



## Annual General Meeting Presentation

14 November 2014



Welcome



# David Griffiths

Chairman of the Board of Directors

## Today's Agenda



- **Chairman's address**
- **Managing Director's Presentation**
- **Formal Business**
- **Close**
- **Refreshments**



## Company Overview



- ASX200 Company
- Revenue in excess of \$4.7 billion, market capitalisation of ~\$1.2 billion
- More than 7,300 employees in Australia and New Zealand
- Australia's largest automotive retailer by sales volume, workforce and market capitalisation
- Australia's largest provider of fully integrated temperature controlled transport and cold storage solutions
- Three core business divisions (Automotive, Refrigerated Logistics and Other Logistics)

<b>AUTOMOTIVE</b>	Automotive retail	Passenger Cars and Commercial Truck and Bus retail sales, finance and insurance, parts and service
<b>LOGISTICS</b>	Refrigerated Logistics	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



## AHG – Consolidated Financial Performance FY2014



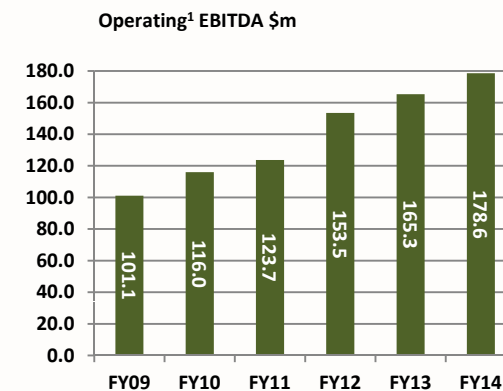
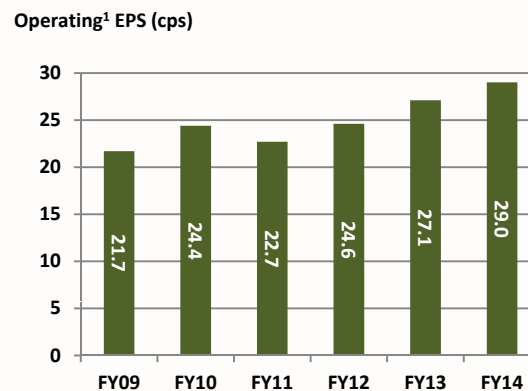
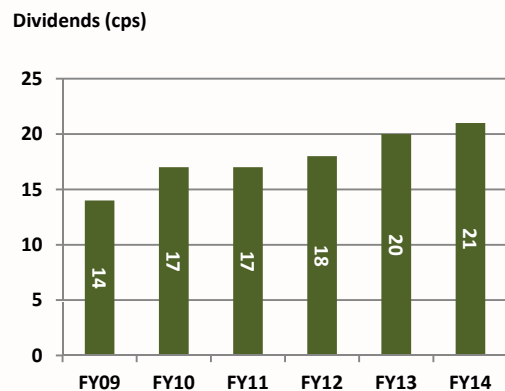
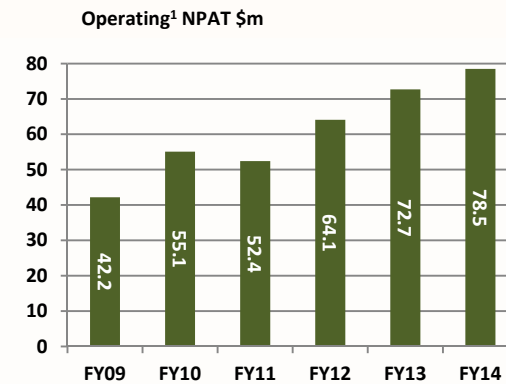
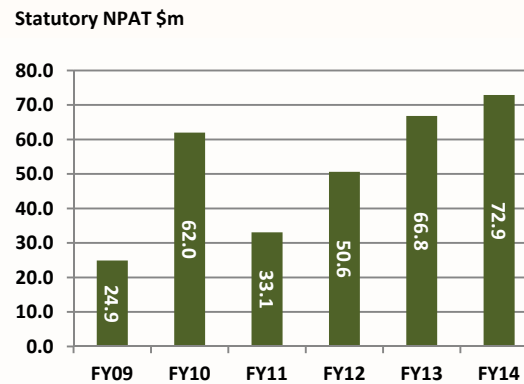
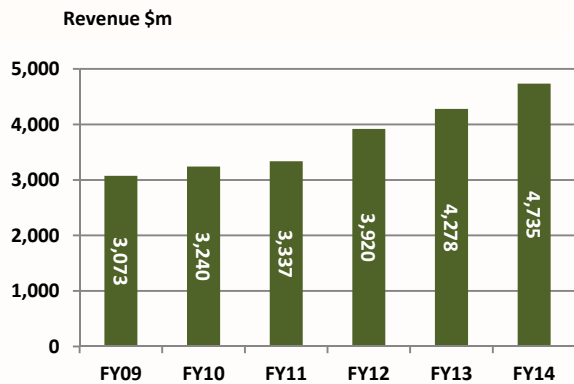
Consolidated Financial Performance	FY13 (\$m)	FY14 (\$m)	% change
<b>Operating<sup>1</sup> Performance</b>			
Revenue	4,312.4	4,734.8	9.8%
EBITDA	161.7	178.6	10.5%
EBITDA %	3.7%	3.8%	
EBIT	133.1	148.3	11.4%
EBIT %	3.1%	3.1%	
Net Profit after Tax	70.8	78.5	11.0%
Earnings Per Share (cps)	27.1	29.0	7.0%
Interest Cover (times)	4.7	4.8	
<b>Statutory IFRS Profit after Tax</b>			
Net Integration and Acquisition, Asset Divestment and Sale of Properties	(6.0)	(5.6)	
Statutory Net Profit after Tax	64.8	72.9	9.3%
Earnings Per Share (cps)	24.9	27.0	8.4%

- Revenues of \$4.7 billion up 9.8%
- Record Operating<sup>1</sup> NPAT of \$78.5 million (Statutory IFRS profit of \$72.9 million)
- Operating<sup>1</sup> EBIT and EBITDA margins maintained
- Increased Operating<sup>1</sup> EPS (up 7.0%)
- Strong interest cover

## Sustained Growth



AUTOMOTIVE HOLDINGS GROUP



Operating<sup>1</sup> – excludes costs and fees in relation to integration and acquisition-related activities, asset divestments, impairment and sale of properties.

