

22 May 2024

Market Announcements Office
ASX Limited

AGM Material including Market Guidance

The Annual General Meeting of Eagers Automotive Limited (ASX:APE) is being held as a hybrid meeting today at 10:00am (Qld time).

Please find **attached** the following AGM material:

1. Chairman's address
2. Chief Executive Officer's address
3. Presentation

These documents are given to the ASX under listing rule 3.13.3.

ENDS

For more information:	Denis Stark Company Secretary (07) 3608 7100	Jon Snowball Domestique Consulting 0477 946 068
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Authorised for release by the Company Secretary.

Chairman's address

Shareholders,

On behalf of the Eagers Automotive Board, I welcome you to our Annual General Meeting for the year ended 31 December 2023.

I will begin with my reflections on the year before inviting our Chief Executive Officer Keith Thornton to provide his report on our 2023 performance, our business operations including current trading conditions, and market guidance for the half year to June 2024.

2023

2023 was another strong year for Eagers Automotive, with the company's financial performance reaching record levels across a number of key metrics, while continuing to execute on our Next100 strategy.

The company delivered against its growth ambitions, with a record full year revenue of \$9.9 billion, representing significant revenue growth of 15.3% or \$1.3 billion on 2022.

This revenue growth was achieved through a balanced contribution from organic growth, establishing greenfield businesses and integrating scale acquisitions, while maintaining strong sales margins through disciplined cost management and genuine business transformation since the pre-pandemic period.

The company delivered a Statutory Profit Before Tax of \$427.3 million and a record Underlying Operating Profit Before Tax of \$433.3 million, an increase of 6.9% on the previous year.

Shareholder Returns

As a result of the strong returns, the Board approved a record full year dividend of 74.0 cents per share, versus 71.0 cents per share in 2022.

Sustainability / ESG

In 2023 we continued to make progress on sustainability, or Environmental Social and Governance, initiatives.

Our sustainability strategy acknowledges that we cannot thrive without focusing on people, our environmental footprint and a resilient business model. In 2023 we moved forward in cementing awareness of our strategy across the group and identifying the actions needed to progress our sustainability goals. As this is a long-term trajectory, we have therefore established a sustainability steering committee to oversee our progress.

The year ahead

Before I hand over to the CEO let me give you a sense of our start to the new year.

We are a consumer-facing business and therefore not immune from the well-documented economic conditions, including inflation, interest rates and cost of living pressures, which impact consumer spending.

We also continue to deal with government's zero emissions policies which have implications for many businesses across many industries.

While the Board and management remain conscious of the macro-economic environment, it is vital that we continue to focus on what is within our control so that we are able to deliver a sustainable business into the next decade and beyond.

The strength of our balance sheet and our financial position, including our significant property holdings, form a strong platform for further disciplined investment in accordance with our Next100 strategy.

The company remains well-positioned to take advantage of industry opportunities as they present.

Our Team

Eagers Automotive's track record of delivering consistently strong results does not happen by chance.

The record financial performance achieved in 2023 is testament to the people who make Eagers such a unique, industry-leading company.

I take this opportunity to thank the entire Eagers team, the executives led by Keith Thornton and all of our people for their dedication and unwavering commitment to the ongoing prosperity of Eagers Automotive and its shareholders.

Thank you to my fellow directors for your ongoing support and counsel.

Finally, to our shareholders, thank you for your continued support. We will continue to focus on delivering for all shareholders.

I now invite Keith Thornton, our Chief Executive Officer, to provide his report.

Following Keith's address we will move on with the formal business of the meeting.

Tim Crommelin
Chairman

CEO's address

[CEO Placeholder Slide]

Thank you, Chairman.

Good morning shareholders and guests and thank you for your interest in today's Annual General Meeting for Eagers Automotive.

Today I will provide you with a brief review of the Eagers Automotive 2023 results, recap our 2024 outlook and finally, provide an update on trading conditions year to date and market guidance for the half year to June 2024.

