

22 August 2024

Market Announcements Office
ASX Limited

Results for Announcement to the Market

Half Year 2024 Report and Accounts

Attached are the following documents for the half year of Eagers Automotive Ltd (ASX:APE) ended 30 June 2024:

1. Appendix 4D including Commentary
2. Directors' Report including Auditor's Declaration of Independence
3. Half Year Financial Report
4. Auditor's Report

These documents are given to the ASX under listing rule 4.2A and are to be read in conjunction with our most recent annual financial report.

For more information:

Keith Thornton
Chief Executive Officer
(07) 3608 7110

Jon Snowball
Sodali & Co
0477 946 068

Authorised for release by the Board.

Appendix 4D

Half year report

1. Company details

Name of entity

Eagers Automotive Limited

ABN or equivalent company reference

87 009 680 013

Half year ended ('current period')

30 June 2024

Half year ended ('previous period')

30 June 2023

2. Results for announcement to the market

\$A'000's

2.1	Revenues from ordinary activities	Up	13.4%	to	5,464,203
2.2	Net profit (loss) for the period	Down	18.0%	to	123,422
2.3	Net profit (loss) for the period attributable to members	Down	15.8%	to	116,020
2.4	Dividends		Amount per security		Franked amount per security
	Ordinary interim dividend		24.0 cents		24.0 cents
2.5	+Record date for determining entitlements to the dividend.		11 th September 2024		
2.6	Brief explanation of any of the figures in 2.1 to 2.4 above necessary to enable the figures to be understood.				
	Refer to the attached commentary.				

3. NTA backing

	Current period	Previous corresponding Period
Net tangible asset backing per +ordinary security	\$1.77	\$2.16

4.1 Control gained over entities

Name of entity (or group of entities)	NGP Victoria Dealership Group
Date control gained	29 February 2024
Contribution of such entities to the reporting entity's profit/ (loss) before tax, and internal rent from ordinary activities during the period (where material).	The contribution to profit from ordinary activities in the period is not material.
Profit(loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period.	N/A

Name of entity (or group of entities)	Alice Springs Toyota
Date control gained	29 February 2024
Contribution of such entities to the reporting entity's profit/ (loss) before tax, and internal rent from ordinary activities during the period (where material).	The contribution to profit from ordinary activities in the period is not material.
Profit(loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period.	N/A

4.2 Loss of control over entities

Name of entity (or group of entities)	N/A
Date control lost	
Contribution of such entities to the reporting entity's profit/ (loss) from ordinary activities during the period (where material).	
Consolidated profit/(loss) from ordinary activities of the controlled entity (or group of entities) whilst controlled during the whole of the previous corresponding period (where material).	

5 Dividends

Individual dividends per security

	Date dividend is payable	Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
Ordinary interim dividend: Current year	20/09/2024	24.0¢	24.0¢	Nil¢
Ordinary interim dividend: Prior year	22/09/2023	24.0¢	24.0¢	Nil¢

6 Dividend Reinvestment Plans

The dividend or distribution plans shown below are in operation.

The Eagers Automotive Limited Dividend Reinvestment Plan will not apply to the interim dividend.
--

The last date(s) for receipt of election notices for the dividend or distribution plans

N/A

7 Details of associates and joint venture entities

Name of associate/joint venture	Reporting entity's percentage holding	
	Current Period	Previous corresponding period
Vehicle Parts (WA) Pty Ltd	50.0%	50.0%
Mazda Parts WA	16.7%	16.7%

The aggregate share of profit of these entities and their contribution to net profit during the period are not material to the Group's results for the period.

Sign here:  Date: 22 August 2024
(Director)

Print name: Tim Crommelin

22 August 2024

Market Announcements Office
ASX Limited

Appendix 4D
Half Year Report and Commentary
Half year ended 30 June 2024
(ASX listing rule 4.2A)

Eagers Automotive Delivers Resilient 1H24 Result

Financial Highlights	Half Year to June 2024 \$ Million	Half Year to June 2023 \$ Million
Revenue	5,464.2	4,817.6
Underlying EBITDA ⁽¹⁾⁽²⁾	265.9	254.1
Underlying Operating Profit Before Tax ⁽¹⁾	182.5	207.4
Statutory Profit Before Tax	181.3	216.1
Ordinary Interim Dividend per Share (cents)	24.0	24.0

Key Highlights

- Record first half Revenue of \$5,464.2 million (1H23: \$4,817.6 million).
- Statutory Profit Before Tax of \$181.3 million (1H23: \$216.1 million) and Statutory Profit After Tax of \$123.4 million (1H23: \$150.5 million).
- Underlying Operating Profit Before Tax⁽¹⁾ of \$182.5 million (1H23: \$207.4 million).
- Statutory basic EPS of 45.4 cents per share (cps) (1H23: 54.4 cps) and Underlying⁽¹⁾ basic EPS of 45.9 cps (1H23: 52.2 cps).
- Ordinary interim fully franked dividend of 24.0 cps approved for payment for 1H24 (1H23: 24.0 cps).
- Maintained strong financial position with available liquidity of \$444.7 million (31 December 2023: \$620.3 million), and net debt position of \$495.1 million at 30 June 2024 (31 December 2023: \$262.7 million).
- Significant owned property portfolio of \$726.9 million (31 December 2023: \$597.9 million including assets held for sale).

Eagers Automotive Limited

ABN 87 009 680 013
ASX: APE

T (07) 3608 7100
F (07) 3608 7111

E corporate@eagersautomotive.com.au

Registered Office
5 Edmund Street
Newstead QLD 4006

Postal Address
PO Box 199
Fortitude Valley
QLD 4006

Operational & Strategic Highlights

- Record first half revenue driven by strong contributions from core Franchised Automotive business, recent large-scale acquisitions, Retail Joint Venture and maturing greenfield businesses, leveraging a record first half new car market⁽³⁾.
- New vehicle margins remain resilient, supported by demand which remains strong relative to historic levels and strong embedded margins in our material order bank.
- Strong earnings contribution from Franchised Automotive (excluding interest and depreciation) demonstrating successful multi-year execution of our Next100 Strategy and the resilience of the automotive retail operating model.
- Record first half profit in our independent pre-owned business, benefiting from normalised supply and continued execution of our benchmark operating models.
- Retail Joint Venture profit contribution in first 4 months materially impacted by clearance of excess inventory, while minimal contribution received in the first half from recently completed acquisitions.
- Disciplined cost management despite high inflationary environment, combined with higher levels of inventory and higher interest rates relative to the first half of 2023.
- Continued to outperform industry averages in the financial services business for new and used finance income and penetration, with our ancillary product strategy driving further margin growth.
- Continued execution of our property strategy, with the further acquisition of \$56 million in ~37,000 sqm of prime property anticipated to settle in the second half of 2024.
- Subsequent to 30 June 2024, the Company completed a refinance of syndicated and property debt facilities, increasing total undrawn debt facilities to \$797.0 million, providing further balance sheet strength and flexibility to fund future growth opportunities.