## Driving Shareholder Value



### Share Price Performance – Five years



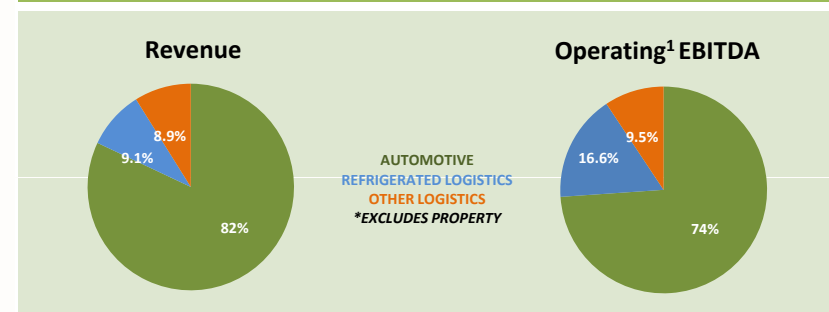
	12 Nov 2014	AHE	ASX 200
Share price		\$3.90	5632.91
1-Yr TSR <sup>2</sup>		14.2%	5.8%
3-Yr TSR <sup>2</sup>		125.8%	45.5%
5-Yr TSR <sup>2</sup>		148.1%	43.8%

<sup>2</sup>Includes capital growth and reinvestment of dividends

### Key Market Statistics (12 November 2014)

Ticker	ASX:AHE
Share Price (14 Aug 2014)	\$3.90
Shares on Issue	306,541,437
Market Capitalisation	\$1.2 billion

### Divisional Split\* (FY2014)



Operating<sup>1</sup> – excludes costs and fees in relation to integration and acquisition-related activities, asset divestments, impairment and sale of properties.

## Driving Shareholder Value



AUTOMOTIVE HOLDINGS GROUP

<b>Consolidated</b>	<ul style="list-style-type: none"> <li>• Group Revenue of \$4.73 billion (up 9.8% pcp)</li> <li>• IFRS Statutory Profit after tax \$72.9 million (up 12.5% pcp)</li> <li>• Record Operating<sup>1</sup> NPAT of \$78.5 million (up 11.0% pcp)</li> <li>• Record full year dividend of 21 cps (20 cps pcp)</li> <li>• Successful completion of capital raising and Share Purchase Plan</li> </ul>
<b>Automotive</b>	<ul style="list-style-type: none"> <li>• Revenue growth to \$3.9 billion (up 9.7%) supported by acquisitions and organic growth</li> <li>• Acquisitions completed in FY2014 – Jason Mazda (WA), Davie Motors Holden (NZ)</li> <li>• Outperformed broader Australian auto market new vehicle volumes</li> <li>• Stable new car sales, improved used vehicle sales, F&amp;I, service and parts</li> <li>• Maturing Greenfield sites including commencing trading in Castle Hill Nissan (NSW) and Manukau Nissan (NZ) as well as opening Holden/HSV in new Melbourne City</li> </ul>
<b>Refrigerated Logistics</b>	<ul style="list-style-type: none"> <li>• Revenue increased to \$429.7 million up 10.2% on pcp</li> <li>• Completed acquisition of Scott's Refrigerated Freightways and JAT Refrigerated Road Services</li> <li>• Opened new cold storage facilities in Perth and Adelaide</li> </ul>
<b>Other Logistics</b>	<ul style="list-style-type: none"> <li>• Revenue increased to \$421.4 million up 10.6% on pcp</li> <li>• Record KTM sales volume (Aust/NZ)</li> <li>• Commenced distribution of Husqvarna motorcycles (Aust/NZ)</li> </ul>



## Significant investment in new sites support long term growth



MELBOURNE CITY HOLDEN, VIC



MELBOURNE CITY HYUNDAI, VIC



SUTHERLAND MAZDA NSW



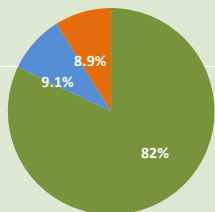
RAND HAZELMERE, WA

## Diversified Revenue and Profitability

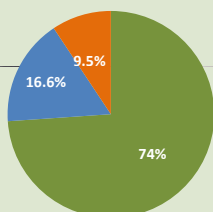


### Divisional Split\* (FY2014)

Revenue



Operating<sup>1</sup> EBITDA



AUTOMOTIVE  
REFRIGERATED LOGISTICS  
OTHER LOGISTICS  
\*EXCLUDES PROPERTY

RAND ERSKINE PARK, NSW – COMPLETION DUE 2015 © www.skyviewaerial.com.au



**AUTOMOTIVE**

**AHG**  
AUTOMOTIVE HOLDINGS GROUP

## Expanding Automotive services



- AHG sold 101,260 new and used vehicles in FY2014
- 796,314 service and repair orders completed
- Finance and Insurance opportunities
- Parts and Accessories sales



## Automotive retail landscape changing

- Local manufacturing replaced by new imported models
- Possible grey imports
- Changing consumer habits
- Opportunities to leverage scale and market leadership
- Sector confidence underpinned by Warren Buffett

### Simon Evans

simon.evans@fairfaxmedia.com.au



## Big dealers in the driver's seat

United States billionaire Warren Buffett surprised everyone in early October with an old-school acquisition of the fifth-biggest automotive dealership group in the United States. It will form the basis of a new division in his Berkshire Hathaway group, to be called Berkshire Hathaway Automotive. Buffett has outlined more acquisitions are ahead in a highly fragmented industry using his newly re-badged Van Tuyl Group, with its 78 new car dealerships, as the consolidator. In the digital age, where

13 vehicle dealerships in Newcastle, and for a refrigerated freight business in its non-auto division. AP Eagers wasn't invited to be part of the placement. There are rumblings, however, that it may have already moved up the register again towards the 20 per cent mark. In the past, it has made several overtures to AHG for a seat on its board. AHG has steadfastly refused because of the need for any AP Eagers director to excuse themselves regularly from board meetings because the two companies are often

approach, wanting some test drives and the ability to finance the purchase and do a trade-in with one overarching transaction, even if there are digital bells and whistles involved in getting them into the showroom on the marketing side. AHG and AP Eagers both believe they are on a sure path. They aren't solely reliant on new car sales and there are strong revenue streams coming from vehicle servicing, parts, used car sales and financing and insurance deals for customers purchasing cars.



AUTOMOTIVE HOLDINGS GROUP

THE WALL STREET JOURNAL. BUSINESS

TOP STORIES IN BUSINESS

Prices Add Up With a la Carte TV



At Google, Heavy Spending Takes Toll



BUSINESS

### Warren Buffett Buys New-Car Retail Chain

Investor Says He Plans to Buy More Dealerships Over Time

Email Print 27 comments Facebook Twitter LinkedIn

ARTICLE FREE PASS Enjoy your free sample of exclusive subscriber content. \$12 for 12 Weeks SUBSCRIBE NOW

By CHRISTINA ROGERS, ERIK HOLM and CHELSEY DULANEY CONNECT

Updated Oct. 2, 2014 8:50 p.m. ET



Berkshire Hathaway plans to buy Van Tuyl Group, the fifth largest auto dealership firm in the U.S. WSJ's Erik Holm has the details on Lunch Break with Tanya Rivero. Photo: AP