Values and Vision

[Eagers Vision & Values Slide]

Before I do that, you will notice on the screen our company values and vision for where we aspire to take Eagers Automotive in the coming decade and beyond. Many will be familiar with this, as it has appeared in our annual report since 2020, but it is not something we have spoken to before in this forum.

Our ambition is to be the most Admired Automotive Retailer by providing long term optimisation of outcomes for all our stakeholders. We do not talk of being the biggest or the best (whatever that means) because neither are ambitions of ours...we do, however, believe that being the most admired, that is, by always behaving in an admirable way with our customers, with our staff, our business partners, in the communities in which we operate and of course with the more than 11,000 shareholders who invest in the company, we will ensure we are the preferred company for these same stakeholders to grow with over the long term.

To some, aspiring to be the most admired may not sound ambitious enough, but the power of constantly asking the business..."was that the most admirable way we could have done this?" no matter what we are referring to, is a powerful way to re-enforce behaviours and underpins how we would like people to talk about Eagers Automotive from outside the company – that is, as *good people doing good things*.

The values we highlight of agility, inclusiveness, owner's mindset and integrity are not new at Eagers, in fact they are the values we chose to articulate after looking into the company to determine what matters to our people and what has built our culture over more than a century. These four values are fundamental to how we go about our business. We hold our company accountable against these as the foundation to becoming the most admired automotive retail company. These values are more than just placeholders in our annual report and for this reason I felt compelled to share these comments at the outset today.

Moving onto our 2023 results.

2023 Strategic & Financial Performance

As our Chairman mentioned earlier, we are proud to report 2023 was another strong year for Eagers Automotive.

At the beginning of 2023, we set a clear goal to deliver more than \$1.0 billion in revenue growth, while maintaining our strong return on sales margin.

Simply, if we grow the turnover of the business whilst maintaining our underlying net profit margin, we will produce higher profits and be able to continue to grow the rewards for our shareholders.

I am pleased to report that our full year results demonstrate that in 2023 the Company delivered on this goal.

[2023 Achievements Slide]

You will see on the screen the goals we set for the business in 2023, highlighted by significant revenue growth delivered through the foundations laid in 2022.

Our revenue grew by \$1.3 billion, representing an increase of 15.3% on the prior year. This growth was achieved via balanced contributions from organic growth, greenfield partnerships with both new and existing OEM partners and integrating scale acquisitions in the ACT and South Australia. This mix of growth was split 30% organic, 40% greenfield and 30% via acquisitions.

I highlight this because it represents a well-balanced and healthy growth profile and outlines the many options available to Eagers.

2023 also marked a year of record profit from our Independent Used Car division consisting of easyauto123 and Carlins auctions, while our Retail Joint Venture produced a strong full year performance.

Overall, 2023 delivered on our ambition to maintain strong return on sales margin, the key margin metric used in our industry. For the full year on an underlying basis, it was 4.4% which is materially above the pre-pandemic average for the company.

[Business Transformation Slide]

This strong margin outcome certainly benefitted from the favourable environment in which the industry operated, but more importantly to us, it was materially supported by the transformation of our cost base resulting from the execution of our Next100 strategy over multiple years. This strategy leverages proprietary technology and property consolidation to drive productivity efficiencies across our operations. Continued execution in the years to come will generate an economic return from our business that is both industry leading and difficult to replicate.

The slide you see represents the real transformation we have achieved over the period since the merger between AP Eagers and Automotive Holdings in 2019. In a true like for like comparison of the business in 2023 versus 2019 we are able to operate with 18% lower headcount, 25% higher productivity and 86 fewer leases. This is real business transformation in a period of strong trading – the elusive good habits being developed and retained in good times – something we proudly believe sets us apart in the industry.

But the story does not end in 2023, the continued evolution of our Automall property strategy and our proprietary technology will continue to improve operations incrementally every year, all else being equal.

[FY 23 Financial Highlights Slide]

The disciplined execution of these operational and strategic initiatives in 2023 underwrote a number of records in our financial performance.

