



autosports  
group<sup>€</sup>

AUTOSPORTS GROUP LIMITED  
H1 2024FY PRESENTATION  
February 2024

# AGENDA

## HIGHLIGHTS

H1 2024FY RESULTS SUMMARY

H1 2024FY FINANCIAL METRICS

STRATEGIC UPDATE

RECAP & OUTLOOK

APPENDIX



# H1 2024FY HIGHLIGHTS

REVENUE  
\$1,342 million



Up 26%  
on PCP

VEHICLE ORDER  
WRITE



Up 11%  
on PCP

STATUTORY NPAT  
\$35.5 million



Up 1%  
on PCP

GROSS PROFIT  
\$264.8m



up 20%  
on PCP

EBITDA  
\$107.8m



up 20.1%  
on PCP

HY INTERIM DIVIDEND  
10 cents per share  
(fully franked)



up 11%  
on PCP



# STRATEGIC HIGHLIGHTS

Consistent delivery of strategic objectives creates strong platform for growth



## MARKET DYNAMICS

- Orderwrite continues to grow up 11%
- Vehicle supply normalised
- New vehicle margins normalised
- Gross profit mix returning to pre-Covid levels



## COST OF DOING BUSINESS

- Like for like operating cost base well managed
- Inflationary pressures reducing
- Interest costs impacting
- Op Ex ratio falls on improved revenue



## GROWTH

- Led by acquisitions and supported by organic growth
- 2023FY and H1 2024FY vehicle sales and higher service customer retention drives backend revenue
- Improved line of sight on acquisitions as market consolidation accelerates
- Targeting \$250m in annual acquisition led revenue growth



## CAPITAL PRIORITIES

- Operating cash generated \$51.2m
- Debt repayment \$14.4m
- Shareholder returns - H1 2024FY dividend 10 cents per share (fully franked)
- Dealership acquisitions



# OUTLOOK



New vehicle supply and resilient luxury demand to deliver stable like for like revenue in H2



Service and parts should continue above trend revenue growth on improved vehicle deliveries



Inflationary cost pressures to stabilise in CY24



ASG has a clear line of sight on accretive dealership acquisition opportunities



ASG continues to target \$250m in annual growth by acquisition



# AGENDA

HIGHLIGHTS

H1 2024FY RESULTS SUMMARY

H1 2024FY FINANCIAL METRICS

STRATEGIC UPDATE

RECAP & OUTLOOK

APPENDIX



# TRADING HIGHLIGHTS

\$m	H1 2024FY	H1 2023FY	Growth on PCP	H2 2023FY
New Vehicles	792.8	630.8	25.7%	804.6
Used Vehicles	327.1	250.3	30.7%	293.0
Service	89.3	73.6	21.3%	83.9
Parts	99.3	78.8	26.0%	96.3
Other Revenue	33.1	28.6	15.9%	31.4
<b>Total Revenue</b>	<b>1,341.6</b>	<b>1,062.1</b>	<b>26.3%</b>	<b>1,309.3</b>
<i>Gross margin</i>	<i>19.7%</i>	<i>20.8%</i>		<i>19.5%</i>
<i>EBITDA margin</i>	<i>8.0%</i>	<i>8.5%</i>		<i>7.8%</i>
<i>PBT margin</i>	<i>3.8%</i>	<i>4.8%</i>		<i>3.7%</i>

- New vehicle revenue up on normalised supply and resilient luxury market
- Orderbank reduced in volume but up 13% in gross profit on closing H1 2023FY levels
- Used vehicle revenue grew ahead of expectations on improved trade in ratios as new vehicle lead times normalised
- Service and parts tailwinds continue on growing vehicle deliveries and higher customer retention
- Gross margins remain stable as gross mix returns towards pre-Covid settings

# H1 2024FY FINANCIAL RESULT

\$m	H1 2024FY	H1 2023FY	Growth on PCP
Total Revenue	1,341.6	1,062.1	26.3%
Gross Profit	264.8	220.6	20.0%
Operating Expenses	(157.0)	(130.8)	20.0%
EBITDA	107.8	89.8	20.1%
Depreciation	(27.5)	(24.1)	14.3%
Acquisition amortisation	(2.0)	(1.4)	38.9%
EBIT	78.3	64.3	21.9%
Interest expense	(27.4)	(13.0)	110.4%
NPBT	50.9	51.3	-0.6%
NPAT	35.5	35.1	1.0%
<i>EPS</i>	<i>17.50</i>	<i>17.15</i>	<i>2.0%</i>
<i>DPS</i>	<i>10.0</i>	<i>9.0</i>	<i>11.1%</i>

	H1 2024FY	H1 2023FY	Movement
Underlying PBT	54.7	52.0	5.3%
AASB 16 impacts	(1.6)	2.0	-179.9%
Normalised PBT	53.2	53.9	-1.4%
Statutory adjustments			
- Acquisition amortisation	(2.0)	(1.4)	38.9%
- Acquisition and restructure expenses	(0.2)	(1.3)	-81.6%
Statutory PBT	50.9	51.3	-0.6%

