



Morgan Stanley Emerging Companies Conference
Sydney 18 June 2014

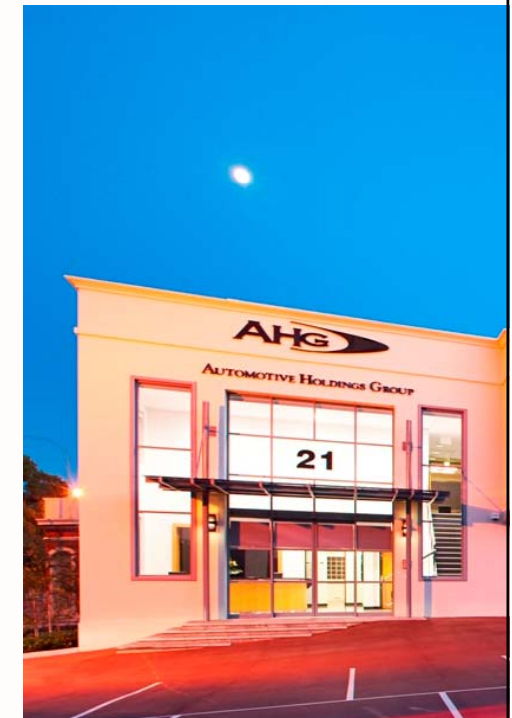


Company Overview



- ASX200 Company
- Turnover in excess of \$5 billion, market capitalisation of \$1.2 billion
- More than 7,000 employees in Australia and New Zealand
- Australia's largest automotive retailer by sales, profitability, market capitalisation and workforce
- Australia's largest provider of fully integrated temperature controlled transport and cold storage solutions
- Two core business divisions (Automotive and Logistics)

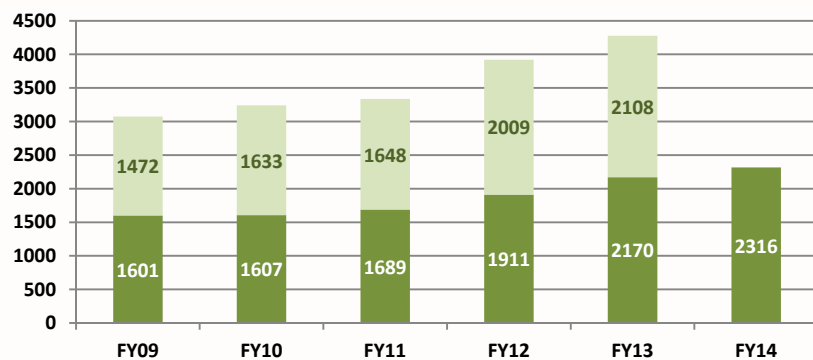
<i>AUTOMOTIVE</i>	Automotive retail network	Passenger Cars and Commercial Truck retail sales, and service
<i>LOGISTICS</i>	Transport and Cold Storage	National temperature controlled transport carrier and cold storage
	Other Logistics	Wholesale distribution of automotive parts, mining supplies, KTM and Husqvarna motorcycles. Truck body building services and vehicle storage