The Company delivered a record revenue result, a record underlying operating profit before tax, record underlying earnings per share and a record full year dividend whilst maintaining an exceptionally strong balance sheet position.

2024 Outlook

Turning now to our outlook for 2024.

Eagers is well positioned, with unrivalled scale offering unique and valuable opportunities to grow. We continue to strive to deliver outperformance relative to market conditions by focussing on what we can control and strategically moving to capitalise on opportunities in the market.

[2024 Outlook Slide - 1]

Earlier this year we outlined our growth outlook for 2024. This included the goal to deliver another year of more than \$1.0 billion in revenue growth which would represent an increase of more than 10% on the \$9.9 billion achieved in 2023.

Whilst we are only four months into 2024, revenue is up 18.3% and we are well on track to deliver more than \$11.0 billion in total revenue for 2024.

This growth will be driven by several factors:

- organic growth resulting from maturing greenfield businesses and the continued growth of our Retail Joint Venture established in 2022
- by leveraging the strong new car market conditions, with delivery volume currently at an unprecedented level, up 14.4% on last year's record level year to date April 2024; and
- the contribution from key acquisitions, including the large scale, multi-brand dealership group in Victoria and Alice Springs Toyota, which have now completed. These acquisitions and greenfield operations, once integrated into

the business, will benefit from our scale and proprietary technology, which enables our business to perform at industry leading productivity levels.

We continue to explore multiple growth opportunities across the franchise automotive retail market as well as in adjacent strategic businesses that support or accelerate the performance of our core automotive retail business.

[2024 Outlook Slide - 2]

Finally, before we move to an update on year-to-date trading, we must highlight our continued work in rebalancing our owned to leased property portfolio. Since 2019 we have invested over \$590 million into owned property, lifting the owned to leased ratio from 10% immediately following the merge with AHG to 25% now. In 2024, we have settled another \$115 million in property, taking our total holding to \$715m which is the most ever held by the company. We continue to be active in this space.

This high value property portfolio is a valuable part of the Eagers business model providing security to our business and OEM partners, greater flexibility to evolve our physical retail footprints, optionality in funding and capital management and ultimately we expect it will deliver long term rewards to shareholders as it has done over the last century.

Trading Update – 2024 year-to-date

Turning now to an update on our 2024 year-to-date trading.

As a company Eagers Automotive continues to be focussed on what we can control rather than obsessing over external economic or market conditions. As a 110-year-old company we are acutely aware we will experience economic cycles, both good and challenging, but we must not be distracted by near term conditions and continue to focus on the execution of operational excellence within our business and the implementation of our strategic priorities.

Despite this we are not immune from the macro environment which is currently characterised by several key themes:

- cost of living pressures that are moderating retail consumer spending
- inflationary conditions driving cost of doing business pressures across the whole economy including Eagers
- a current expectation we are at top cycle interest rate conditions; and
- an increasingly competitive marketplace as more free supply returns for numerous OEMs in the marketplace

These external factors have combined with some short-term internal business challenges in the first half of 2024. We have experienced:

- some geographic weakness across our operations, particularly softness in New Zealand, which has continued into 2024 with the market down 10.4% year to date, as well as softness in the Sydney and Newcastle markets relative to 2023

- an excess inventory clearance in our Retail Joint Venture that has materially reduced profits relative to both the prior year and our expected 2024 run rates; and
- a first half where we are cycling a cost base materially up on the previous corresponding period due primarily to higher levels of new inventory and higher interest rates compared to early 2023.

Pleasingly, the like for like cost base is consistent with the second half of 2023, which is more indicative of our disciplined approach to expense control and the sustainability of our business transformation.

The combination of macro conditions and specific business issues has resulted in the following:

- strong overall revenue growth up 18.3% year to date April
- like for like performance from our Franchised Automotive business has remained resilient, assisted by the quality of our brand portfolio
- limited contribution year to date from recently completed acquisitions, which is not unusual in the early stages of integration
- a reduction in returns from our Retail Joint Venture, which is expected to impact the first half of 2024 before recovering strongly into the second half of the year
- strong performance, as foreshadowed in our outlook, from our independent pre-owned business up 93% on 2023 over the same period, while we are also seeing green shoots, as expected, in our Finance & Insurance penetration results after a number of challenging years.