## HIGHLIGHTS

- Revenue growth of \$280m led by
  - Organic revenue growth of \$114m
  - Cycling of prior year acquisitions \$153m
  - Greenfield revenue growth \$13m
- Gross profit up 20% as margins hold as trading conditions normalize
- EBIT up 21.9% as controlled operational expenses allows revenue and gross profit gains to flow through
- NPBT stable at \$50.9m (down \$0.4m on PCP) despite impacts of
  - Interest costs up \$14m vs PCP
  - AASB16 impact of \$3.6m vs PCP
- Interim dividend increased 11.1% to 10c per share fully franked on positive trading outlook

# AGENDA

HIGHLIGHTS

H1 2024FY RESULTS SUMMARY

H1 2024FY FINANCIAL METRICS

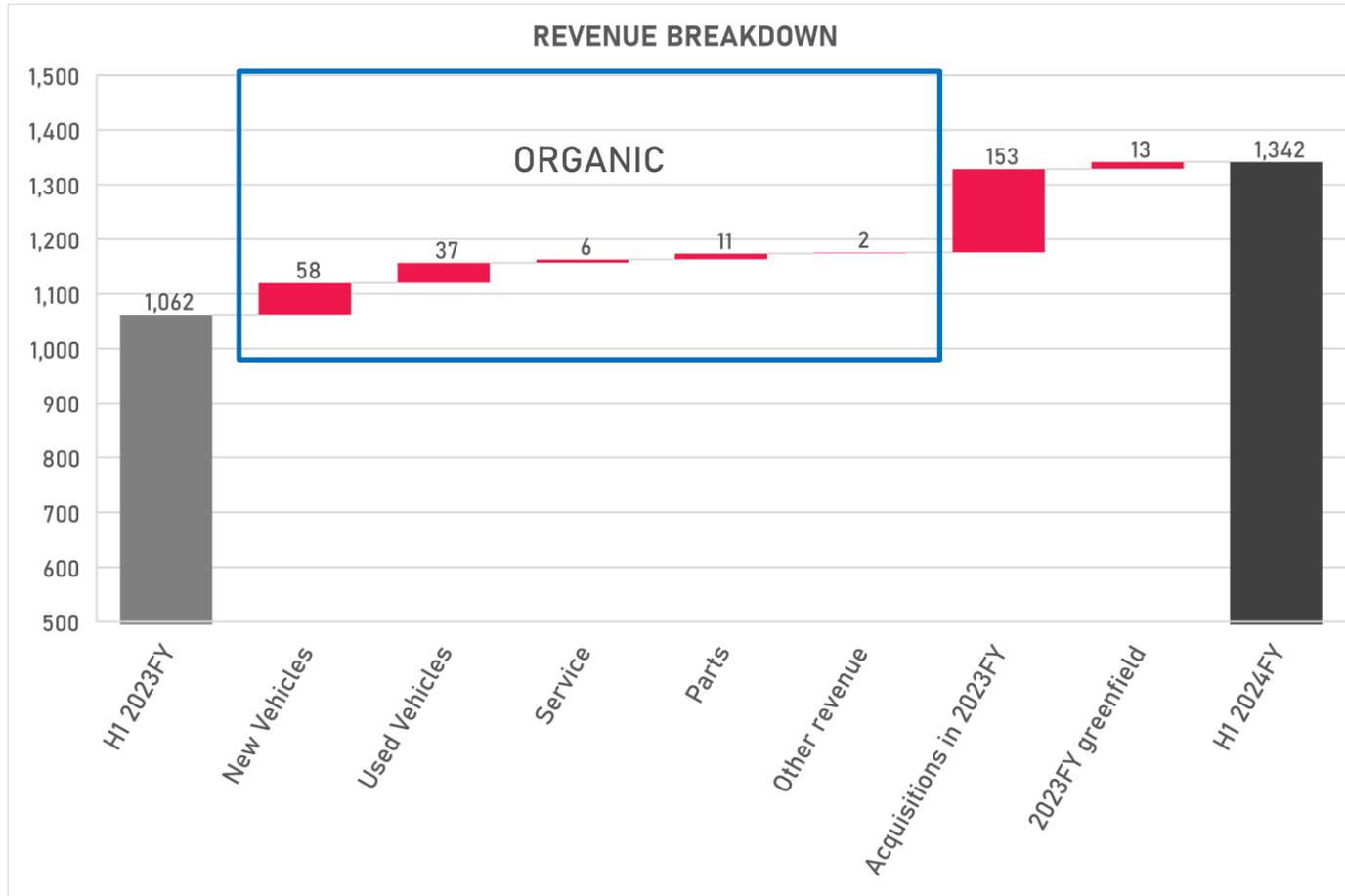
STRATEGIC UPDATE

RECAP & OUTLOOK

APPENDIX



# H1 2024FY REVENUE DRIVERS



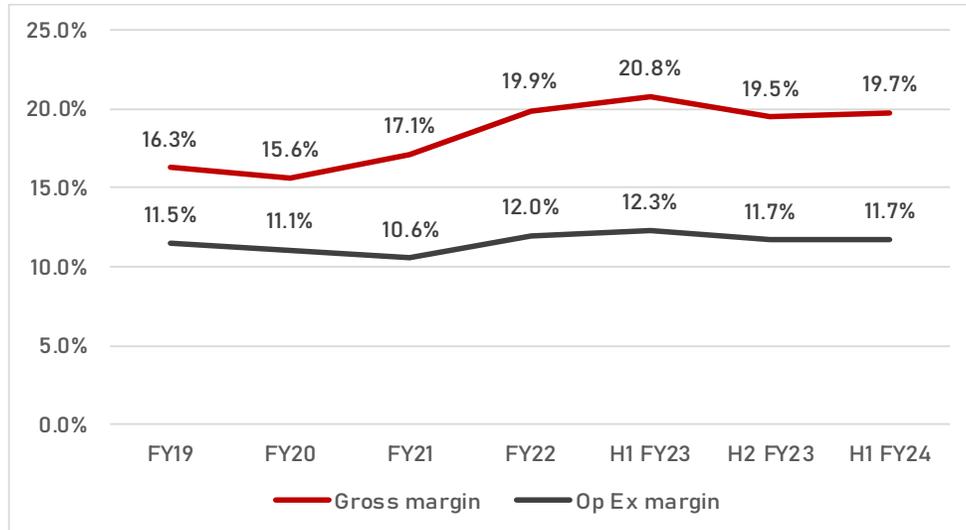
**REVENUE BREAKDOWN H1 2024FY**

- Strong underlying market saw ASG's like for like new vehicle revenue grow 9.2%
- Used vehicle like for like revenue growth of 14.7% supported by increased trade in opportunities
- Service and parts revenue like for like growth of 11%

**H2 2024FY REVENUE DRIVERS**

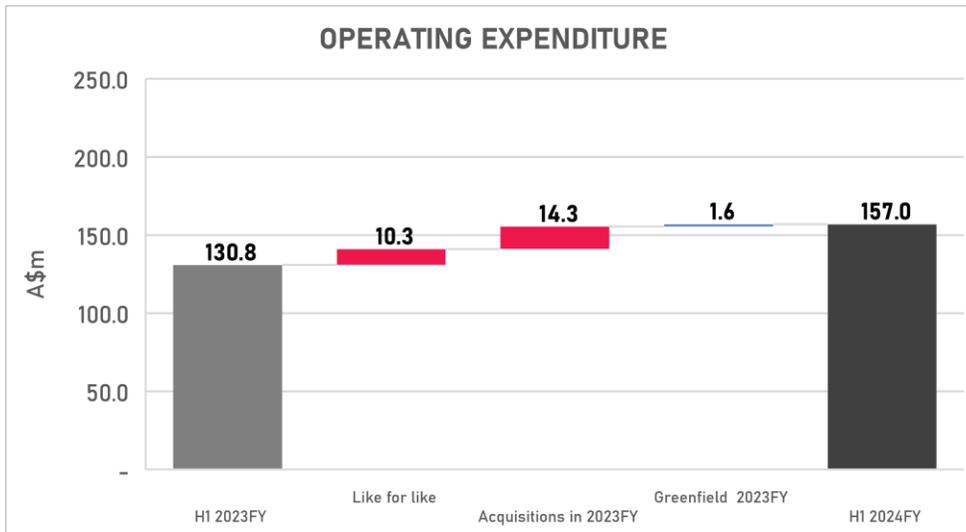
- 2023FY and H1 2024FY vehicle sales and higher service customer retention drives backend revenue
- Consistent OEM luxury vehicle supply