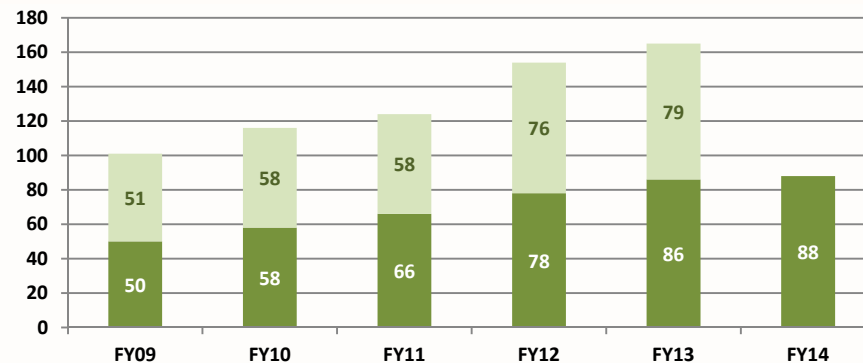
Sustained Growth



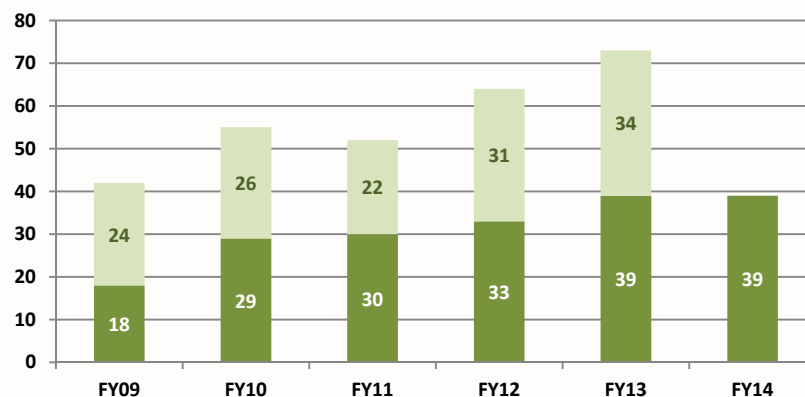
Revenue \$m



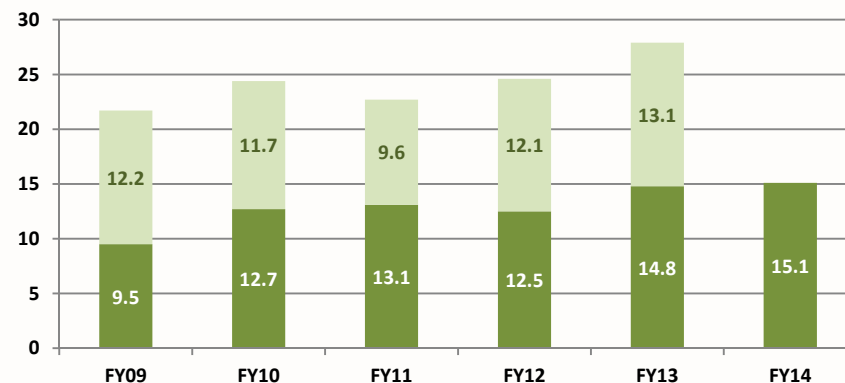
EBITDA \$m



Operating¹ NPAT \$m





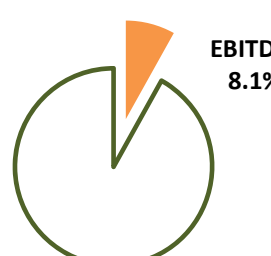
Operating¹ EPS (cps)



Operating¹ – excludes costs and fees in relation to integration and acquisition-related activities, asset divestments, impairment and sale of properties.

Overview of business post recent acquisitions



Automotive Retailing	Transport and Cold Storage	Other Logistics
<ul style="list-style-type: none"> • Australia's largest automotive retailer • 156 Franchises at 89 dealership locations • Multi state, multi franchise retail network • Passenger Cars and Commercial Truck sales • International operations in New Zealand (6 franchises) 	<ul style="list-style-type: none"> • Australia's largest provider of fully integrated temperature controlled transport and cold storage solutions • Recent acquisition of Scott's Refrigerated Freightways (SRF) and JAT Refrigerated Road Services (JAT) • Expanded division will have over \$600m in revenue • Combined group will support 351 prime movers and 424 rail containers and store over 150,000 pallets 	<ul style="list-style-type: none"> • Wholesale automotive parts distribution (AMCAP) • WA retail branch network of automotive parts and mining supplies (COVS) • Wholesale importation and distribution of motorcycles and motorcycle parts (KTM/HQVA) • Manufacture, fabrication, and customisation (Truck and Trailer body building services) including vehicle storage (GTB/VSE)
 <p>EBITDA¹ 66.6%</p>	 <p>EBITDA¹ 25.3%</p>	 <p>EBITDA¹ 8.1%</p>