Key Financial Highlights

Half Year to June	Half Year to June 2024 \$ Million	Half Year to June 2023 \$ Million
Statutory Results		
Revenue	5,464.2	4,817.6
EBITDA ⁽²⁾	335.2	326.2
Statutory Profit Before Tax	181.3	216.1
Statutory Profit After Tax	123.4	150.5
Ordinary Interim Dividend per Share (cents)	24.0	24.0
Underlying Operating Results		
Underlying Revenue ⁽¹⁾	5,464.2	4,817.6
Underlying EBITDA ⁽¹⁾⁽²⁾	265.9	254.1
Underlying Profit Before Tax ⁽¹⁾	182.5	207.4
Underlying Profit After Tax ⁽¹⁾	124.7	145.0

Dividend

The Board has approved an ordinary interim dividend of 24.0 cps fully franked for 1H24 (1H23: 24.0 cps). The ordinary dividend has been approved for payment on 20 September 2024 to shareholders who are registered on 11 September 2024 (Record Date).

The interim payout demonstrates the confidence the Board and Management have in the underlying business, the continued progress against our strategic initiatives and the opportunities that will present in the near to mid-term. This confidence will always be balanced with disciplined operating behaviour and a cautious view to any economic and industry headwinds.

The Company's dividend reinvestment plan (DRP) will not operate in relation to the ordinary dividend.

Financial Performance

The Company achieved a Statutory Net Profit Before Tax of \$181.3 million for 1H24 (1H23: \$216.1 million). The 1H24 statutory result included significant items totalling \$1.2 million net loss before tax, compared to \$8.7 million net income in the prior period, primarily related to the impact of business acquisition costs and AASB16 on the business.

Statutory Net Profit After Tax for 1H24 was \$123.4 million, compared to a profit of \$150.5 million in 1H23.

Statutory and Underlying⁽¹⁾ revenue increased 13.4% to a record first half of \$5,464.2 million, with incremental contributions from recent acquisitions in Victoria and Northern Territory, combined with growth in our Retail Joint Venture and maturing greenfield operations. On a like-for-like basis⁽⁴⁾, Statutory and Underlying⁽¹⁾ revenue increased 8.0% to \$5,115.3 million.

Underlying⁽¹⁾ Operating NPBT⁽⁵⁾/Sales ratio decreased to 3.3% in 1H24 (1H23: 4.3%). The decline was driven by a combination of materially higher finance costs related to current interest rate and inventory cycles, in addition to recent acquisitions which are yet to be integrated into the broader business. These impacts were partially offset by benefits from ongoing productivity and cost-out programs.

Segments

Half Year to June	Half Year to June 2024 \$ Million	Half Year to June 2023 \$ Million
Car Retailing Segment		
Statutory & Underlying ⁽¹⁾ Revenue	5,464.2	4,817.3
Underlying ⁽¹⁾ Operating Profit Before Tax	176.5	198.9
Statutory Profit Before Tax	171.9	211.2
Property Segment		
Underlying ⁽¹⁾ Operating Profit Before Tax	5.5	11.6
Statutory Profit Before Tax	8.8	8.0

The Company's national, independent pre-owned business, headlined by easyauto123 and supported by its national auction business Carlins, delivered a record profit result in 1H24, achieved through disciplined optimisation of the unique business economics.

The value of the property portfolio increased to \$726.9 million as at 30 June 2024, compared with \$597.9 million at 31 December 2023 (including assets held for sale), with the increase attributable to strategic property acquired as part of the Victorian and Northern Territory acquisitions.

Underlying⁽¹⁾ Operating Profit Before Tax for the Property Segment was impacted by higher interest and depreciation costs on owned property relative to the prior period.

Financial Position

Eagers Automotive is in a very strong financial position underpinned by a substantial property portfolio and asset base, together with \$444.7 million of available liquidity at 30 June 2024. This liquidity position includes available cash and undrawn commitments under corporate debt facilities.

Corporate debt (Term and Capital loan facilities) net of cash on hand was \$495.1 million as at 30 June 2024, up from \$262.7 million at 31 December 2023, following the disciplined deployment of capital in 1H24 to fund M&A growth opportunities and the acquisition of associated strategic property. The Company's leverage metrics are in a strong position, with the gearing ratio at 0.89 times at 30 June 2024 (FY23: 0.48 times).

Subsequent to 30 June 2024, the Company completed a refinance of syndicated and property debt facilities, increasing total undrawn debt facilities to \$797.0 million. The increased appetite from our financiers provides confidence in the long-term execution of our Next100 Strategy through evolving market cycles.

Total inventory levels increased to \$1,837.4 million at 30 June 2024, up from \$1,620.0 million at 31 December 2023, driven by the acquisition of the Victorian and Northern Territory businesses and growth in greenfield businesses. Eagers Automotive continues to maintain significant equity ownership in used vehicle inventory.

The Company remains focused on cash management, generating a strong cash position of \$297.4 million at 30 June 2024, driven by operating cash flows of \$278.0 million. Strong operating cash flows for the period enabled M&A and property acquisitions, continued investment in new automotive retail formats and payment of dividends.

Outlook

The resilient performance of the business over the first half of 2024 and the strength of our underlying EBITDA⁽²⁾ margin demonstrates that the business continues to operate with industry leading discipline.

The Company remains on track to deliver on our full year revenue growth expectations for 2024, delivering more than \$1 billion in top line growth, in addition to the growth achieved in 2023. This growth is expected to be achieved through a balanced contribution from acquisitions, organic growth and greenfield operations.

Whilst we are not immune to shifts in consumer sentiment, which reflect current economic and inflationary headwinds, demand remains strong relative to historic levels and the industry remains on track to deliver another record full year new vehicle market in 2024. Our material order bank provides strong embedded gross profit, with vehicle margins expected to remain above long-term industry averages.