# UNLOCKING IMPROVED OPERATING LEVERAGE



### DISCIPLINED EXPENSE MANAGEMENT

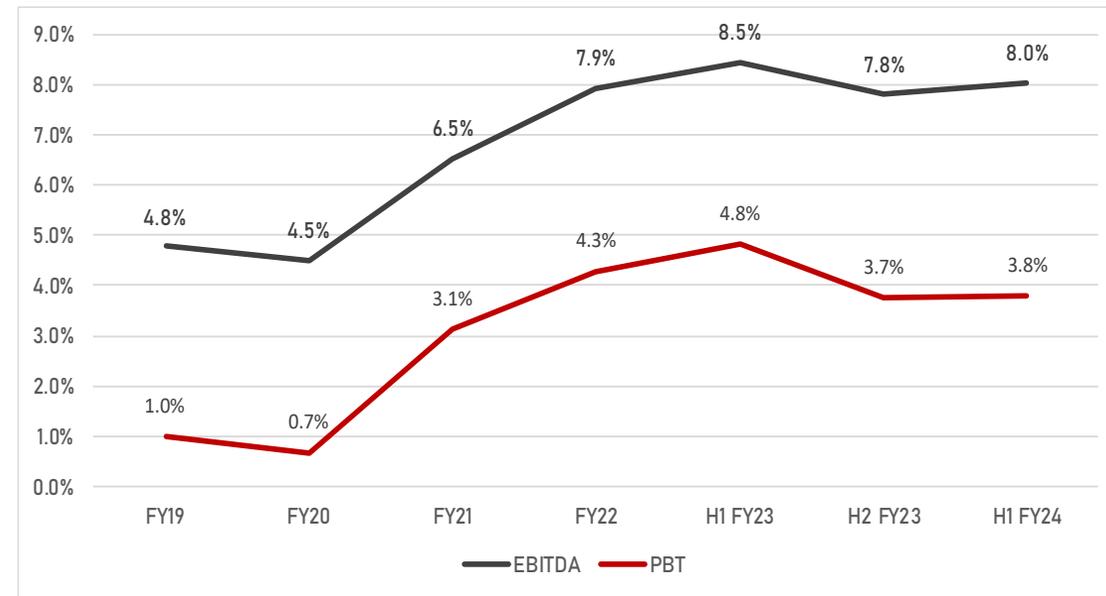
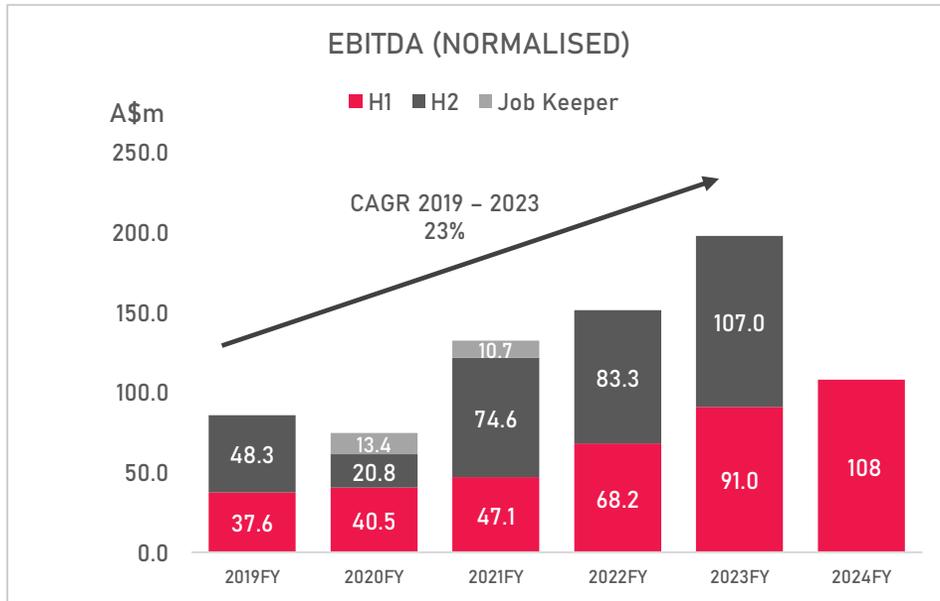
- Like for like Op Ex increased \$10.3m (8%) on PCP
  - Like for like employee costs increased \$5.4m, 6%
  - Like for like occupancy costs increased \$1.1m 39%, AASB16 movement amounts to \$3.7m
  - Like for Like other expenses increased \$4.8m, 12%. Coming from increased IT spend and advertising spend
  - Like for like acquisitions and restructure expenses decreased \$1m



### COST OPTIMISATION

- Like for like Op Ex well maintained through
  - Site optimisation
  - Using scale to leverage supplier agreements
  - Revenue increases driving operating leverage