AHG - Consolidated Financial Performance HY14



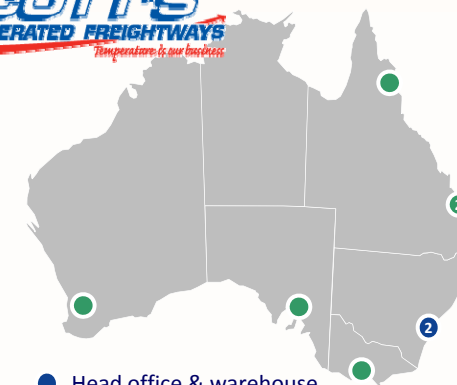
Consolidated Financial Performance	HY13 (\$m)	HY14 (\$m)	% change
Operating¹ Performance			
Revenue	2,169.6	2,316.2	6.8%
EBITDA	85.9	88.0	2.4%
EBITDA %	4.0%	3.8%	
EBIT	72.0	74.0	2.7%
EBIT %	3.3%	3.2%	
Net Profit after Tax	38.5	39.3	2.0%
Earnings Per Share (cps)	14.8	15.1	2.0%
Interest Cover (times)	4.7	5.4	15%
Statutory IFRS Profit after Tax			
Net Integration and Acquisition, Asset Divestment and Sale of Properties	(0.6)	(0.9)	
Statutory Net Profit after Tax	37.9	38.4	1.1%
Earnings Per Share (cps)	14.6	14.7	1.1%

- Sound operating performance given costs associated with cold storage growth strategy
- Revenues up 6.8% to \$2,316 million
- Automotive operating¹ EBITDA up 12% on PCP
- Rand H2 expected to improve on PCP
- Pleasing growth in “Other Logistics” - Operating¹ EBITDA up 5.6% on PCP

Recent acquisition of Scotts Refrigerated Freightways and JAT



- Sydney-based provider of refrigerated logistics solutions
 - established in 1952
 - over 700 staff
- Acquisition included 100% holding in JAT Refrigerated Road Services, a leading far north Queensland refrigerated transport business
- Complementary service offering to AHG's existing transport and cold storage business
 - refrigerated road transport
 - refrigerated rail transport
 - cold store warehousing
 - local refrigerated distribution
- Strong management team retained
- Long established relationships with key customers on the east coast of Australia
- Strong track record of compliance and emphasis on 'Chain of Responsibility'



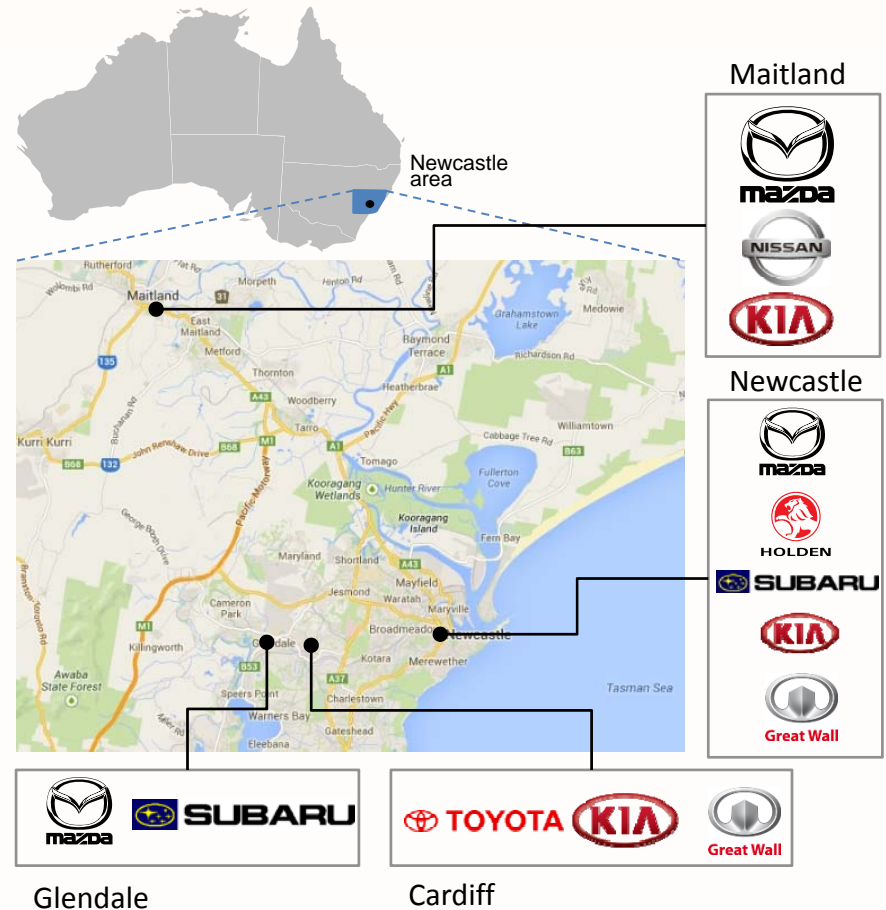
- Head office & warehouse
- Cold storage facilities / depots