Through the second half of 2024, we expect to see the following dynamics evidenced in our results:

- Delivering on full year revenue growth expectations by continuing to execute organic, greenfield and acquisition initiatives;
- Maintaining sustainable and profitable growth in our independent pre-owned business, supported by our unique inventory sourcing channels and proprietary technology initiatives;
- Strong recovery in the performance of our Retail Joint Venture, benefiting from normalisation of inventory levels, footprint expansion via retail partner model and continued strong demand for affordable battery electric and plug-in hybrid vehicles;
- A focus on improving performance from acquisitions through the ongoing integration and optimisation of these businesses;
- Continued rollout and implementation of our unique proprietary technology initiatives to realise further productivity improvements; and

- Disciplined review of accretive acquisition opportunities consistent with our Next100 Strategy, while executing on greenfield opportunities with both existing and new partners.

While the second half of 2024 continues to present challenging conditions, we expect further opportunities will emerge to drive our long-term track record of sustainable growth.

The Company remains uniquely positioned with unrivalled scale, geographic reach and brand diversity, with proprietary operating advantages and businesses that make Eagers Automotive unlike any competitors in our market.

We have a track record of executing with discipline against a clear and consistent strategy and will be focused on continuing to deliver for the benefit of all our stakeholders over the remainder of 2024 and beyond.



Tim Crommelin
Director

22 August 2024

For more information:

Keith Thornton
Chief Executive Officer
(07) 3608 7110

Jon Snowball
Sodali & Co
0477 946 068

www.eagersautomotive.com.au

Note: All national sales figures are based on Federal Chamber of Automotive Industry statistics sourced through VFACTS.

- (1) Underlying operating results refers to continuing operations, adjusted for significant items outlined and reconciled to statutory results on slides 30 (1H24) and 31 (comparative financial information) of the Investor Presentation. Underlying operating figures are non-financial measures and have not been subject to review by the Company's external auditors.
- (2) EBITDA means earnings before interest, tax, depreciation and amortisation.
- (3) Source: Federal Chamber of Automotive Industry statistics sourced through VFACTS
- (4) Like-for-like excludes business acquired (Ireland's of Cairns, Alice Springs Toyota and NGP Victorian Operations), non-significant greenfield sites, and businesses divested in 2023 and 2024 respectively.
- (5) NPBT means Net Profit Before Tax.

Eagers Automotive First Half 2024 Analyst and Investor Call – 9:30am AEST Thursday 22 August 2024

Participants can register to receive dial-in details for the call using the following link:

<https://s1.c-conf.com/diamondpass/10040997-8ajgtf.html>

Participants may also wish to join a webcast of the results briefing using this link:

<https://event.choruscall.com/mediaframe/webcast.html?webcastid=ykzJo2D5>

EAGERS AUTOMOTIVE LIMITED ACN 009 680 013
DIRECTORS' REPORT

The Directors present their report on the consolidated entity consisting of Eagers Automotive Limited (“the Company”) and the entities it controlled at the end of, or during, the half year ended 30 June 2024.

Directors

T B Crommelin, N G Politis, D T Ryan, M J Birrell, S A Moore, D S Blackhall, G J Duncan and M V Prater were Directors of the Company during the whole of the half year and they continue in office at the date of this report. K S McNamara was appointed as a Director on 21 March 2024 and continues in office at the date of this report.

Review of Operations and Results

The consolidated entity achieved a net profit after tax of \$123.4 million for the half year ended 30 June 2024 (2023HY: \$150.5 million). Further review of the consolidated entity’s operations during the half year and the results of those operations are included in pages 1 to 7 of the commentary at the front of this report.

Dividends

The Board has determined to pay a fully franked interim ordinary dividend of 24.0 cents per share (2023: 24.0 cents per share) on 20 September 2024 to shareholders registered on 11 September 2024 (“Record Date”).

The Company’s dividend reinvestment plan (“DRP”) will not operate in relation to the interim dividend.

Auditor’s Independence Declaration

A copy of the Auditor’s independence declaration under section 307C of the Corporations Act 2001 is **attached**.

Rounding of Amounts to Nearest Thousand Dollars

The Company is of a kind referred to in Class Order 98/100 issued by the Australian Securities & Investments Commission relating to the “rounding off” of amounts in the Directors’ Report and Financial Report. Amounts in the Directors’ Report and Financial Report have been rounded off to the nearest thousand dollars in accordance with that Class Order.

This report is made in accordance with a resolution of the Directors.



Tim Crommelin
Director

Brisbane
22 August 2024

22 August 2024

The Board of Directors
Eagers Automotive Limited
5 Edmund Street,
Newstead Qld 4006

Dear Board Members

Auditor's Independence Declaration to Eagers Automotive Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Eagers Automotive Limited.

As lead audit partner for the review of the half year financial report of Eagers Automotive Limited for the half year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- Any applicable code of professional conduct in relation to the review.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



David Rodgers
Partner
Chartered Accountants

Eagers Automotive Limited

ABN 87 009 680 013

Half Year Financial Report 30 June 2024

Eagers Automotive Limited

ABN 87 009 680 013

Half Year Financial Report - 30 June 2024

Contents

	Page
Financial Report	
Condensed Consolidated Statement of Profit or Loss	1
Condensed Consolidated Statement of Other Comprehensive Income	2
Condensed Consolidated Statement of Financial Position	3
Condensed Consolidated Statement of Changes in Equity	4
Condensed Consolidated Statement of Cash Flows	6
Notes to the Condensed Consolidated Financial Statements	7
Directors' Declaration	20
Independent Auditor's Review Report to the Members	21

Eagers Automotive Limited
Condensed Consolidated Statement of Profit or Loss
For the half year ended 30 June 2024

		Half year ended	
		30 June	30 June
		2024	2023
	Notes	\$'000	\$'000
Revenue	5	5,464,203	4,817,629
Finance income		1,778	5,381
Other gains	6	3,549	6,669
Share of net profits of associates		565	652
Cost of sales		(4,490,012)	(3,921,124)
Employee benefits expense		(383,616)	(360,271)
Finance costs		(87,303)	(57,925)
Depreciation and amortisation expense		(68,411)	(57,548)
Other expenses		(259,471)	(217,388)
Profit before tax		181,282	216,075
Income tax expense	7	(57,860)	(65,528)
Profit for the period		123,422	150,547
Attributable to:			
Owners of Eagers Automotive Limited		116,020	137,760
Non-controlling interests		7,402	12,787
		123,422	150,547
		Cents	Cents
Earnings per share for profit attributable to the ordinary equity holders of the Company:			
Basic earnings per share		45.4	54.4
Diluted earnings per share		45.3	54.3

The above Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the accompanying notes.

