

14 September 2020
Market Announcements Office
ASX Limited

EAGERS AUTOMOTIVE ACCELERATES PROPERTY STRATEGY WITH \$105 MILLION ACQUISITION AND \$225 MILLION IN FUNDING

- Eight properties to be acquired from Charter Hall for \$105m strengthening tangible assets
- \$225m in funding to acquire strategically located sites currently leased by Eagers Automotive
- Accelerates delivery of optimised dealership footprint on a reduced cost base

Eagers Automotive Limited (ASX: APE) ("the Company") provides the following update on key initiatives in its property portfolio which accelerate the Company's Next100 Strategy.

Next100 Strategy

Following the acquisition of Automotive Holdings Group Limited in late 2019, Eagers Automotive continues to actively manage its property portfolio to reflect changing industry and customer dynamics. Eagers Automotive's property strategy is focused on reinvesting with discipline to establish the optimal platform to deliver an enhanced customer experience on a reduced and more efficient property footprint.

Maintaining an appropriate balance of owned and leased properties, with a focus on ownership in key strategic locations, provides greater flexibility for Eagers Automotive to implement its omni-channel retail approach over an expedited timeframe.

Strategic Acquisitions of Existing Leased Properties

As part of this strategy, Eagers Automotive has entered into unconditional contracts for the purchase of eight strategically located properties from Charter Hall for \$105 million, with completion due at the end of October 2020. This will further strengthen the Company's asset base and financial position.

The eight properties are currently occupied by the following dealerships:

- Big Rock Toyota, Balcatta, WA
- South Morang Toyota, South Morang, VIC
- Sutherland Mazda, Kirrawee, NSW
- Zupps, Mt Gravatt, QLD (five properties)

Acquisition of the three properties in Western Australia, Victoria and New South Wales will reduce the Company's annual occupancy costs on an ongoing basis.

The purchase of the remaining five properties in Queensland will facilitate the consolidation and reconfiguration of ten existing dealership properties into eight locations by December 2020, reducing further to six locations by early 2022. These changes will achieve additional savings to the Company's cost base without impacting sales volumes and turnover.

Funding

Eagers Automotive has secured \$175 million in funding from Toyota Financial Services and a further \$50 million credit approval from Volkswagen Financial Services, for real estate loans to pursue its property strategy. These loans will be utilised for the \$105 million purchase from Charter Hall, with the remaining funds to be available for future property acquisitions consistent with our Next100 strategy.

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Authorised for release by the Board.