	SRF/JAT
Prime movers	224
Rigids	25
Trailers	455
Rail containers	20
Cold storage facilities / depots	8
Storage pallet capacity	35,750

Pending completion of Bradstreet Motor Group acquisition



- Based in Newcastle, established in 1952
- More than 400 staff in 13 franchises on seven locations in 4 automotive hubs
- Representing 5 of the top 8 selling brands
- Established corporate infrastructure and strong management team who will stay with the business
- Long term leases over dealership properties that are well maintained and do not require significant capital expenditure
- Targeting completion this month





AUTOMOTIVE

AHG
AUTOMOTIVE HOLDINGS GROUP

AUTOMOTIVE – Operating¹ Performance



Operating ¹ Performance	HY13 (\$m)	HY14 (\$m)	% change
Revenue	1,774.7	1,916.1	8.0%
EBITDA	57.4	64.0	11.5%
<i>EBITDA Margin (%)</i>	3.2%	3.3%	
EBIT	50.4	56.4	11.4%
<i>EBIT Margin (%)</i>	2.8%	2.9%	
Profit Before Tax	38.7	46.4	20.0%

- Revenue growth remains strong
- HY14 continuing to deliver strong growth on PCP (Note HY13 was a very strong half due to earlier supply constraints inflating order book in June)
- Improving margins
- Investment in national truck model and Greenfield developments support longer term growth
- Automotive result includes ~\$1m of trading losses in our South Melbourne Greenfield development

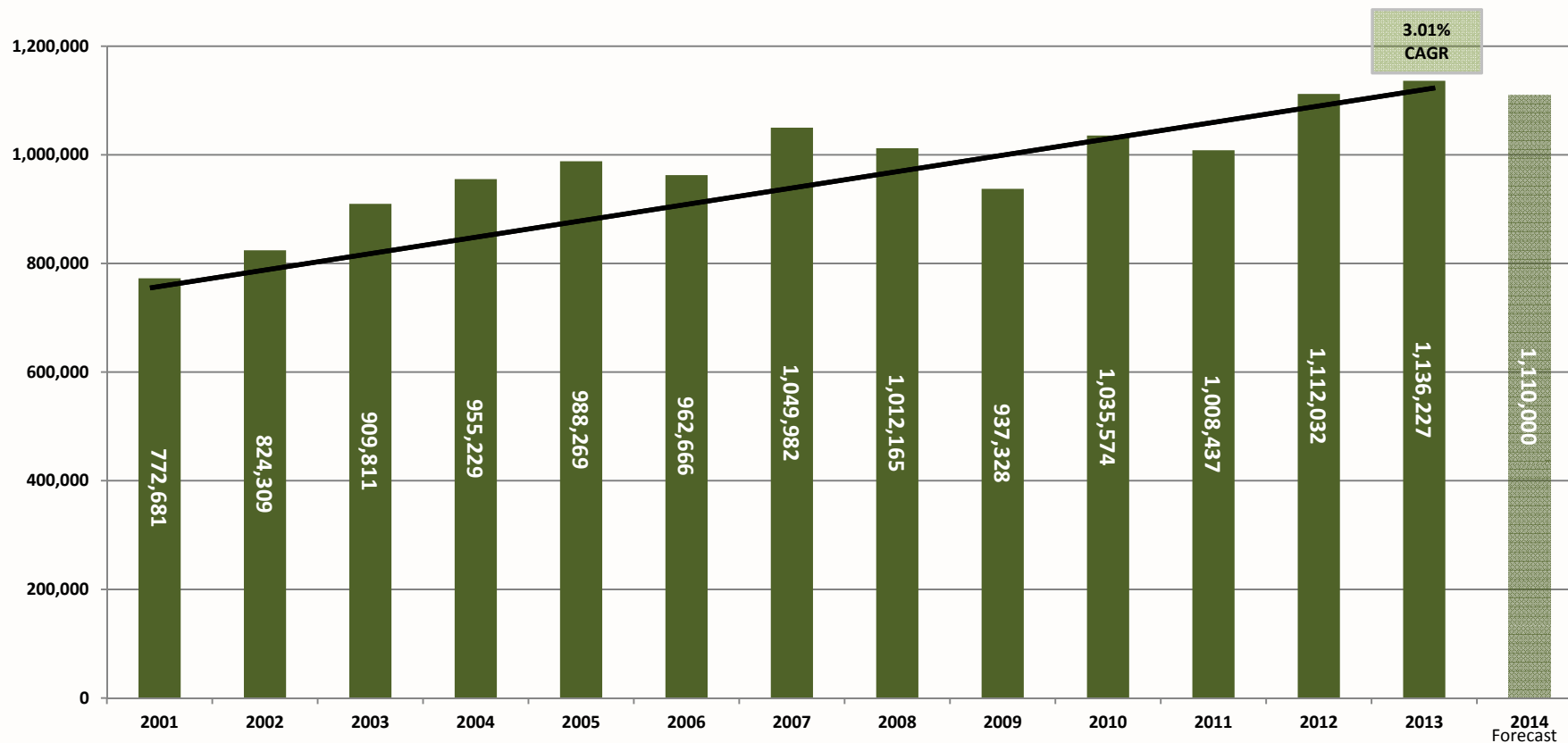
Operating¹ – excludes costs and fees in relation to integration and acquisition-related activities, asset divestments, impairment and sale of properties.