Eagers Automotive Limited
Condensed Consolidated Statement of Other Comprehensive Income
For the half year ended 30 June 2024

	Half year ended	
	30 June	30 June
	2024	2023
	\$'000	\$'000
Profit for the period	123,422	150,547
Other comprehensive income		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Exchange differences on translation of foreign operations	(381)	(158)
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Revaluation increment - Financial assets at fair value through other comprehensive income (FVOCI)	6,189	16,582
Deferred tax expense on revaluation increment - Financial assets at fair value through other comprehensive income (FVOCI)	(1,859)	-
	4,330	16,582
Total other comprehensive income for the period, net of tax	3,949	16,424
Total comprehensive profit for the period	127,371	166,971
Total comprehensive profit attributable to:		
Owners of Eagers Automotive Limited	119,969	154,184
Non-controlling interests	7,402	12,787
	127,371	166,971

The above Condensed Consolidated Statement of Other Comprehensive Income should be read in conjunction with the accompanying notes.

Eagers Automotive Limited
Condensed Consolidated Statement of Financial Position
As at 30 June 2024

		Consolidated	
		30 June	31 December
	Notes	2024	2023
		\$'000	\$'000
Current assets			
Cash and cash equivalents		297,459	222,214
Trade and other receivables		418,711	347,487
Inventories		1,837,372	1,620,009
Prepayments and deposits		37,614	32,871
Finance lease receivables		10,327	13,506
Assets classified as held for sale	6	-	6,546
Total current assets		2,601,483	2,242,633
Non-current assets			
Loans receivable		30,689	33,119
Financial assets at fair value through other comprehensive income	11	70,095	64,072
Investments in associates		2,410	2,422
Other non-current receivables		25,647	23,954
Property, plant and equipment		864,910	691,192
Intangible assets	8	995,194	859,573
Deferred tax assets		131,460	137,688
Other non-current assets		7,874	9,494
Right-of-use assets		589,482	565,805
Finance lease receivables	2	44,795	90,763
Total non-current assets		2,762,556	2,478,082
Total assets		5,364,039	4,720,715
Current liabilities			
Trade and other payables		699,765	578,507
Borrowings - bailment and other current loans	10	1,585,542	1,329,622
Current tax liabilities		1,361	13,938
Provisions		111,738	106,784
Deferred revenue		11,859	11,379
Lease liabilities		151,554	150,668
Total current liabilities		2,561,819	2,190,898
Non-current liabilities			
Borrowings	10	768,385	466,505
Deferred revenue		10,738	14,810
Provisions		16,501	15,633
Lease liabilities		697,750	727,483
Total non-current liabilities		1,493,374	1,224,431
Total liabilities		4,055,193	3,415,329
Net assets		1,308,846	1,305,386
Equity			
Contributed equity		1,193,315	1,173,659
Reserves		(651,104)	(653,652)
Retained earnings		736,773	750,095
Equity attributable to equity owners of Eagers Automotive Limited		1,278,984	1,270,102
Non-controlling interests		29,862	35,284
Total equity		1,308,846	1,305,386

The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Eagers Automotive Limited
Condensed Consolidated Statement of Changes in Equity
For the half year ended 30 June 2024

	Notes	Issued capital \$'000	Asset revaluation reserve \$'000	Share-based payments reserve \$'000	Foreign currency translation reserve \$'000	Business combination reserve \$'000	Investment revaluation reserve \$'000	Retained earnings \$'000	Attributable to owners of the parent \$'000	Non-controlling interest \$'000	Total equity \$'000
Balance at 1 January 2024		1,173,659	41,541	(84,195)	(1,813)	(544,881)	(64,304)	750,095	1,270,102	35,284	1,305,386
Profit for the period		-	-	-	-	-	-	116,020	116,020	7,402	123,422
Other comprehensive income, net of tax		-	-	-	(381)	-	4,330	-	3,949	-	3,949
Total comprehensive income for the period		-	-	-	(381)	-	4,330	116,020	119,969	7,402	127,371
Share-based payments expense		-	-	794	-	-	-	-	794	-	794
Dividends provided for or paid	3	-	-	-	-	-	-	(129,342)	(129,342)	(11,679)	(141,021)
Share buy-back	9	(5,344)	-	-	-	-	-	-	(5,344)	-	(5,344)
Recognition of non-controlling interests on acquisition		-	-	-	-	-	-	-	-	8,100	8,100
Cessation of non-controlling interests		-	-	-	-	-	-	-	-	(9,245)	(9,245)
Income tax on items taken to or transferred directly from equity		-	-	(2,195)	-	-	-	-	(2,195)	-	(2,195)
Shares issued as purchase consideration on acquisition	9, 12	25,000	-	-	-	-	-	-	25,000	-	25,000
		19,656	-	(1,401)	-	-	-	(129,342)	(111,087)	(12,824)	(123,911)
Balance at 30 June 2024		1,193,315	41,541	(85,596)	(2,194)	(544,881)	(59,974)	736,773	1,278,984	29,862	1,308,846

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Eagers Automotive Limited
Condensed Consolidated Statement of Changes in Equity
For the half year ended 30 June 2024
(continued)

	Notes	Issued capital \$'000	Asset revaluation reserve \$'000	Share-based payments reserve \$'000	Foreign currency translation reserve \$'000	Business combination reserve \$'000	Investment revaluation reserve \$'000	Retained earnings \$'000	Attributable to owners of the parent \$'000	Non-controlling interests \$'000	Total equity \$'000
Balance at 1 January 2023		1,154,572	36,502	(89,171)	(1,914)	(479,042)	(72,497)	655,796	1,204,246	37,384	1,241,630
Profit for the period		-	-	-	-	-	-	137,760	137,760	12,787	150,547
Other comprehensive income		-	-	-	(158)	-	16,582	-	16,424	-	16,424
Total comprehensive income for the period		-	-	-	(158)	-	16,582	137,760	154,184	12,787	166,971
Share-based payments expense		-	-	2,839	-	-	-	-	2,839	-	2,839
Dividends provided for or paid	3	-	-	-	-	-	-	(125,145)	(125,145)	(12,353)	(137,498)
Income tax on items taken to or transferred directly from equity		-	-	1,072	-	-	(5,095)	-	(4,023)	-	(4,023)
Share buy-back		(913)	-	-	-	-	-	-	(913)	-	(913)
Recognition of non-controlling interests on acquisition		-	-	-	-	-	-	-	-	880	880
		(913)	-	3,911	-	-	(5,095)	(125,145)	(127,242)	(11,473)	(138,715)
Balance at 30 June 2023		1,153,659	36,502	(85,260)	(2,072)	(479,042)	(61,010)	668,411	1,231,188	38,698	1,269,886