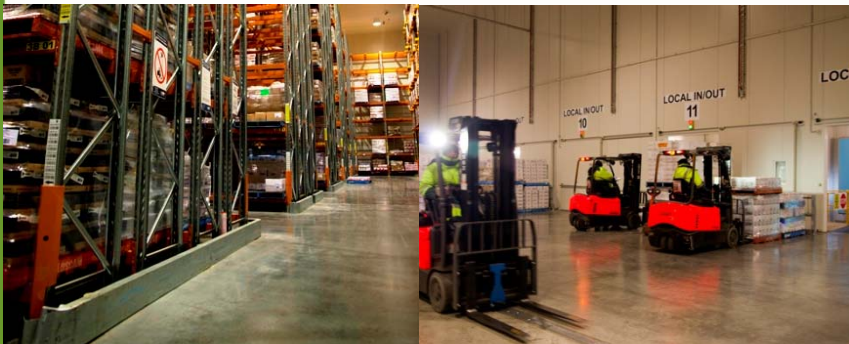


## REFRIGERATED LOGISTICS

## Australia's largest Refrigerated Logistics business



- Scale and market strength
- Acquisition delivers synergies
- Further cost savings and efficiencies
- Opportunities to harness automated warehousing
- Improved transport technology
- Compelling integrated service offering





## PEOPLE AND TRAINING

---



## Ongoing focus and drive to develop talent



- Significant investment in training and development
- Apprenticeship training program
- Remuneration structure rewards success and provides downside protection
- Gender focus



## Workforce diversity



AUTOMOTIVE HOLDINGS GROUP

AHG Workforce Gender Profile Australia/NZ					
AHG report to Workplace Gender Equity Agency April 2014					
	Female	Male	Total	F%	M%
Administration, trades and semi skilled	993	3049	4042	25	75
Supervisory, semi professional and professional	375	1010	1385	27	73
Middle management	44	485	529	8	92
Senior management	23	200	223	10	90
Senior executive	0	13	13	0	100
<b>TOTAL</b>	<b>1435</b>	<b>4757</b>	<b>6192</b>	<b>23</b>	<b>77</b>
Board members	1	7	8	12	88



## Outlook



- Overall macro settings look reasonably supportive
- Recent acquisitions to boost profitability
- High quality business
- Organic growth and acquisition opportunities



For personal use only



**AHG**  
AUTOMOTIVE HOLDINGS GROUP

## Managing Director's Address

---



# Bronte Howson

Managing Director



## Today's Agenda



- **Automotive**
  - **FY2014 review and outlook**
- **Refrigerated Logistics**
  - **FY2014 review and outlook**
- **Other Logistics**
  - **FY2014 review and outlook**
- **Trading update**



## Highlights FY2014



- Strong revenue and profit growth
  - Successful integration of new acquisitions in WA, VIC and NZ aided by success of marketing campaigns
  - Maturing Greenfield sites including commencement of trading in Castle Hill Nissan (NSW) and Manukau Nissan (NZ), Clarkson Nissan in WA, Melbourne City Holden and Hyundai
  - Increased new vehicle sales complementing multiple revenue streams
- Bradstreet acquisition finalised – 13 franchises at seven dealerships (completed August 2014)



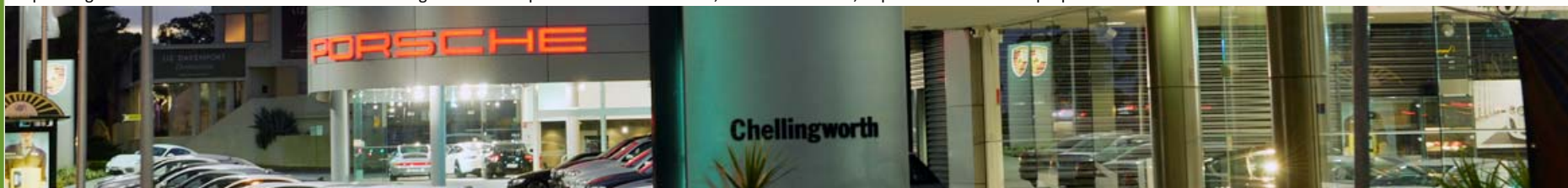
## AUTOMOTIVE – Operating<sup>1</sup> Performance



Operating <sup>1</sup> Performance	FY13 (\$m)	FY14 (\$m)	% change
Revenue	3,540.8	3,883.3	9.7%
EBITDA	116.7	132.5	13.6%
<i>EBITDA Margin (%)</i>	3.3%	3.4%	
<b>EBIT</b>	<b>102.4</b>	<b>116.9</b>	<b>14.1%</b>
<i>EBIT Margin (%)</i>	2.9%	3.0%	
<b>Profit Before Tax</b>	<b>81.6</b>	<b>95.4</b>	<b>17.0%</b>

- Strong revenue growth of 9.7% supported by acquisitions and organic growth
- Operating<sup>1</sup> EBITDA of \$132.5m up 13.6%
- Increase in EBIT and EBITDA margins
- Profit Before Tax up 17%

Operating<sup>1</sup> – excludes costs and fees in relation to integration and acquisition-related activities, asset divestments, impairment and sale of properties.







## AUTOMOTIVE OUTLOOK

---

## Industry Volumes – Automotive

- Overall retail demand remains strong
- Supported by manufacturer incentives
- Private sector represents ~53% of the market
- AHG strength is primarily in private sector sales
- AHG operations in Queensland, NSW, Victoria and WA (89.6% of national market to Oct 2014)
- Non-AHG territories SA, Tasmania, ACT and NT (10.4% of national market)



28



AUTOMOTIVE HOLDINGS GROUP

### YTD Sales Units Analysis History by State

NEW VEHICLE SALES UNITS	Jan-Oct CY13	Jan-Oct CY14	Jan-Oct '14 v Jan-Oct '13
NSW	290,588	295,504	1.7%
VIC	253,429	249,657	-1.5%
QLD	195,040	185,852	-4.7%
WA	105,442	97,324	-7.7%
SA/TAS/ACT/NT	98,048	95,852	-2.2%
<b>Total</b>	<b>942,547</b>	<b>924,189</b>	<b>-1.9%</b>

