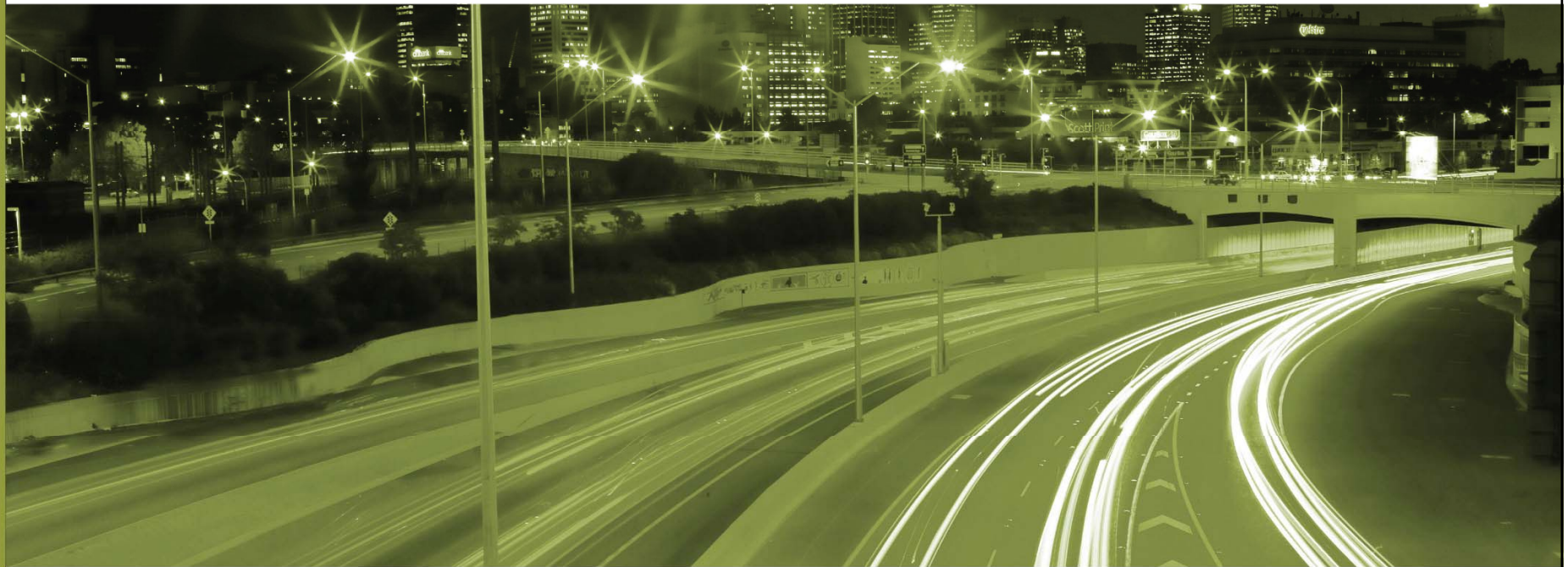
Driving Shareholder Value



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- Improve returns to shareholders by applying AHG's proven auto dealership model to acquisitions and Greenfield sites
- Greater integration of Refrigerated Logistics business to drive efficiencies and synergy savings in FY2016
- Divestment of non core business where appropriate
- Restructure of under performing GTB/VSE operation
- Complete investment in Logistics IT upgrade
- Continued focus on control of expenditure
- Manage balance sheet capacity to ensure ability to fund growth





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