Market Guidance

Given the current market and business dynamics, and with a cautious lens on consumer sentiment, we expect to achieve an underlying trading performance for the first half of 2024 that is approximately 85% of the underlying profit before tax for the first half of 2023.

We remain disciplined in our focus across our operations and optimistic regarding the outlook for the remainder of 2024 despite macro headwinds.

The new car market remains on track for another record year as our order bank continues to be delivered supporting both revenue and margins, while the underlying order write remains solid.

In addition, the federal government's recently announced extension to the Instant Asset Write Off in the 2024 Budget and the implementation of the New Vehicle Emission Standard, legislated to begin from 1 January 2025, may provide further catalyst to second half trading.

We remain on track to exceed our revenue growth ambition in 2024 and will continue to be relentless in the execution of our business transformation strategy, while using discipline to review increasing opportunities for accretive M&A activities.

Closing remarks

[Stakeholder Slide]

In closing, I would like to finish with a thank you to all our stakeholders.

First and foremost, to our customers, many of whom are also loyal shareholders, it is our privilege to be able to provide products and services to each and every customer we serve. Your ongoing support is greatly appreciated, and we never take your custom for granted.

To our great team members across Australia and New Zealand, thank you for your relentless commitment and focus that has allowed us to yet again deliver a record result for 2023. Your commitment to our customers and OEM partners inspire the leaders of Eagers to work harder to support you every day.

To every one of our OEM partners, we are proud to represent your brand. Our position as your retail partner is a privilege and responsibility we take very seriously. We continue to focus on being a preferred and trusted partner for your business, acting in the most admirable way and delivering great outcomes for the customers we share.

To all our other business partners, including financiers, landlords and suppliers, your ongoing support and partnership are fundamental to our business.

Finally, thank you to each of our shareholders, large and small, for your ongoing support, confidence, and commitment to Eagers Automotive. I can assure you all that you are ably represented by a Board of Directors at Eagers Automotive that engage with the company daily, providing advice, direction and oversight for the benefit of all shareholders.

Personally, I am very fortunate to have the Board we have and to be able to access the collective knowledge, experience and deep industry connections, something materially and uniquely more valuable in our industry than others and something which is a defining part of the company's history of consistent performance.

Thank you to all our Directors and to our Chairman for your on-going support.

In closing and as always, we remain very positive about what the future holds for your company.

Thank you again for your interest today.

Keith Thornton
Chief Executive Officer



67th Annual General Meeting

Our Team



Tim Crommelin
Chairman



Keith Thornton
CEO



Greg Duncan
Director



Nick Politis
Director



Sophie Moore
Director & CFO



Dan Ryan
Director



Michelle Prater
Director



Marcus Birrell
Director



David Blackhall
Director



Katie McNamara
Director

Our Team



Edward Geschke
Chief Operating
Officer



Denis Stark
Company
Secretary



Alison Reynolds
Executive General
Manager – People
& Safety



James Couper
Chief Commercial
Officer



Paul Warburton
Executive General
Manager – F&I



Luc Derix
Chief Information
Officer



Amanda Ellison
General Counsel

How to ask a question online

- To ask a written question select the Q & A icon
- Select the topic your question relates to from the drop-down list
- Type your question in the text box and press the send button
- To ask a verbal question follow the instructions below the broadcast window.

The screenshot displays a web interface with four tabs: Broadcast, Vote, Q & A, and Documents. The Q & A tab is active. Below the tabs is a large text area labeled "Your question(s)". Below this is a message: "You may enter a question using the field below." followed by a "Select Topic" dropdown menu. Below the dropdown is a smaller text box with a character count of "0 character(s)" and a "Send" button. A note above the text box states "Questions are limited to 2000 characters."