### YTD Sales Units Analysis History by Buyer Type

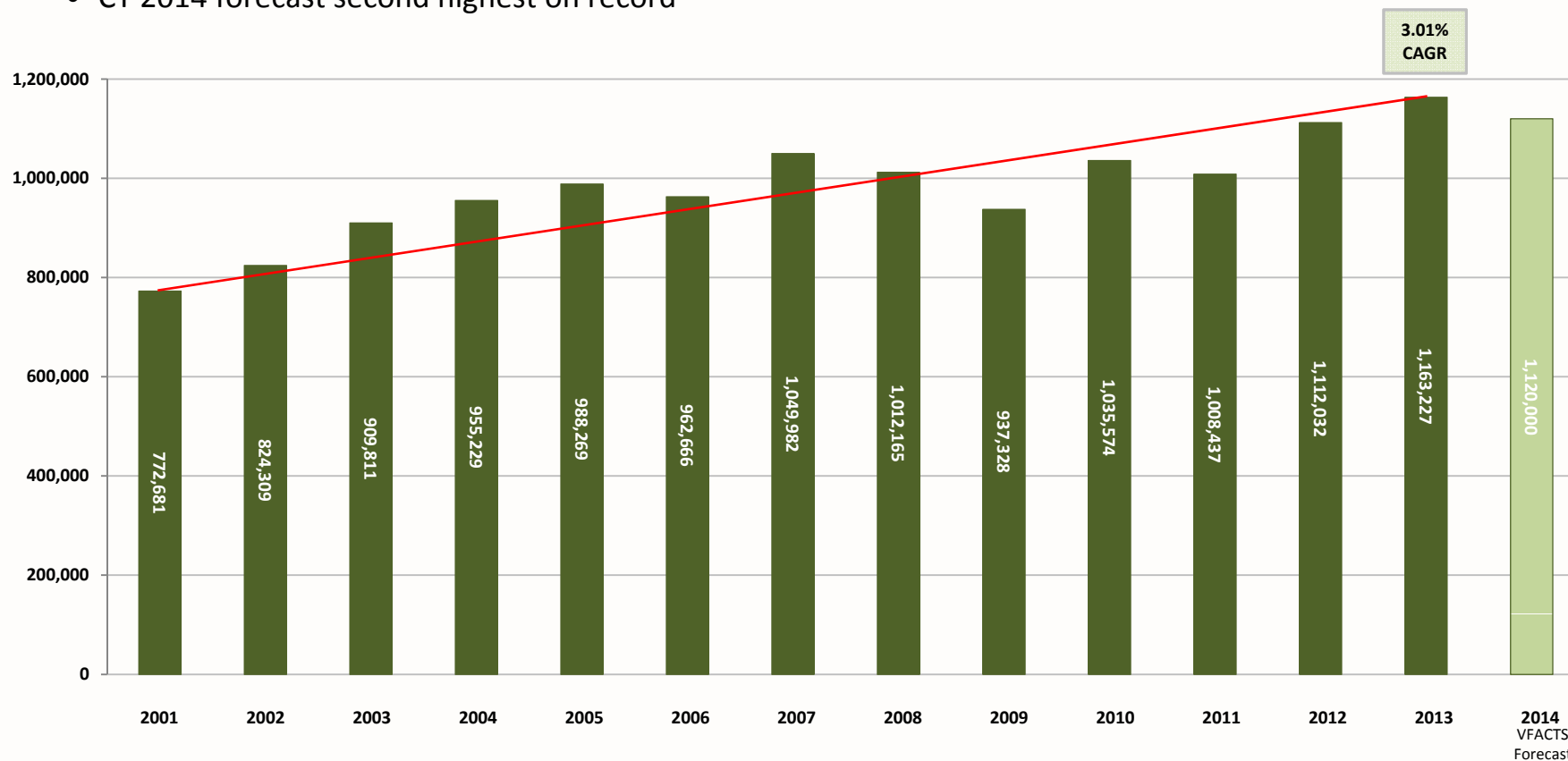
NEW VEHICLE SALES UNITS	Jan-Oct CY13	Jan-Oct CY14	Jan-Oct '14 v Jan-Oct '13
Private	483,681	488,780	1.1%
Business	354,087	328,792	-7.1%
Government	33,715	35,581	5.5%
Rental	44,717	45,189	1.1%
Heavy Commercial	26,347	25,847	-1.9%
<b>Total</b>	<b>942,547</b>	<b>924,189</b>	<b>-1.9%</b>

VFACTS  
October 2014

## Australia – New Vehicle Sales (VFACTS)



- Record new vehicle sales in CY 2013
- CY 2014 forecast second highest on record