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Eagers Automotive Limited
Condensed Consolidated Statement of Cash Flows
For the half year ended 30 June 2024

	Half year ended	
	30 June	30 June
	2024	2023
Notes	\$'000	\$'000
Cash flows from operating activities		
Receipts from customers - inclusive of GST	5,932,539	5,208,499
Payments to suppliers and employees - inclusive of GST	(5,511,411)	(4,751,562)
Receipts from insurance claims	635	2,537
Interest and other costs of finance paid	(87,303)	(57,925)
Income taxes paid	(64,492)	(61,852)
Dividends received	3,138	1,236
Interest received	4,880	7,090
Net cash provided by operating activities	277,986	348,023
Cash flows from investing activities		
Payments for acquisition of businesses	12 (133,384)	(6,443)
Payments for property, plant and equipment	(51,205)	(26,179)
Payments for intangible assets	(6,000)	(4,000)
Payments for shares in other corporations	-	(61,833)
Proceeds from sale of businesses - net of cash disposed	-	6,300
Proceeds from sale of property, plant and equipment	12,733	79,827
Receipts from subleases	5,137	8,477
Net cash used in investing activities	(172,719)	(3,851)
Cash flows from financing activities		
Proceeds from issues of shares and other equity securities	-	1,891
Proceeds from borrowings	10 200,700	20,000
Repayment of borrowings	(11,142)	(8,488)
Purchase of shares under share buy-back arrangement	9 (5,344)	(913)
Dividends paid to members of Eagers Automotive Limited	3 (129,342)	(125,145)
Dividends paid to minority shareholders of a subsidiary	(8,887)	(6,075)
Repayment of lease liabilities	(76,321)	(63,053)
Net cash used in financing activities	(30,336)	(181,783)
Net increase in cash and cash equivalents	74,931	162,389
Cash and cash equivalents at the beginning of the financial year	222,214	190,434
Effects of exchange rate changes on cash and cash equivalents	314	131
Cash and cash equivalents at the end of the period	297,459	352,954

The above Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

1 Significant accounting policies

(a) Statement of compliance

The condensed consolidated half year financial report ("half year report") is prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting* ("AASB 134"). Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The half year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report and any public announcements made by Eagers Automotive Limited ("the Company" and "the Group") during the half year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

(b) Basis of preparation

The half year report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise stated.

The Company is an entity of the kind referred to in Australian Securities and Investments Commission Corporations Instrument 2016/191, dated 24 March 2016. In accordance with that Corporations Instrument, amounts in the Directors' report and the half year report are rounded to the nearest thousand dollars, unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the half year report are consistent with those adopted and disclosed in the Group's 2023 annual financial report for the financial year ended 31 December 2023. The accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

(c) New and amended Accounting Standards that are effective for the current period

The Group has considered all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are relevant to their operations and effective for the current half year. There are no new and revised Standards and Amendments thereof and Interpretations effective for the current half year that are relevant to the Group.

(d) Going concern

The half year report has been prepared on the basis that the Group is a going concern, able to realise assets in the ordinary course of business and settle liabilities as and when they fall due.

The Group has maintained a robust balance sheet with net current assets of \$39.7 million at the balance sheet date. This includes a substantial asset base and property portfolio valued at \$726.9 million (including construction in progress) and total available liquidity of \$444.7 million (cash in bank of \$297.4 million and undrawn facilities of \$147.3 million). Corporate debt net of cash is \$495.1 million at 30 June 2024. Subsequent to 30 June 2024, the Group has refinanced the existing term and bank guarantee facilities, which adds an additional \$391.1 million of available liquidity.

The Group has generated positive net cash flows from operating activities of \$278.0 million and profit after tax from operations of \$123.4 million for the half year ended 30 June 2024.

The Group is in compliance with bank covenants at 30 June 2024 and is forecast to be compliant 12 months from the signing date of the half year financial report.

Based on the strength of the Group's balance sheet and its cash flow modelling, the Directors are of the view that the Group will be able to settle all obligations as they fall due for a period of at least 12 months following this report. The Directors are therefore of the opinion that the preparation of the financial statements as a going concern is appropriate.

2 Significant changes in the current reporting period

The financial position and performance of the Group was affected by the following events and transactions during the six months to 30 June 2024:

(a) Purchase of a portfolio of dealerships from NGP Group and associated property

The purchase of a portfolio of brands from NGP Victoria Dealership Group was completed on 29 February 2024. The transaction was subject to shareholder approval due to the related party relationship between Mr Nick Politis, a member of the Eagers Automotive Board of Directors, and the various selling entities. An independent expert provided a report examining the acquisition and concluded that the acquisition was both fair and reasonable to shareholders. The acquisition was successfully approved at the Extraordinary General Meeting held on 30 January 2024.

The Group acquired a portfolio of dealerships, including BMW, Jaguar, Land Rover, Mercedes-Benz, MG, Mini, Mitsubishi, Nissan, Renault, Skoda, Volkswagen and Volvo, and associated properties across Melbourne and the Mornington region of Victoria for \$241 million.

The initial accounting for the acquisition has been provisionally determined at the end of the half year as the Group concludes the asset valuation process. Refer to Note 12 for further information. For internal management purposes, the NGP Victorian Dealership Group business has been allocated to the Group's VIC & TAS cash generating unit.

(b) Acquisition of Alice Springs Toyota and associated property

The purchase of Alice Springs Toyota was completed on 29 February 2024. The Group acquired the business for \$23 million along with two associated properties for \$9 million. The initial accounting for the acquisition has been provisionally determined at the end of the half year.

For internal management purposes, the Alice Springs Toyota business has been allocated to the Group's SA & NT cash generating unit.