# NORMALISED MARGIN OVERVIEW



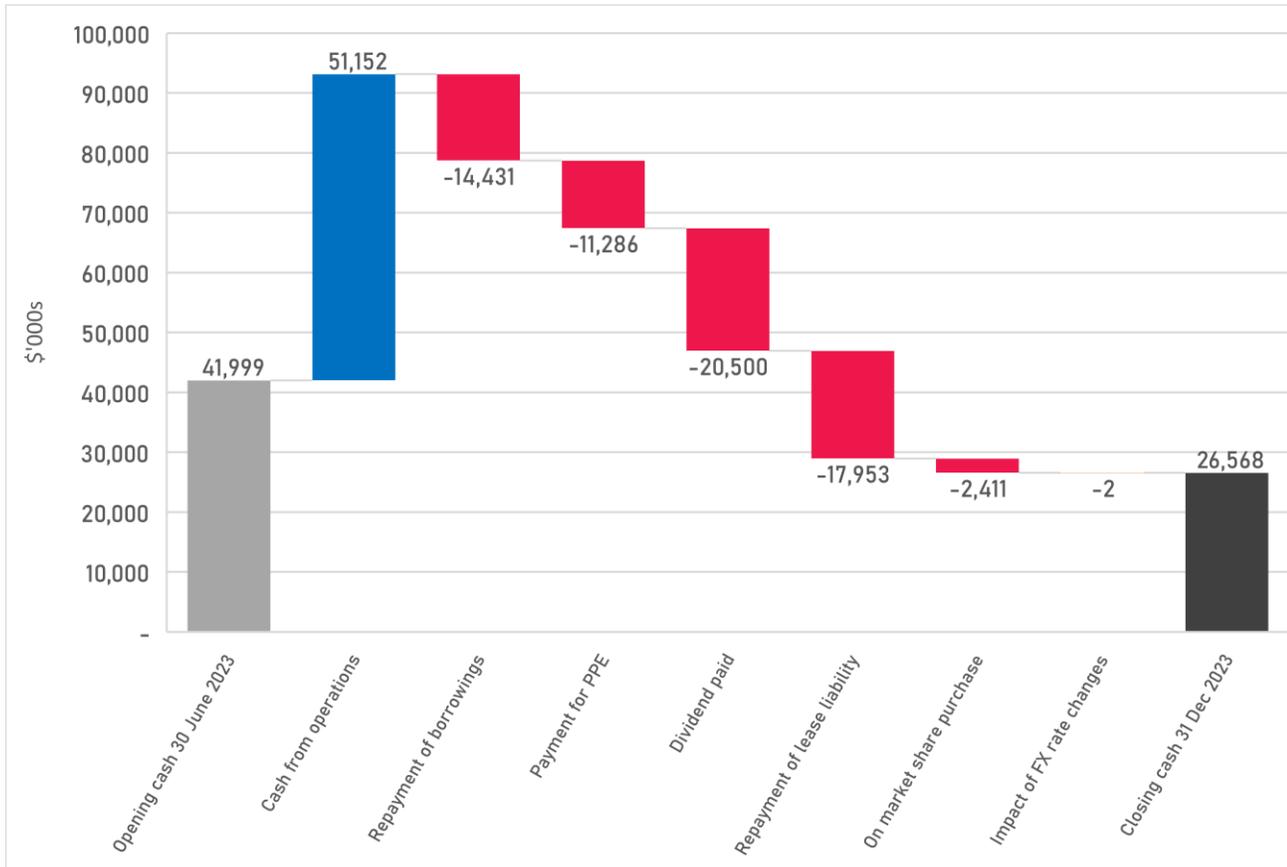
## PROFIT MARGIN DRIVERS

- 2019FY – 2023FY EBITDA GROWTH DRIVEN BY:
  - Increased scale and maturity supporting underlying profit
  - Strong Op Ex management
  - Continued realignment of high Op Ex in acquired businesses
  - Improved site utilisation
- 2019FY – 2023FY PBT MARGIN GROWTH DRIVEN BY
  - Improvement in property portfolio driving low occupancy costs
  - Continuation of H2 2023FY margins through H1 2024FY

(1) Normalised EBITDA excludes acquisition and restructure costs as set out on page 8

# H1 2024FY CASH FLOW

ASG's strong cash flow positions the Group well to unlock future growth potential



## STRONG OPERATING CASH:

- Strong cash from operations in 2023FY of \$51.2m has enabled ASG to:
  - Payout a dividend of \$20.5m with DPS up 11% on PCP
  - Investment of \$11.3m in dealership improvements creating greater customer experience and improved productivity
  - Corporate debt reduced \$14.4m, to \$208m, with no new debt drawn down

# AGENDA

HIGHLIGHTS

H1 2024FY RESULTS SUMMARY

H1 2024FY FINANCIAL METRICS

STRATEGIC UPDATE

RECAP & OUTLOOK

APPENDIX



# LUXURY MARKET – EV MARKET

ASG's strategy of partnering with the best luxury brands in the market has the Group well placed for EV market growth

## LUXURY BRANDS

- Traditional luxury brands (Mercedes-Benz, BMW, Audi, Volvo) products are
  - Leading technology
  - High revenue and gross generating
  - Growing in share
  - Resilient in Service and Parts revenue streams
- The luxury consumer remains brand loyal but financially capable of changing to EV products
- In 2023 36% of the luxury market deliveries were EV's
- Traditional luxury brands have rapid EV product roll outs underway
- Mercedes-Benz, BMW and Audi are targeting Tesla's market share



BRAND	2023 SALES
Tesla	46,116
BYD	12,438
MG	5,928
Volvo	3,949
Mercedes-Benz	3,188
Kia	3,039
BMW	2,990
Polestar	2,463
Hyundai	2,417
Cupra	887
MINI	551
Audi	539
Porsche	535