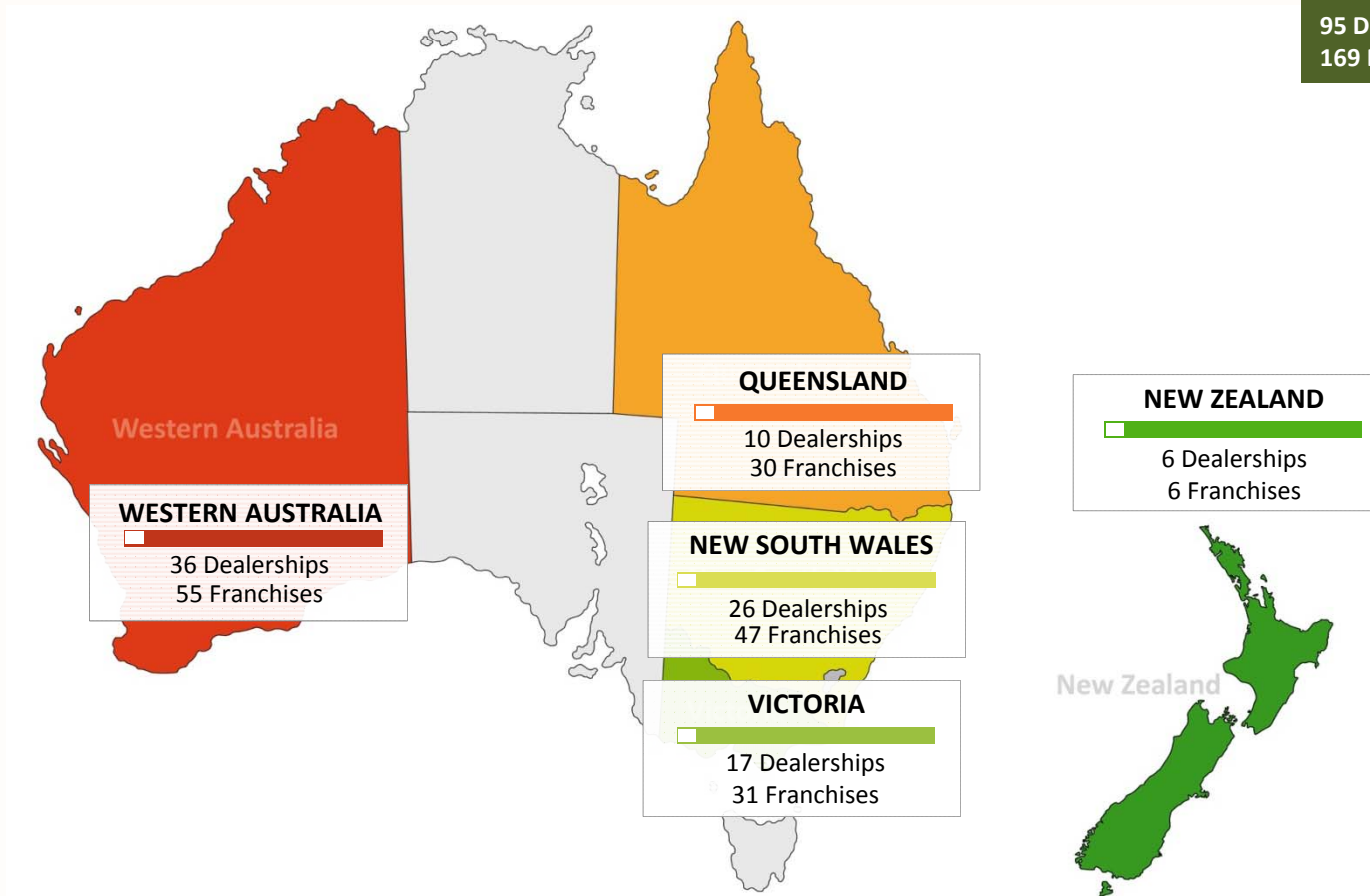


# Dealerships



AUTOMOTIVE HOLDINGS GROUP

95 Dealership locations  
169 Franchises



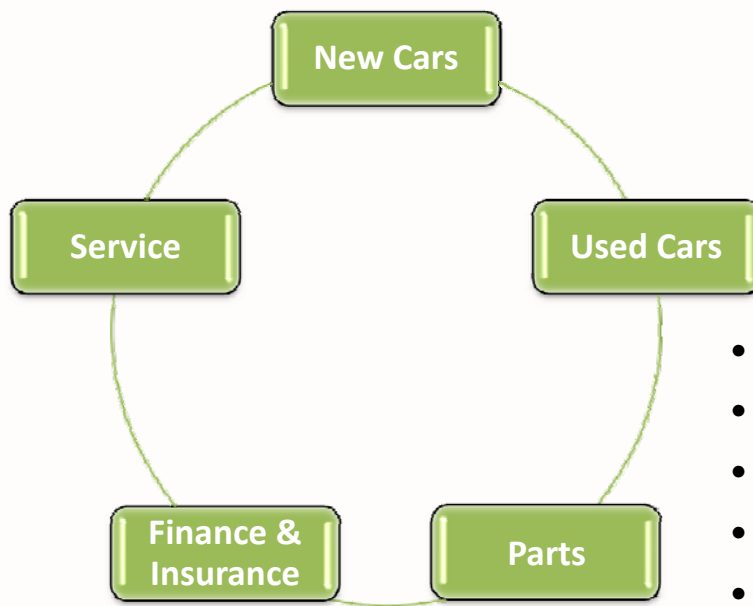
## Competitive Advantages



- AHG represents 22 passenger brands in Australia including 9 of top 10\*
- 9 truck brands
- Strong focus on automotive retail hubs with multiple dealerships
- Long term partnerships
- Investment in state of the art facilities
- Significant focus on training and development
- Scale as Australasia's largest motoring group



## Traditional Dealership Multiple Revenue Streams



- Broad customer offering beyond new and used car sales
- Strong CRM programs drive customer retention
- High penetration rates across Finance & Insurance (F&I)
- Service and Parts department revenue opportunities
- Creating “customers for life”

# Competition is changing as disruptors emerge



AUTOMOTIVE HOLDINGS GROUP

Across the customer buyer journey new disruptors are emerging with different offers and experiences...



33 Sources: Google Searches on 10<sup>th</sup> July 2014 – keywords researched included ‘car rental’, ‘car sharing’, ‘buy a car online’, ‘car supermarkets’, ‘book a service’, ‘car service solutions’, ‘3D printing parts’, ‘car finance options’, Google Auto Team Report – “How Digital is Changing the Automotive Purchase Process”.

## Addressing the changing Automotive market



AUTOMOTIVE HOLDINGS GROUP

- Work with manufacturers to deliver best customer experience
- Traditional commerce and e-commerce converging in dealerships, social media, online, tablet and mobile
- Optimise lead generation (Carsguide, Gumtree, Carsales, etc.)
- Maximise opportunities from AHG database
- Create digital offers across all revenue streams
- Leverage AHG's Logistics relationships





## Distinctive position in a changing Automotive market



AUTOMOTIVE HOLDINGS GROUP

- Strong leadership and management structure
- Experienced in a changing environment
- High performance retail culture
- Direct relationship with the manufacturer
- Hold the inventory
- Retail more than 100,000 vehicles a year
- Write more than \$1 billion p.a. auto finance
- Service database (almost 800,000 repair orders in FY14)
- Customer lifecycle (service, tyres, batteries... next sale)
- Industry leading operating systems and processes





## REFRIGERATED LOGISTICS

---

## REFRIGERATED LOGISTICS – Highlights

- Challenging year in Refrigerated Logistics with weather-related disruptions and costs associated with new facilities in Perth and Adelaide
- Acquisition of Scott's and JAT reinforces our position as Australia's largest Refrigerated Logistics provider
  - Enhanced customer service proposition
  - Operational synergies
- New facilities established in Perth and Adelaide providing additional storage capacity
- Completion of new Erskine Park (NSW) cold store expected in Jan/Feb 2015



## REFRIGERATED LOGISTICS – Operating<sup>1</sup> Performance

Operating <sup>1</sup> Performance	FY13 (\$m)	FY14 (\$m)	% change
Revenue	390.0	429.7	10.2%
<b>EBITDA</b>	<b>31.9</b>	<b>29.7</b>	<b>(6.8%)</b>
<i>EBITDA Margin (%)</i>	8.2%	6.9%	
<b>Profit Before Tax</b>	<b>16.1</b>	<b>14.2</b>	<b>(12.2%)</b>

- Revenue increased 10.2%
- Margins impacted by investment in new facilities, flooding in NSW and Queensland and drought in the Riverina





## REFRIGERATED LOGISTICS OUTLOOK

---

## Positioned for growth



- Australia's largest Refrigerated Logistics provider
- Enhanced customer value proposition and operational synergies
- Primary supplier to national manufacturers, wholesalers and major retailers
- New state-of-the-art, custom-designed facilities in all states
- Major road transport capacity
  - ~ 370 owned prime movers
  - ~ 780 Road trailers
  - Major network of sub-contractors
- Significant rail capacity with ~ 420 refrigerated rail containers
- Approx. \$650m revenue in FY2015