(c) Subleases with Scott's Refrigerated Logistics

There has been significant movement in the Group's finance lease receivables during the first half of 2024, associated with the termination and assignment of a sublease held with Scott's Refrigerated Logistics, following the appointment of receivers in 2023.

3 Dividends

	Half year ended	
	30 June	30 June
	2024	2023
	\$'000	\$'000
Ordinary shares		
Dividends paid during the half year	129,342	125,145

Dividends not recognised at the end of the half year

Since the end of the half year, the Directors have determined the payment of an ordinary interim dividend of 24.0 cents per fully paid ordinary share, fully franked based on tax paid at 30%.

As at Thursday 22 August 2024, the aggregate amount of the interim dividend expected to be paid on 20 September 2024 from retained earnings at the end of the half year, but not recognised as a liability, including all shares yet to be issued, is:

	61,962	61,278
--	---------------	--------

4 Segment information

Segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker, being the Board of Directors, in order to allocate resources to the segment and to assess its performance.

The Group operates in two operating and reporting segments being (i) Car Retailing and (ii) Property. These are identified on the basis of being the components of the Group that are regularly reviewed by the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

Information regarding the Group's reporting segments is presented below:

(i) Car Retailing

Within the Car Retailing segment, the Group offers a diversified range of automotive products and services, including new vehicles, used vehicles, vehicle maintenance and repair services, vehicle parts, service contracts, vehicle brokerage, vehicle protection products and other aftermarket products. They also facilitate financing for vehicle purchases through third-party sources. New vehicles, vehicle parts and maintenance services are predominantly supplied in accordance with franchise agreements with manufacturers. This segment includes a motor auction business and forklift rental business.

(ii) Property

Within the Property segment, the Group acquires commercial properties principally for use as facility premises for its motor dealership operations. The Property segment charges the Car Retailing segment commercial rent for owned properties occupied by that segment. The Property segment reports property assets at fair value, based on annual assessments by the Directors supported by periodic, but at least triennial, valuations by external independent valuers. Revaluation increments arising from fair value adjustments are reported internally and assessed by the chief operating decision maker, and credited in other comprehensive income through to the revaluation reserve in equity. The chief operating decision maker excludes revaluation increments arising from fair value adjustments when assessing the overall returns generated by the Property segment to the Group.

4 Segment information (continued)

6 months ended 30 June 2024

	Car Retailing \$'000	Property \$'000	Eliminations \$'000	Consolidated \$'000
Sales to external customers	5,464,203	-	-	5,464,203
Inter-segment sales	-	22,468	(22,468)	-
Total revenue	5,464,203	22,468	(22,468)	5,464,203
Segment result				
Operating profit before interest	251,804	15,951	-	267,755
External interest expense allocation	(76,825)	(10,478)	-	(87,303)
Interest income	1,778	-	-	1,778
Operating contribution	176,757	5,473	-	182,230
Business acquisition, divestment and integration costs	(4,686)	-	-	(4,686)
Other expenses	(187)	-	-	(187)
Gain/(loss) on sale of properties	-	3,357	-	3,357
Segment profit	171,884	8,830	-	180,714
Unallocated corporate income/(expense)				568
Profit before tax				181,282
Income tax expense				(57,860)
Net profit				123,422
Depreciation and amortisation	62,518	5,893	-	68,411
Assets				
Segment assets	4,637,496	726,543	-	5,364,039
Liabilities				
Segment liabilities	3,557,964	497,229	-	4,055,193
Net assets	1,079,532	229,314	-	1,308,846

4 Segment information (continued)

6 months ended 30 June 2023	Car Retailing \$'000	Property \$'000	Eliminations \$'000	Consolidated \$'000
Sales to external customers	4,817,314	315	-	4,817,629
Inter-segment sales	-	20,185	(20,185)	-
Total revenue	4,817,314	20,500	(20,185)	4,817,629
Segment result				
Operating profit before interest	254,875	17,456	-	272,331
External interest expense allocation	(52,102)	(5,823)	-	(57,925)
Operating contribution	202,773	11,633	-	214,406
Business acquisition, divestment and integration costs	(1,256)	-	-	(1,256)
Profit on termination of leases	3,400	-	-	3,400
Profit on sale of businesses	6,300	-	-	6,300
Gain/(loss) on sale of properties	-	(3,652)	-	(3,652)
Segment profit	211,217	7,981	-	219,198
Unallocated corporate income/(expense)				(3,123)
Profit before tax				216,075
Income tax expense				(65,528)
Net profit				150,547
Depreciation and amortisation	55,242	2,306	-	57,548
Assets				
Segment assets	3,836,879	510,887	-	4,347,766
Liabilities				
Segment liabilities	2,758,647	319,233	-	3,077,880
Net assets	1,078,232	191,654	-	1,269,886

Geographic information

The Group operates in two principal geographic locations, being Australia and New Zealand.

5 Revenue

Revenue from contracts with customers

Half year ended 30 June 2024			
	Car Retailing \$'000	Property \$'000	Total \$'000
Type of goods or service			
New vehicles	3,740,635	-	3,740,635
Used vehicles	833,532	-	833,532
Parts	568,413	-	568,413
Service	292,362	-	292,362
Other	29,261	-	29,261
Total revenue from external customers	5,464,203	-	5,464,203
Timing of revenue recognition			
At a point in time	5,167,506	-	5,167,506
Over time	296,697	-	296,697
Total revenue from external customers	5,464,203	-	5,464,203
Geographical markets			
Australia	5,249,199	-	5,249,199
New Zealand	215,004	-	215,004
Total revenue from external customers	5,464,203	-	5,464,203
Half year ended 30 June 2023			
	Car Retailing \$'000	Property \$'000	Total \$'000
Type of goods or service			
New vehicles	3,134,654	-	3,134,654
Used vehicles	872,798	-	872,798
Parts	520,295	-	520,295
Service	266,054	-	266,054
Other	23,513	315	23,828
Total revenue from external customers	4,817,314	315	4,817,629
Timing of revenue recognition			
At a point in time	4,548,859	315	4,549,174
Over time	268,455	-	268,455
Total revenue from external customers	4,817,314	315	4,817,629
Geographical markets			
Australia	4,578,023	315	4,578,338
New Zealand	239,291	-	239,291
Total revenue from external customers	4,817,314	315	4,817,629

6 Other gains

	Half year ended	
	30 June 2024 \$'000	30 June 2023 \$'000
Gain on disposal of non-financial assets	192	4,021
Gain/(loss) on disposal of properties	3,357	(3,652)
Gain on disposal of businesses	-	6,300
	3,549	6,669

The gain on disposal of properties relates to the sale of a property asset that was classified as held for sale in the previous reporting period.