Australia – New Vehicle Sales (VFACTS)



- Record new vehicle sales in CY 2013



Industry Volumes May 2014 – Automotive

- Overall retail consumer demand remains strong
- Private sector up
- Private sector represents 52.9% of the market
- AHG strength in private sector sales



YTD Sales Units Analysis History by State

NEW VEHICLE SALES UNITS	Jan-May CY13	Jan-May CY14	v Jan-May '13
NSW	139,161	140,711	1.1%
VIC	121,597	118,161	-2.8%
QLD	94,521	90,393	-4.4%
WA	52,177	46,775	-10.4%
SA/TAS/ACT/NT	47,497	45,602	-4.0%
Total	454,953	441,642	-2.9%

YTD Sales Units Analysis History by buyer Type

NEW VEHICLE SALES UNITS	Jan-May CY13	Jan-May CY14	v Jan-May '13
Private	232,897	233,856	0.4%
Business	174,859	161,340	-7.7%
Government	16,080	17,074	6.2%
Rental	18,756	17,729	-5.5%
Heavy Commercial	12,361	11,643	-5.8%
Total	454,953	441,642	-2.9%

Automotive industry market shares – 2013



Brand	National market share of brand	National market share by brand		
		AHG	Bradstreet	Combined
Toyota	18.9%	3.7%	0.8%	4.5%
Holden	9.9%	7.5%	0.7%	8.2%
Mazda	9.1%	4.4%	2.4%	6.8%
Hyundai	8.5%	7.2%	-	7.2%
Ford	7.7%	6.0%	-	6.0%
Nissan	6.8%	8.9%	0.6%	9.4%
Mitsubishi	6.3%	8.6%	-	8.6%
Volkswagen	4.8%	6.0%	-	6.0%
Subaru	3.5%	7.2%	1.7%	8.9%
Honda	3.5%	-	-	-
Other	21.1%	0.5%	0.1%	0.6%
TOTAL	100.0%	5.5%	0.6%	6.1%



TRANSPORT AND COLD STORAGE

LOGISTICS – Transport and Cold Storage - Operating¹ Performance



AUTOMOTIVE HOLDINGS GROUP

Operating ¹ Performance Transport and Cold Storage	HY13 (\$m)	HY14 (\$m)	% change
Revenue	211.5	210.0	(0.7%)
EBITDA	20.1	15.4	(23.4%)
EBITDA Margin (%)	9.5%	7.3%	
Profit Before Tax	12.2	8.7	(28.9%)

- Strategic investment in facilities impacts current period
 - Investment in new facilities in WA and SA inflated costs in half year (~\$2m in additional 'one-off' costs)
- Weaker market volumes across the industry
 - Lower consumer demand in peak trading period
 - Fresh and frozen transport volumes lower than PCP
- Seasonal impacts on fresh produce in Harris business
 - 2013 floods in NSW and Queensland and the Riverina droughts have reduced supply in HY14
 - Cold store demand remains strong