## Strong industry leadership and 165 years experience



Managing Director

**Paul Ebsworth**  
Chief Operating Officer  
Refrigerated Logistics  
39 years experience

**David Cole**  
General Manager  
Rand / Harris  
26 years experience

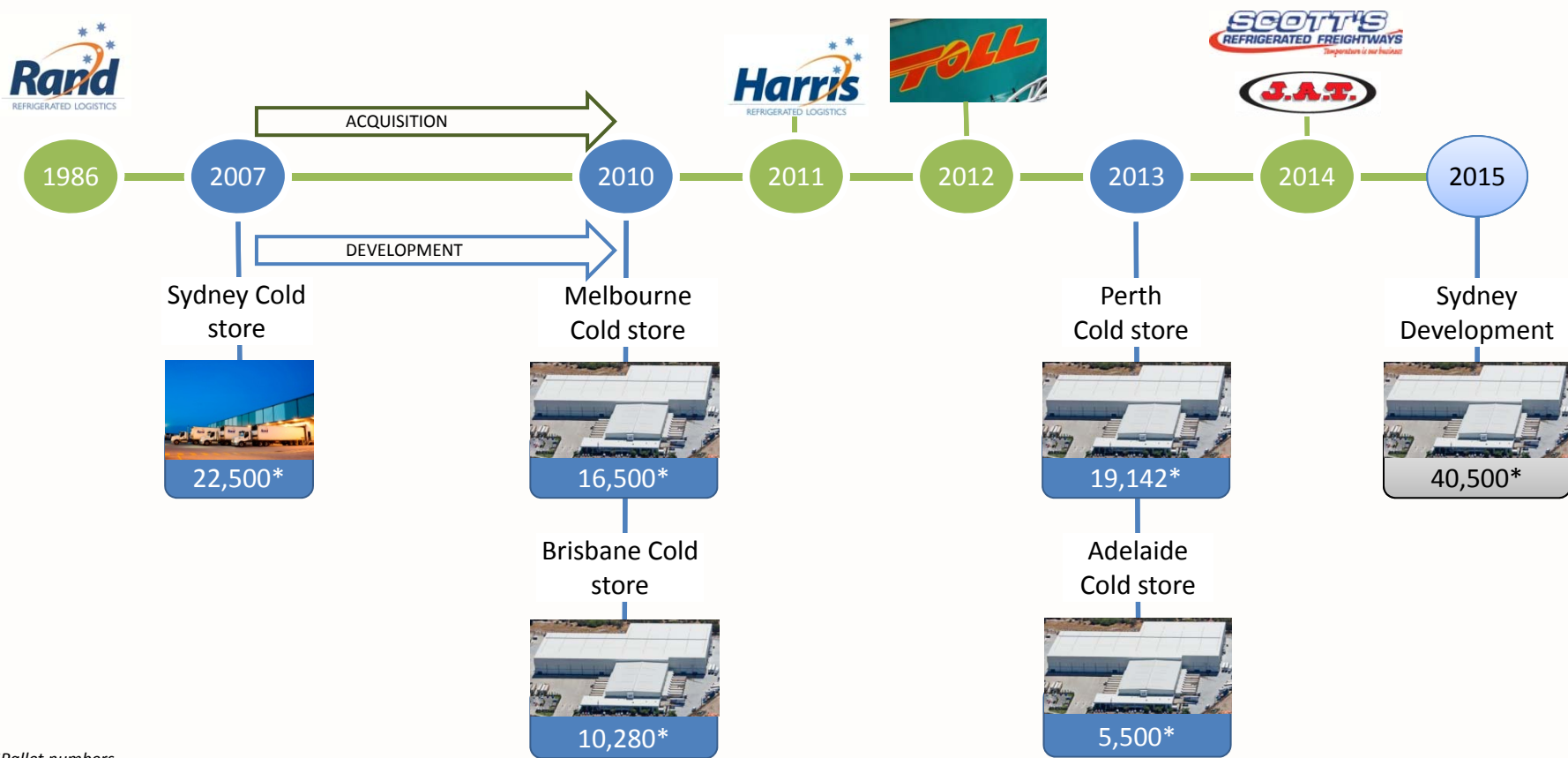
**Bruce Scott**  
GM Customer Support  
and Development  
Scott's / JAT  
36 years experience

**Shaun Coniglio**  
National Operations  
Manager  
Rand / Harris  
31 years experience

**Rob Maguire**  
GM Linehaul and Fleet  
Scott's / JAT  
33 years experience

# The evolution of AHG Refrigerated Logistics

AHG acquires Rand





## State-of-the-art custom-designed facilities

Large scale temperature controlled warehouses

Large capacity temperature controlled “cross dock” – high volume re-packaging to meet client needs of “less more often”