How to vote online

- When the poll is open, select the vote icon at the top of the screen
- To vote, select either For, Against or Abstain
- You will see a vote confirmation
- To change or cancel your vote "click here to change your vote" at any time until the poll is closed

The screenshot displays the online voting interface. At the top, there are four navigation icons: a monitor for 'Broadcast', a document with a blue circle containing the number '1' for 'Vote' (which is the active tab), a speech bubble for 'Q & A', and a folder for 'Documents'. Below the navigation bar is a section titled 'Items of Business'. The first item is '2 Re-election of Director – Mr Nicholas George Politis', followed by three buttons: 'FOR', 'AGAINST', and 'ABSTAIN'. The second item is '3 Election of Director – Ms Katrina Susan McNamara', also followed by 'FOR', 'AGAINST', and 'ABSTAIN' buttons.



Voting is now open

Chairman's address



To find a copy of the Chairman's address, please visit

<https://www2.asx.com.au/markets/trade-our-cash-market/announcements.a>

CEO's address



To find a copy of the CEO's address, please visit

<https://www2.asx.com.au/markets/trade-our-cash-market/announcements.ape>

Our Guiding Principles



Our Values



Integrity

Doing what you say you'll do



Inclusiveness

Being open & recognising the contribution of all individuals



Owner's Mindset

Taking pride and ownership in your work



Agility

Being flexible and open to change

In 2023 we delivered on our goals

2023 Goals

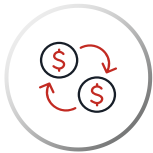
Top Line Growth



\$8.5 billion
2022

\$9.5 - \$10.0 billion
2023 est.