Source: Evcentral.com.au

■ Represents ASG brand representation

# ACQUISITION STRATEGY

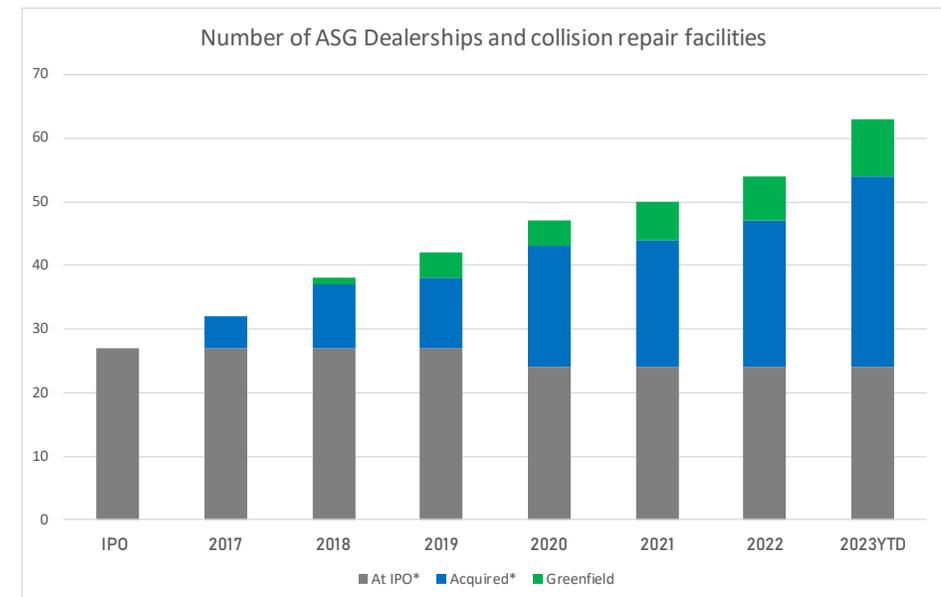
ASG is focused on growth in prestige and luxury brands acquisition opportunities

## WHY LUXURY BRANDS?

- High revenue per transaction
- A resilient customer base
- EV ready brands
- Meaningful market share opportunity

## ACQUISITIONS ARE WELL PRICED

- Acquisition multiples between 4 – 6x NPBT plus assets
- Capital allocation delivers strong ROI, ROCE, and EPS accretion
- In FY23 acquisitions delivered \$272m in revenue growth for ASG
- ASG has a clear pipeline to deliver our target range of \$250m per annum in acquisition led revenue



# AGENDA

HIGHLIGHTS

H1 2024FY RESULTS SUMMARY

H1 2024FY FINANCIAL METRICS

STRATEGIC UPDATE

RECAP & OUTLOOK

APPENDIX



# H1 2024FY HIGHLIGHTS

REVENUE  
\$1,342 million



Up 26%  
on PCP

VEHICLE ORDER  
WRITE



Up 11%  
on PCP

STATUTORY NPAT  
\$35.5 million



Up 1%  
on PCP

GROSS PROFIT  
\$264.8m



up 20%  
on PCP

EBITDA  
\$107.8m



up 20.1%  
on PCP

HY INTERIM DIVIDEND  
10 cents per share  
(fully franked)



up 11%  
on PCP



# OUTLOOK



New vehicle supply and resilient luxury demand to deliver stable like for like revenue in H2



Service and parts should continue above trend revenue growth on improved vehicle deliveries