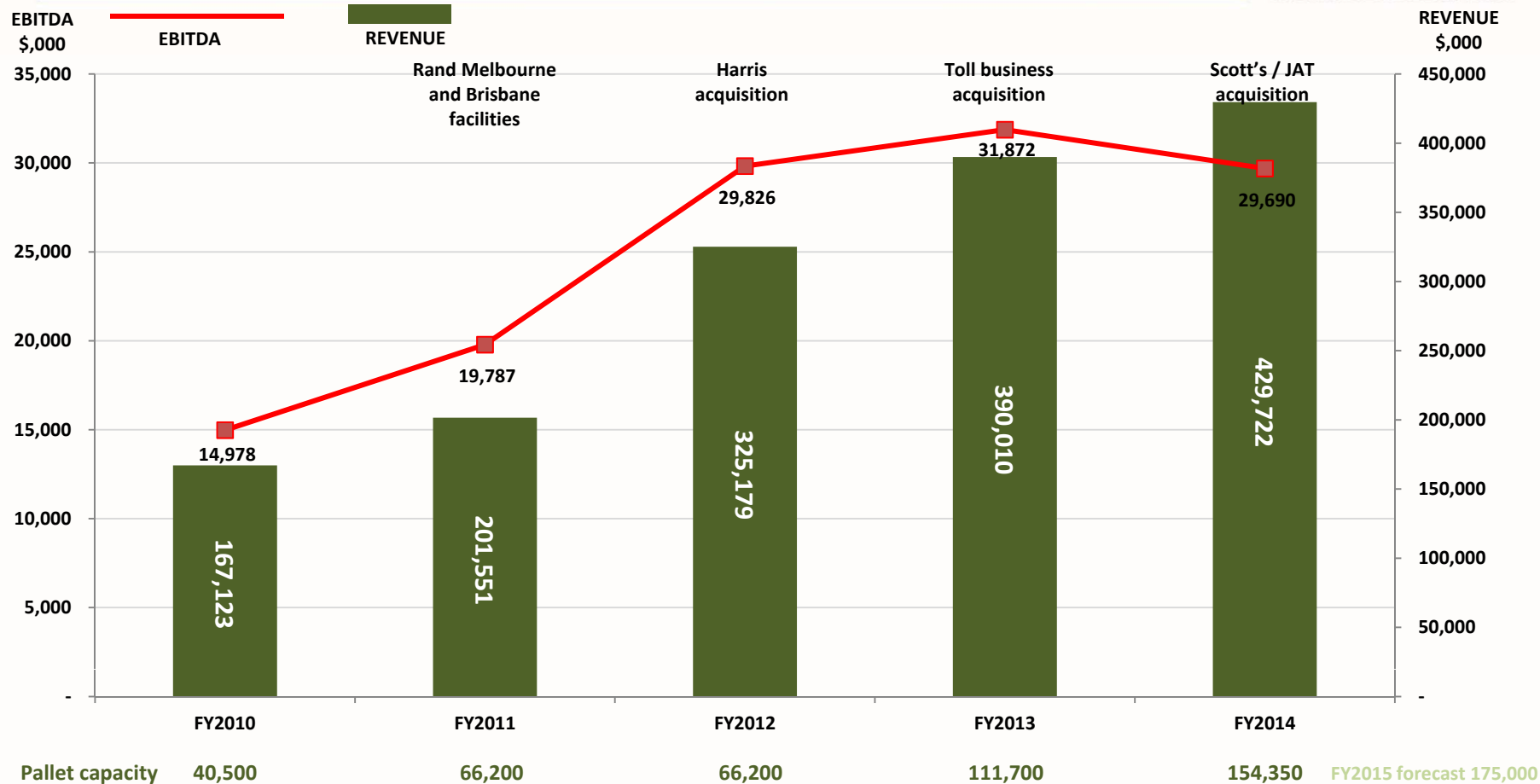
Efficient vehicle management

- Facilities built under ‘turn-key’ arrangements with landlords
- AHG funds fit-out (Racking and Equipment)
- Designed by AHG to lower operating costs and maximise business model
- Large capacity cross dock
- Improved vehicle flow

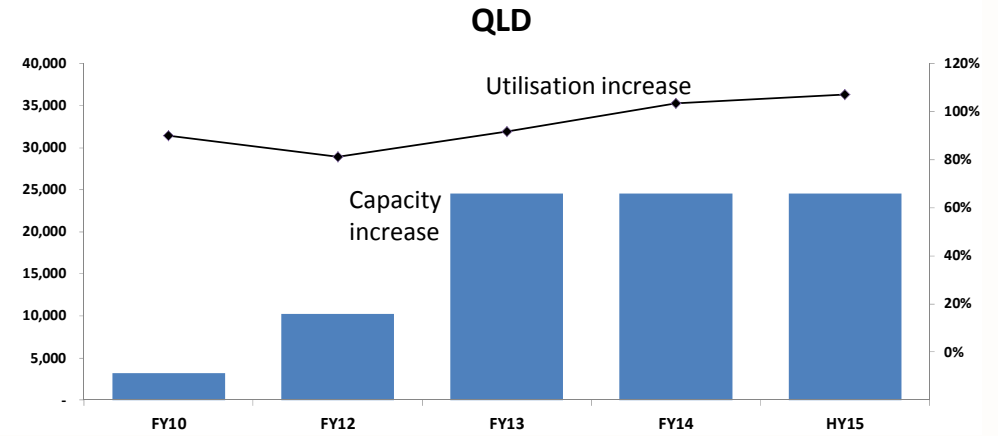
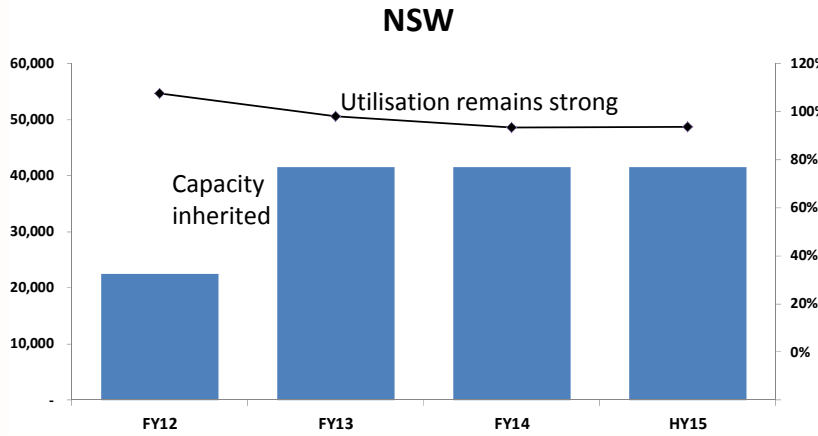
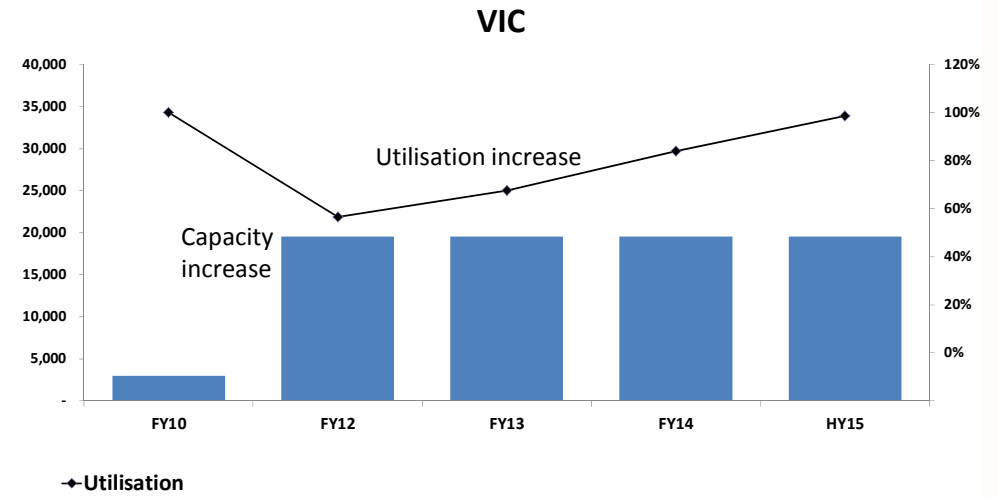
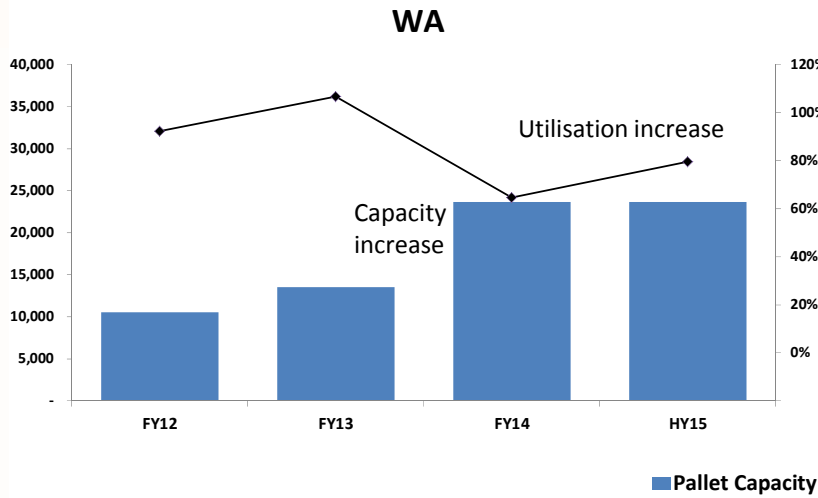
## Investment has led to significant growth