Return on Sales Growth

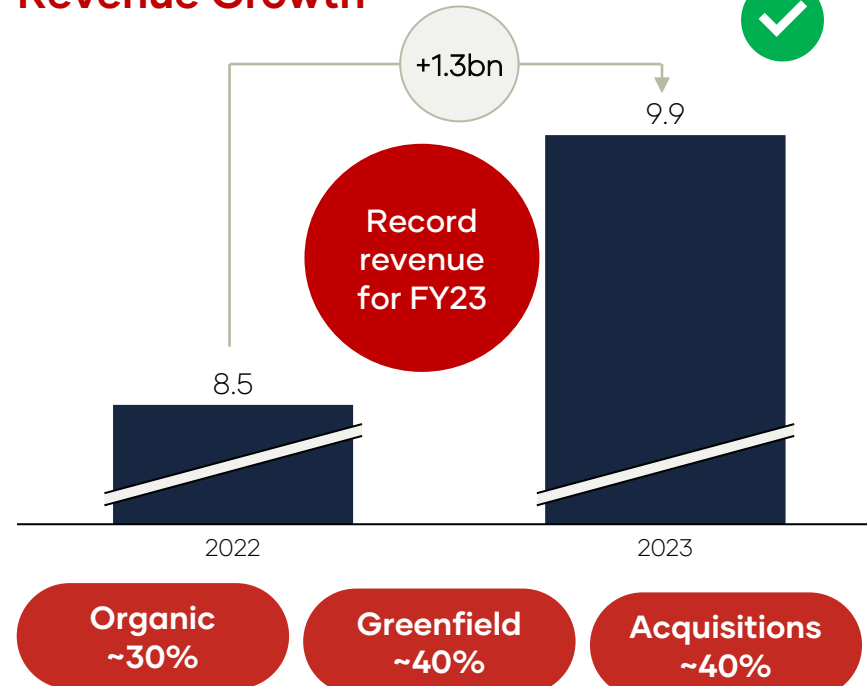


3.0%
10-yr avg

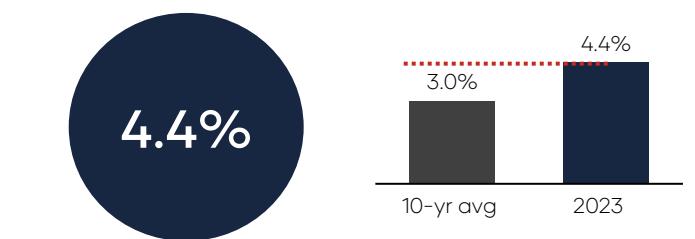
> 4.0%
2023 onwards

2023 Performance

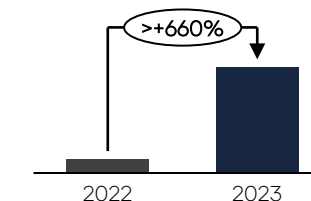
Revenue Growth



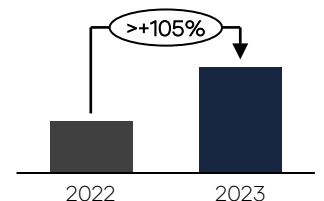
Return on Sales (Underlying)



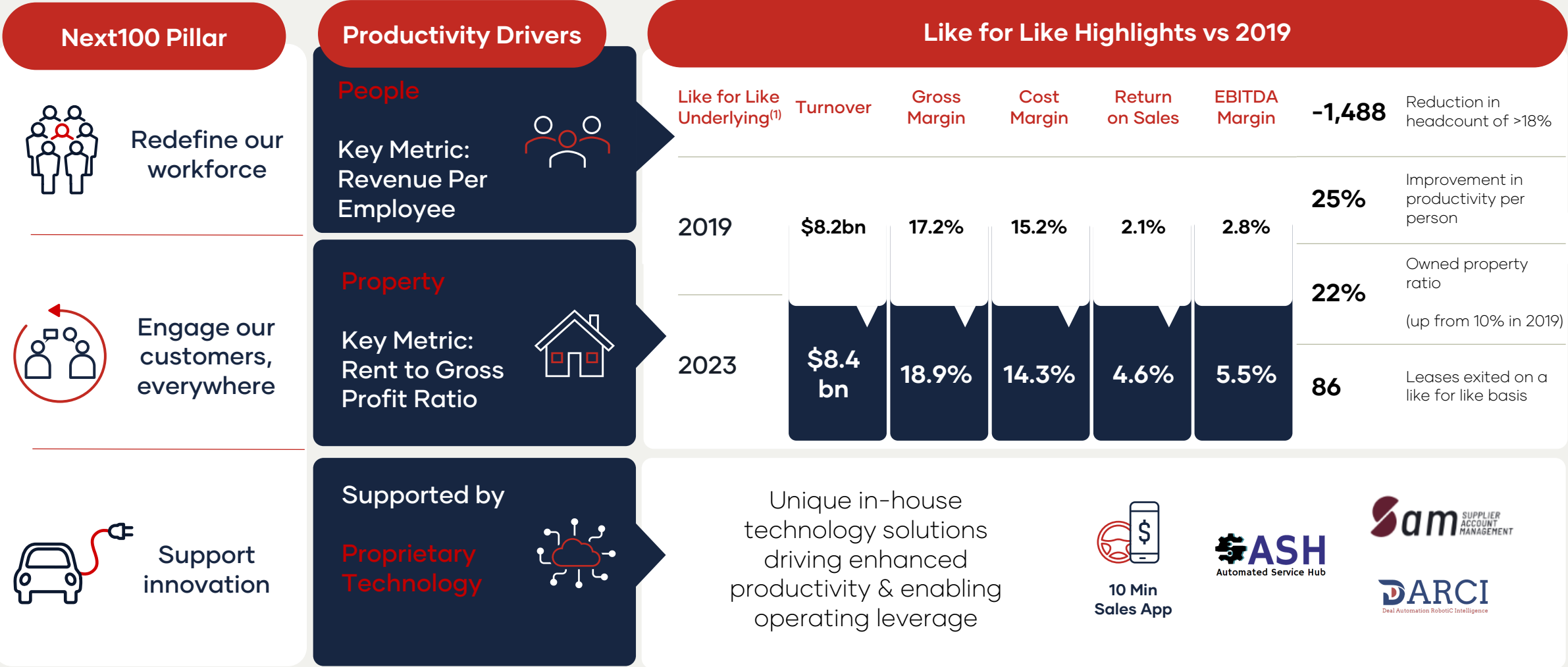
Retail JV Profit



Independent Used Profit



Business transformation underpins growth



Financial highlights FY 2023

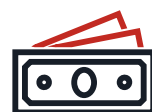
Revenue

\$9.9bn



Statutory PBT

\$427.3m



Underlying Operating PBT⁽¹⁾

\$433.3m



Return on Sales (Underlying)