7 Income tax expense

(a) Income tax expense

	Half year ended	
	30 June 2024 \$'000	30 June 2023 \$'000
Current income tax expense	51,632	59,458
Deferred income tax expense	6,228	6,070
Total income tax expense	57,860	65,528

Deferred income tax expense included in income tax expense comprises:
In respect of the current year

	6,228	6,070
--	--------------	-------

(b) Numerical reconciliation of income tax expense to prima facie tax payable

Profit before income tax expense	181,282	216,075
Tax at the Australian tax rate of 30% (2023: 30%)	54,385	64,823
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Non-taxable dividends	(911)	-
Non-allowable expenses	2,048	383
Current year capital loss	-	1,537
Non-deductible accounting loss	-	1,096
Non-taxable income	(1,053)	(1,890)
Sundry items	(634)	1,989
Full year ETR normalisation	(2,384)	-
Under/(over) provision	6,409	(2,410)
Income tax expense	57,860	65,528

8 Non-current assets - intangible assets

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash generating units ("CGU"), or groups of CGUs, that are expected to benefit from the synergies of the combinations. Each unit or group of units to which goodwill is allocated represents the lowest level at which assets are monitored for internal management purposes.

The Group has eight groups of CGUs in the Car Retailing segment, grouped by the operating region, state or product types, and a National Used CGU, with the lowest level for which there are independent cash flows determined to be on an operating region or State basis. During the period the Group amended its CGUs as the Northern Territory area was operationally aligned with the SA region having previously been aligned to the QLD region to create the SA & NT region.

The Group's eight Car Retailing segment CGUs are now QLD, NSW, VIC & TAS, SA & NT, WA, ACT, NZ, and BYD.

The value of intangible assets assessed for impairment is as follows:

	Consolidated	
	30 June 2024	31 December 2023
	\$'000	\$'000
Intangible assets		
Goodwill	969,407	837,968
Trademarks/brand names	5,915	5,915
Customer relationships	1,743	2,468
Other intangible assets	18,129	13,222
Total intangible assets	995,194	859,573

The Group performs its annual impairment test in December and when circumstances indicate that the carrying value may be impaired. The Group's impairment test for goodwill and intangible assets with indefinite lives is based on discounted cash flow calculations on a value-in-use basis. The key assumptions used to determine the recoverable amount for the different CGUs were disclosed in the annual financial report for the year ended 31 December 2023.

At each reporting period the Group considers all available sources of information (both internal and external) to conclude whether any indicators of impairment exist that would require management to estimate the recoverable amount of CGUs at 30 June 2024. As disclosed in the Company's annual financial report for the year ended 31 December 2023, the CGU most sensitive to possible impairment is New Zealand.

For all CGUs aside from the New Zealand CGU, the Group has concluded that there are no indicators of impairment that would require management to estimate the recoverable amount as at 30 June 2024.

New Zealand CGU:

During the six month period, the New Zealand CGU has underperformed against budget predominately due to continued softness in the New Zealand new car market.

The Group applied the value-in-use method to determine the estimated recoverable value of the group of CGUs and this exceeded the carrying amount of related assets. The projected cash flows were updated to reflect the prevailing economic conditions and a post-tax discount rate of 9.25% (31 December 2023: 9.25%) was applied. Cash flows beyond the five-year period were extrapolated using a 2.5% growth rate (31 December 2023: 2.5%).

As a result of the updated analysis, management did not identify an impairment for this CGU as at 30 June 2024. This CGU will continue to be monitored during the second half of the year.

Sensitivity to changes in assumptions

The key assumptions are underpinned by a turnaround in the New Zealand economy that would see the automotive retail market return to normalised trading conditions. Whilst the impairment testing conclusion outlines management's best estimates of key assumptions, should the New Zealand market continue to underperform, this may materially impact the determination of the recoverable amount. Therefore, management recognises that a reasonably possible change in one or a combination of the key assumptions applied to the post-tax discount rate, growth rates or gross margin could result in an impairment.

9 Equity securities movements

	Half year ended		30-Jun-23 \$'000	30-Jun-23 \$'000
	30-Jun-24 No. of Shares	30-Jun-23 No. of Shares		
Movements in ordinary shares during the half year				
Ordinary shares - fully paid	1,273,727	(71,816)	19,656	(913)

Included in the share capital is 2,421,002 ordinary shares held by the Employee Share Trust.

Movement in ordinary share capital during the half year

Date	Details	Number of shares	Share price	\$'000
	Opening balance at 1 January 2024	256,900,410	-	1,173,659
29 February 2024	Shares issued as purchase consideration on acquisition	1,783,727	\$14.02	25,000
22 May 2024	Share buy-back	(210,000)	\$10.47	(2,197)
23 May 2024	Share buy-back	(200,000)	\$10.46	(2,093)
24 May 2024	Share buy-back	(100,000)	\$10.54	(1,054)
	Closing balance at 30 June 2024	258,174,137		1,193,315

10 Borrowings

Term Facility

During the six month period, the Group drew down \$200.7 million from the term facility. \$133.4 million of the proceeds from the draw down have been used to fund the acquisition of the NGP Victoria Dealership Group and Alice Springs Toyota. Refer to Note 12 for further information. The undrawn balance of the term facility at 30 June 2024 was \$86.7 million.

Capital Loan

During the six month period, the Group drew down \$118.1 million to fund property acquisitions, including the properties associated with the two business acquisitions disclosed in Note 12 for a total acquisition price of \$114.9 million. The undrawn balance of the capital loan facility at 30 June 2024 was \$60.6 million.

11 Fair value

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded in the financial statements approximate their fair value.

The fair value and net fair value of financial assets and financial liabilities are determined as follows:

- The fair value of financial assets and financial liabilities with standard terms and conditions, and traded on active liquid markets, are determined with reference to quoted market prices (includes listed redeemable notes, bills of exchange, debentures and perpetual notes); and
- The fair value of derivative instruments are calculated using quoted prices. Where such prices are not available, discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives and option pricing models for optional derivatives. Interest rate swaps are measured at the present value of future cash flows, estimated and discounted based on the applicable yield curves derived from quoted interest rates.