Strategic and financial rationale



Attractive industry fundamentals

- Stable growing industry
- High barriers to entry with relatively few players of scale
- Larger players compete with a significant structural advantage versus smaller players

Expanded business is well positioned as the largest Transport and Cold Storage provider in Australia

- Expanded Transport and Cold Storage division will have over \$600 million in revenue
- Integrated refrigerated transport (road and rail), cold storage and distribution services
- National presence provides benefits for customers and AHG
 - national route coverage
 - rail container fleet and cold storage capacity to meet customer demand
 - supports continued investment in integrated freight management systems and modern facilities
 - reputation of compliance with road safety and legislative requirements ('Chain of Responsibility')

Diversity of services, customers and location

- SRF /JAT services in excess of 400 customers, with a strong east coast and Far North Queensland network
- Diversity of customers and freight types reduces seasonality and exposure to climatic events
- Opportunities to increase efficiency from:
 - matching corridor volumes between Rand, Harris, SRF and JAT
 - increased backhaul from respective customer bases

Financial benefits

- Identified cost synergies of \$4 million per annum – to be fully realised by end of FY16
 - rationalisation of cold storage facilities in Perth, Adelaide and Melbourne
 - leverage supply contracts
 - specific operating savings
- Additional potential synergies from route efficiencies, utilisation and maintenance of equipment

Well positioned as the largest participant in the market



No other operator with the level of infrastructure, equipment, expertise and network reach

A premium service for customers

- Large customers increasingly seeking a full service across transport type / cold storage / product type / distribution and geography
- AHG can offer a broader suite of services to each set of customers

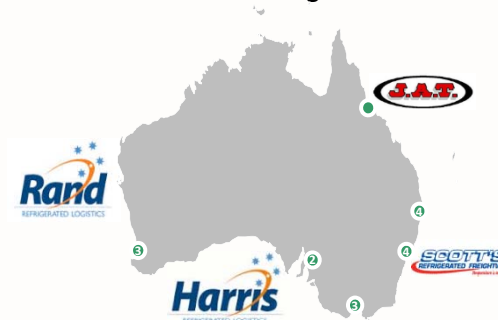
Efficient utilisation of assets

- Scale and scope of services provides opportunity to maximise return on capital through:
 - load spreading across routes and across road vs. rail
 - reduced reliance on sub-contractors
 - utilisation of cold storage facilities and rail assets

Spreading capital spend over a larger revenue base

- Increased scale and revenue base justifies capital spend to further promote efficiencies and improve competitive position
 - Rand's ongoing investment in modern cold storage facilities with improved economics
 - any future IT systems upgrades support an improved ROI
 - ongoing investment in compliance systems ('Chain of Responsibility')

Consolidated cold storage locations



Note: Multiple storage facilities / depots at a number of sites

Combined Group

Prime movers	351
Rigids	77
Trailers	780
Rail containers	424
Cold storage facilities / depots	17
Staff	>1,500
Storage pallet capacity	154,350



OTHER LOGISTICS

LOGISTICS – Other Logistics Operating¹ Performance



AUTOMOTIVE HOLDINGS GROUP

- Strong AMCAP result with increased volume (new brands) and operational efficiencies in a mature business
- Record KTM unit sales offset negative FX impact and produced overall growth compared with HY13
- HQVA distribution from January 2014
- Cova continues to be impacted by lower demand for mining products
- GTB/VSE showed improved performance against PCP from increased demand and volume

Operating ¹ Performance Other Logistics (AMCAP, Cova, KTM, GTB/VSE)	HY13 (\$m)	HY14 (\$m)	% change
Revenue	183.2	189.9	3.6%
EBITDA	9.3	9.8	5.6%
EBITDA Margin (%)	5.1%	5.2%	
Profit Before Tax	8.7	8.6	(1.0%)



Driving Shareholder Value in FY2014

- Improve returns to shareholders by applying AHG's proven auto dealership model to Greenfield sites and acquisitions
- Continued investment in facilities and systems to support growth
- Maintain business leading performance of existing operations
- Continued focus on control of expenditure
- Manage balance sheet capacity to ensure ability to fund growth



For personal use only



AHG
AUTOMOTIVE HOLDINGS GROUP