4.4%



Earnings Per Share (Underlying)

112.4 cents per share



Ordinary Final Dividend

50.0 cents per share



Available Liquidity

\$620.3m



Owned Property⁽²⁾

\$597.9m



2023 Records

Revenue



+15.3%

vs prior year

Underlying Operating PBT⁽¹⁾



+6.9%

vs prior year

Independent Used Profit



Record result

Underlying Earnings per Share



+6.9%

vs prior year

Dividends



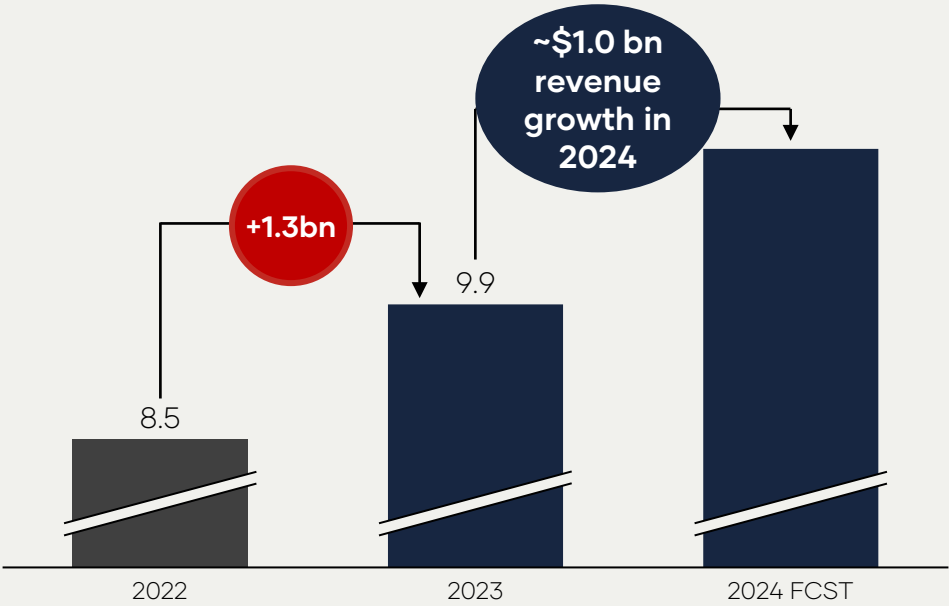
Record Final & Full Year

(1) Underlying operating results refers to continuing operations outlined and reconciled to statutory results on slides 34 (FY23) and 35 (comparative financial information) of the FY23 Investor Presentation. Underlying operating figures are non-financial measures and have not been subject to audit by the Company's external auditors.

(2) Owned property includes construction in progress – at cost and includes properties classified as Held for Sale

2024 Outlook

Platform established for further material growth in 2024



Top Line Growth	\$8.5 billion 2022	\$9.9 billion 2023	2024 and beyond....
Return On Sales Growth	3.0% 10-yr avg	4.4% 2023	2024 and beyond....