Details of the Group's freehold land and buildings held at fair value and information about the fair value hierarchy as at 30 June 2024 are as follows:

Explanation of asset classes:

- Car - Higher and Best Use ("HBU") Alternate Use refers to properties which have a HBU greater than that of a car dealership; and
- Franchised Automotive Dealership refers to properties operating as car dealerships with a HBU consistent with that use.

Unobservable inputs used in determination of fair values							
Class of assets & liabilities	Carrying amount		Inputs used to measure fair value	Range of unobservable inputs		Valuation technique	Key input
	30-Jun-24 \$'000	31-Dec-23 \$'000		30-Jun-24	31-Dec-23		
Level 3 Car - HBU Alternate Use	39,783	39,960	Adopted capitalisation rate	6.0% - 8.0%	6.0% - 8.0%	Direct comparison, capitalisation of net income and discounted cash flow (DCF)	External valuations
			Net market rental (per sqm)	\$187 - \$328	\$187 - \$328		
			Price per sqm land	\$2,675 - \$5,132	\$2,681 - \$5,156		
Level 3 Franchised Automotive Dealership	620,316	508,731	Adopted capitalisation rate	4.5% - 8.3%	4.5% - 8.3%	Summation method, capitalisation of net income, direct comparison and discounted cash flow (DCF)	External valuations, industry benchmarks
			Net market rental (per sqm)	\$4 - \$312	\$4 - \$312		
			Net rent per sqm GBA	\$54 - \$1,029	\$54 - \$982		
Total	660,099	548,691					

There were no transfers between levels in the period.

11 Fair value (continued)

Details of the Group's assets held at fair value through other comprehensive income and information about the fair value hierarchy as at 30 June 2024 are as follows:

Financial assets are fair value through other comprehensive income	Unobservable inputs used in determination of fair values	
	Carrying amount	
	30-Jun-24 \$'000	31-Dec-23 \$'000
Shares in listed companies ¹	70,086	63,897
Shares in an unlisted company ²	9	175
Total	70,095	64,072

(1) The Directors have assessed the fair value of investments as at 30 June 2024 based on the market price of the shares on the last trading day of the reporting period. These are level 1 fair value measurement assets being derived from inputs based on quoted prices that are observable.

(2) The Directors have assessed the fair value of investment as at 30 June 2024 is materially consistent with its cost of acquisition. This is a level 3 fair value measurement asset being derived from inputs other than quoted prices that are unobservable from the asset either directly or indirectly.

The below table represents the movements in assets held at fair value through other comprehensive income during the first half of 2024.

	Level 1 McMillan Shakespeare Ltd \$'000	Level 1 Other listed entities \$'000	Level 3 Unlisted entities \$'000	Total \$'000
Opening balance - 1 January 2024	63,461	436	175	64,072
Purchases	-	-	-	-
Issues	-	-	-	-
Disposals/Settlements	-	-	(166)	(166)
Revaluations	6,203	(14)	-	6,189
Closing balance - 30 June 2024	69,664	422	9	70,095

There were no transfers between levels in the period.

12 Acquisitions

The Group acquired the following businesses during the first half of 2024 as detailed below:

Year	Name of entity	Date of acquisition	Principal activity	Proportion acquired
2024	NGP Victoria Dealership Group	29 February 2024	Motor Vehicle Dealer	100%
2024	Alice Springs Toyota	29 February 2024	Motor Vehicle Dealer	100%

Allocation of purchase consideration

	NGP Victoria Dealership Group \$'000	Alice Springs Toyota \$'000	Consolidated Total \$'000
Cash used to acquire business	110,229	23,155	133,384
Consideration financed through capital loan	105,907	8,950	114,857
Issue of shares as purchase consideration on acquisition	25,000	-	25,000
Total purchase consideration	241,136	32,105	273,241

The transaction has been accounted for using the acquisition method of accounting. The net assets acquired in the business combination are as follows:

	NGP Victoria Dealership Group \$'000	Alice Springs Toyota \$'000	Consolidated Total \$'000
Consolidated fair value at acquisition date			
Net assets acquired			
Receivables, prepayments	2,035	13	2,048
Inventory	146,670	5,875	152,545
Property	105,907	9,490	115,397
Plant and equipment	21,699	1,114	22,813
Right-of-use assets	53,175	-	53,175
Lease liabilities	(53,175)	-	(53,175)
Creditors, borrowings and provisions	(149,819)	(4,538)	(154,357)
Deferred tax assets	3,373	151	3,524
Net assets acquired	129,865	12,105	141,970
Acquisition cost	241,136	32,105	273,241
Goodwill on acquisition	111,271	20,000	131,271

The initial accounting for these acquisitions has been provisionally determined as at 30 June 2024. At the date of finalisation of this half year report, the necessary valuations and other calculations had not been finalised and the fair value of the net assets acquired and resulting goodwill noted above have therefore only been provisionally determined.

13 Contingent liabilities

There has been no change in contingent liabilities since the last annual reporting date.

14 Subsequent events

Subsequent to 30 June 2024, the Group has refinanced the existing term and bank guarantee facilities, which has added an additional \$391.1 million to the Group's total available liquidity.

No other matter or circumstance has occurred subsequent to the reporting period that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

The Directors declare that:

- (a) In the Directors' opinion, there are reasonable grounds to believe that Eagers Automotive Limited will be able to pay its debts as and when they become due and payable.
- (b) In the Directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the Directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the Directors



T B Crommelin
Director

Brisbane, 22 August 2024

Independent Auditor's Review Report to the Members of Eagers Automotive Limited

Conclusion

We have reviewed the half-year financial report of Eagers Automotive Limited (the "Company") and its subsidiaries (the "Group") which comprises the condensed consolidated statement of financial position as at 30 June 2024, and the condensed consolidated statement of profit or loss, the condensed consolidated statement of other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, notes to the financial statements, including material accounting policy information and other explanatory information, and the directors' declaration as set out on page 20.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the half-year ended on that date; and
- Complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half-year Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) ("the Code") that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Directors' Responsibilities for the Half-year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

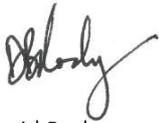
Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



David Rodgers

Partner

Chartered Accountants

Brisbane, 22 August 2024