Inflationary cost pressures to stabilise in CY24



ASG has a clear line of sight on accretive dealership acquisition opportunities



ASG continues to target \$250m in annual growth by acquisition



# AGENDA

HIGHLIGHTS

H1 2024FY RESULTS SUMMARY

H1 2024FY FINANCIAL METRICS

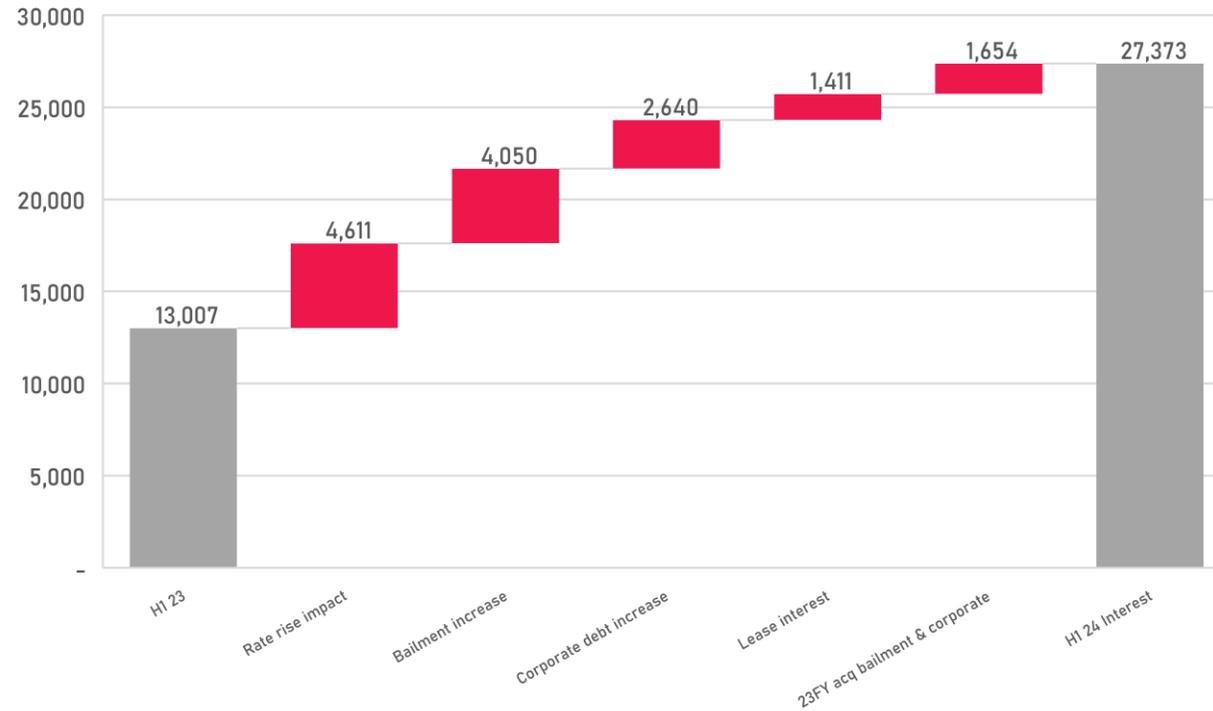
STRATEGIC UPDATE

RECAP & OUTLOOK

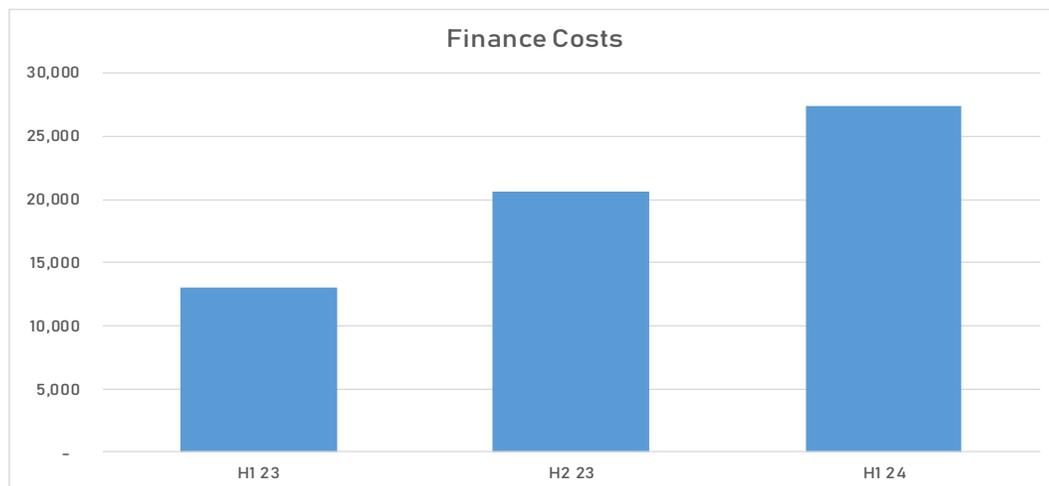
APPENDIX



# FINANCE COSTS BRIDGE H1 2024FY



- At 31 December 2023 Inventory levels each 0.25% interest rate movement impacts interest costs by \$1.3m
- Corporate debt repayment \$14m in H1 2024FY



# ABOUT ASG

ASG was established in 2006 and operates one of Australia's largest networks of luxury and prestige car dealerships.

## KEY FACTS

<b>HISTORY</b>	<ul style="list-style-type: none"> <li>Established 18 years ago by founders and major shareholders, Ian Pagent and Nick Pagent</li> <li>Listed in November 2016</li> </ul>
<b>OPERATIONS</b>	<ul style="list-style-type: none"> <li>54 new car dealerships</li> <li>3 used car outlets</li> <li>4 motorcycle dealerships</li> <li>8 specialist prestige vehicle collision repair facilities</li> <li>Strategically located in high growth Sydney, Melbourne, Brisbane, Gold Coast and Auckland</li> </ul>
<b># UNITS SOLD (FY2023)</b>	<ul style="list-style-type: none"> <li>~21,000 new cars</li> <li>~16,000 used cars</li> </ul>
<b>ASG BRANDS</b>	<ul style="list-style-type: none"> <li>Represents 20 luxury and prestige brands</li> </ul>
<b>EMPLOYEES (June 2023)</b>	<ul style="list-style-type: none"> <li>~1,800</li> </ul>
<b>FINANCIAL SCALE (FY2023)</b>	<ul style="list-style-type: none"> <li>Revenue &gt;\$2.3 billion</li> </ul>
<b>PERFORMANCE SINCE LISTING</b>	<ul style="list-style-type: none"> <li>Dividend per share CAGR 27% 2017FY – 2023FY</li> <li>Earnings per share CAGR 16% 2017FY – 2023FY</li> </ul>

## ASG'S BRANDS

	9		6	<b>VOLVO</b>	3	
	3	<b>JAGUAR</b>	2		2	
	3		2		1	
	2		3	<b>McLaren</b>	1	
	2		7		2	
	4		<b>BMW MOTORRAD</b>	3		1
	1		<b>KIA</b>	1		

# TRACK RECORD OF DELIVERING GROWTH AND SHAREHOLDER RETURNS

Since listing ASG has maintained a track record of delivering both growth and shareholder returns

	2017FY**	2023FY	Movement	
<b>Financial Metrics</b>				
Revenue \$'millions	1,446.2	2,371.4	↑	64%
NPBT normalised* \$'millions	38.7	112.2	↑	190%
Gross margin	15%	20%	↑	35%
NPBT normalised* margin	2.7%	4.7%	↑	75%
EBITDA normalised margin	3.8%	6.3%	↑	66%
<b>SHAREHOLDER RETURNS</b>				
EPS (cents) statutory	6.07	32.55	↑	436%
DPS (cents) declared	4.6	19.0	↑	313%

\*Normalised NPBT excludes AASB16 adjustments, acquisition and restructure costs, acquisition amortisation and impairment. AASB16 impacts excluded for like for like comparison with historical period as AASB16 came into effect in 2019.