Acquisitions – VIC & Alice Springs



~\$1.0 Billion annual turnover

Organic

- Maturing greenfield operations
- Execution of strategic partnerships
- Scale in our unique independent used business driven by easyauto123
- Preferred partner approach to all market participation
- Lead transition in response to New Vehicle Efficiency Standard (NVES)

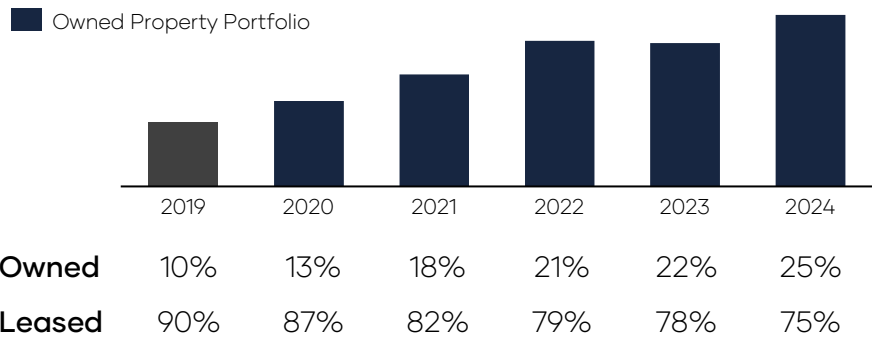
2024 Outlook

Strategic property acquisitions providing platform for execution of Next100 initiatives

Strategic Execution

Current Property Portfolio Value **\$716 million**

Evolution of Property Portfolio



Property Acquisitions

Year	2019	2020	2021	2022	2023	2024 YTD
Value	\$19m	\$106m	\$170m	\$148m	\$31m	\$115m

2024 YTD Property Acquisitions



Our Key Stakeholders



Proxy and Direct votes received prior to meeting

For	Against	Board Discretion	Non-Board Discretion	Abstain	% in favour or at Board Discretion
2 Nick Politis re-election					
184,972,717	4,567,730	168,742	298,615	267,311	97.44%
3 Katie McNamara election					
179,776,730	9,765,964	168,742	298,615	265,064	94.7%
4 Remuneration Report					
109,177,585	1,276,960	170,658	298,615	727,672	98.58%

Financial Reports

Item 1

Eagers Automotive financial reports can be found in the 2023 Annual Report

(commencing on page 61)

Re-election of Nicholas George Politis

Item 2

Non-executive Director since May 2000.

Motor vehicle dealer.

Executive Chairman of WFM Motors Pty Ltd, Eagers Automotive's largest shareholder, and Director of a substantial number of other proprietary limited companies



Proxy and Direct votes received prior to meeting

For	Against	Discretion of the Board	Discretion of person other than the Board	Abstain	% in favour or at the Board's discretion
Item no. 2 – Re-Election of Nicholas George Politis					
184,972,717	4,567,730	168,742	298,615	267,311	97.44%

Election of Katrina Susan McNamara

Item 3

Independent, non-Executive Director since 21 March 2024.

Non-Executive Director of Motorcycle Holdings Limited (ASX:MTO) since November 2022.

Managing Director of Mighty Craft Limited (ASX:MCL), having been appointed in late 2023 on a part-time basis to lead their board's strategic review.

More than 25 years in strategy, marketing and technology, including former executive roles at Super Retail Group, as Chief Strategy & Customer Officer, at IBM, leading the digital strategy and iX (Digital customer practice) business unit across the Asia Pacific region, and at Foster's and Treasury Wine Estates, as Director of Strategy and Mergers & Acquisitions.



Proxy and Direct votes received prior to meeting

For	Against	Discretion of the Board	Discretion of person other than the Board	Abstain	% in favour or at the Board's discretion
Item no. 3 – Election of Katrina Susan McNamara					
179,776,730	9,765,964	168,742	298,615	265,064	94.7%

Remuneration Report

Item 4

The Remuneration Report can be found in the 2023 Annual Report

(commencing on page 42)

Proxy and Direct votes received prior to meeting

For	Against	Discretion of the Board	Discretion of person other than the Board	Abstain	% in favour or at the Board's discretion
Item no. 4 – Remuneration Report					
109,177,585	1,276,960	170,658	298,615	727,672	98.58%

**The meeting is paused so shareholders
may finalise their votes**



**Voting is
now closed**



Q&A

Meeting has closed

Thank you for your participation