\*\* pro forma 2017FY results

# AASB16 LEASES IMPACT

A\$m	H1 2024FY Statutory			A\$m	H1 2023FY Statutory		
	Pre AASB16	AASB16	After AASB16		Pre AASB16	AASB16	After AASB16
Total Revenue	1,341.61		1,341.61	1,062.1		1,062.1	
Gross Profit	264.82		264.82	220.6		220.6	
Opex	(180.1)	23.3	(157.0)	(155.0)	24.1	(130.8)	
EBITDA	84.47	23.3	107.82	65.6	24.1	89.8	
Depreciation	(8.1)	(19.4)	(27.5)	(6.0)	(18.0)	(24.1)	
Acquisition amortisation	(2.0)		(2.0)	(1.4)		(1.4)	
Impairment of goodwill							
EBIT	78.31		78.31	58.1		64.3	
Interest Expense	(21.8)	(5.6)	(27.4)	(8.9)	(4.1)	(13.0)	
PBT	52.51	(1.6)	50.94	49.3	2.0	51.3	

H2 2024FY AASB 16 is estimated to have a similar PBT impact to H1 2024FY this estimate is subject to change based on lease renewals, CPI increases, foreign exchange rate movements, new leases or disposal of leases.



# PROPERTY STRATEGY

ASG's property strategy is set to support our dealership growth strategy

LOCATION	DATE ACQUIRED
Macgregor, QLD	May 2018
Macgregor, QLD – vacant land	Dec 2018
Hornsby, NSW	Sep 2019
Brighton, VIC	Feb 2021
Bundoora, VIC	Nov 2021
Alexandria, NSW	Feb 2022
Fortitude Valley, QLD	Jun 2023



## 2024FY CARRYING VALUE

▪ Historical acquisition cost	\$203.1m
▪ Current book value*	\$192.7m
▪ Total corporate debt	\$208m

## PROPERTY STRATEGY

- Control strategically important retail sites
- Further improves tangible asset base
- Gradually reduce lease costs
- Property debt provided by OEM financiers
- Property portfolio increases ASG's access to OEM funding

\* Property cost less accumulated depreciation and impairment



# QUESTIONS

# IMPORTANT NOTICE AND DISCLAIMER

This presentation contains summary information about Autosports Group Limited (ACN 614 505 261) (ASG) and its activities current as at the date of this presentation. The information in this presentation is of general background and does not purport to be complete. It should be read in conjunction with ASG's other periodic and continuous disclosure announcements filed with the Australian Securities Exchange, which are available at [www.asx.com.au](http://www.asx.com.au).

This presentation is for information purposes only and is not a prospectus or product disclosure statement, financial product or investment advice or a recommendation to acquire ASG shares or other securities. It has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek legal, financial and taxation advice appropriate to their jurisdiction. Past performance is no guarantee of future performance.

This presentation contains forward-looking statements including statements regarding our intent, belief or current expectations with respect to ASG's business and operations. When used in this presentation, the words 'likely', 'estimate', 'project', 'intend', 'forecast', 'anticipate', 'believe', 'expect', 'may', 'aim', 'should', 'potential', 'target' and similar expressions, as they relate to ASG, are intended to identify forward looking statements. Forward looking statements involve inherent risks and uncertainties, both general and specific, and there is a risk that such predictions, forecasts, projections and other forward looking statements will not be achieved. A number of important factors could cause ASG's actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward looking statements, and many of these factors are outside ASG's control. Forward looking statements are provided as a general guide only, and should not be relied on as an indication or guarantee of future performance. As such, undue reliance should not be placed on any forward looking statement.

No representation or warranty, expressed or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this presentation (including forward-looking statements). To the maximum extent permitted by law, none of ASG and its related bodies corporate, or their respective directors, employees or agents, nor any other person accepts liability for any loss arising from the use of this presentation or its contents or otherwise arising in connection with it, including, without limitation, any liability from fault or negligence on the part of ASG, its related bodies corporate, or any of their respective directors, employees or agents.

## Financial data

Readers should note that this presentation contains pro forma financial information. The pro forma financial information provided in this presentation is for illustrative purposes only and is not represented as being indicative of ASG's views on the future financial condition and/or performance of ASG.

All references in this presentation to "\$" are to Australian currency, unless otherwise stated.

A number or figures, amounts, percentages, estimates, calculations of value and fractions in this presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this presentation.

autosports group<sup>®</sup>

DRIVE ENDLESS POSSIBILITIES