AUTOMOTIVE HOLDINGS GROUP



## The cycle of pallet capacity and utilisation



## Outlook for the Refrigerated Logistics business



Strong industry fundamentals	Improvements in efficiency available
<ul style="list-style-type: none"> <li>• Transporting a key consumer staple – Food</li> <li>• Major providers have structural advantage</li> <li>• High barriers to entry (facilities, equipment, systems, Chain of Responsibility)</li> <li>• Stable growth outlook</li> </ul>	<ul style="list-style-type: none"> <li>• Consolidating corridor volumes between Rand, Harris, JAT and Scott's</li> <li>• Synergy savings (facilities, supply contracts, operations)</li> <li>• New technologies being implemented in Rand CY2015</li> <li>• Maximising equipment utilisation</li> </ul>
Established competitive advantage	Outlook for FY2016 and beyond
<ul style="list-style-type: none"> <li>• Expanded business to generate ~ \$650m revenue</li> <li>• National presence with road and rail capability</li> <li>• New purpose built facilities with large cross docks</li> <li>• High service offering (road, rail, storage and distribution)</li> </ul>	<ul style="list-style-type: none"> <li>• Erskine Park development to be completed in early CY2015</li> <li>• Continued focus on synergy realisation and efficiency</li> <li>• Reduction in “rent overhang” as duplicated lease commitments end</li> <li>• Margins expected to improve</li> </ul>



## OTHER LOGISTICS HIGHLIGHTS AND OUTLOOK

---

## OTHER LOGISTICS – Highlights



- Record sales volume in KTM with unit sales up 14.6% to 8,978 units (7,837 pcp)
- Growth in New Zealand market for KTM
- Acquisition of Husqvarna distribution rights with trading commencing in January 2014
- AMCAP/Covs performed in line with expectations
- Restructure of GTB/VSE to lean manufacturing



## OTHER LOGISTICS – Operating<sup>1</sup> Performance



Operating <sup>1</sup> Performance Other Logistics (AMCAP, Covs, KTM, HQVA, GTB/VSE, WMC)	FY13 (\$m)	FY14 (\$m)	% change
Revenue	381.1	421.4	10.6%
<b>EBITDA</b>	<b>15.0</b>	<b>17.1</b>	<b>13.9%</b>
<i>EBITDA Margin (%)</i>	3.9%	4.1%	
<b>Profit Before Tax</b>	<b>12.8</b>	<b>13.9</b>	<b>8.3%</b>

- Revenue up 10.6% to \$421.4 million driven by AMCAP/Covs and KTM/HQVA
- Increased Operating<sup>1</sup> EBITDA margin supported by strong \$A
- Profit before tax up 8.3%



Operating<sup>1</sup> – excludes costs and fees in relation to integration and acquisition-related activities, asset divestments, impairment and sale of properties.

## OTHER LOGISTICS – Outlook

- Continued strong sales from motorcycle division (Aus/NZ)
  - Lower FY2015 margins due to weaker \$A
  - Increased model range for both KTM and Husqvarna to help offset weaker \$A
- AMCAP/Covs trading to expectation
  - Truck & Trailer and mining services expanding in WA and nationally
  - Covs stores retained – business growing
- GTB/VSE expands trailer range and services







## TRADING UPDATE

---

## Trading update FY2015 (YTD Oct 2014) – Automotive



AUTOMOTIVE HOLDINGS GROUP

Consolidated Financial Performance (Unaudited)	FY2014 <sup>1</sup> Jul - Oct (\$m)	FY2015 <sup>1</sup> Jul - Oct (\$m)	% change
<b>Operating<sup>1</sup> EBITDA Performance</b>			
Automotive	<b>38.5</b>	<b>43.0</b>	<b>11.7%</b>

FY2014 trading update has been restated to reflect the impact of new accounting standards (AASB 10; 11; 12) as disclosed in the Annual Report in Note 39

- Stable trading in established dealerships over first four months
- Stronger NSW performance helping to offset weaker WA market
- Growth in New Zealand with improved economic position and addition of Davie Motors (Holden and Nissan)
- Truck market remains slow with volumes substantially down on prior period
- Bradstreet acquisition performing in line with acquisition expectations
  - Results included from acquisition date (19 August 2014)
- Automotive still supporting trading losses in Melbourne City greenfield development
- Interest rate environment appears stable at historic lows

## Trading update FY2015 (YTD Oct 2014) – Refrigerated Logistics



Consolidated Financial Performance (Unaudited)	FY2014 <sup>1</sup> Jul - Oct (\$m)	FY2015 <sup>1</sup> Jul - Oct (\$m)	% change
<b>Operating<sup>1</sup> EBITDA Performance</b>			
Refrigerated Logistics	<b>8.9</b>	<b>15.0</b>	<b>68.5%</b>

- Scott's / JAT operating well and trading in line with acquisition expectations
- Integration activity underway with synergy opportunities improving cost outlook for combined business
- Cost base in Rand still supporting duplicated facility lease costs of older premises

## Trading update FY2015 (YTD Oct 2014) – Other Logistics



Consolidated Financial Performance (Unaudited)	FY2014 <sup>1</sup> Jul - Oct (\$m)	FY2015 <sup>1</sup> Jul - Oct (\$m)	% change
<b>Operating<sup>1</sup> EBITDA Performance</b>			
Other Logistics	<b>7.1</b>	<b>3.7</b>	<b>(47.9%)</b>

FY2014 trading update has been restated to reflect the impact of new accounting standards (AASB 10; 11; 12) as disclosed in the Annual Report in Note 39

- KTM EBITDA down due to weaker \$A and timing of new model releases
- Strong pipeline of back orders for KTM and Husqvarna @ 30 October (687 units)
- Mitsubishi change in Perth metro distribution model has reduced AMCAP EBITDA
- VSE/GTB has incurred losses in Q1 of FY2015 with build up in inventory and transition to lean manufacturing processes
- Challenging truck and bus market

## Trading update FY2015 (YTD Oct 2014)



Consolidated Financial Performance (Unaudited)	FY2014 <sup>1</sup> Jul - Oct (\$m)	FY2015 <sup>1</sup> Jul - Oct (\$m)	% change
<b>Operating<sup>1</sup> EBITDA Performance</b>			
<b>Consolidated AHG Group</b>	<b>53.7</b>	<b>61.5</b>	<b>14.5%</b>
<i>Automotive</i>	<i>38.5</i>	<i>43.0</i>	<i>11.7%</i>
<i>Refrigerated Logistics</i>	<i>8.9</i>	<i>15.0</i>	<i>68.5%</i>
<i>Other Logistics</i>	<i>7.1</i>	<i>3.7</i>	<i>(47.9%)</i>
<i>Property</i>	<i>(0.8)</i>	<i>(0.2)</i>	<i>75.0%</i>
Depreciation and Amortisation	(10.0)	(12.8)	(28.0%)
Group Interest	(9.8)	(12.0)	(22.4%)
<b>Operating<sup>1</sup> NPAT attributable to shareholders</b>	<b>22.7</b>	<b>24.4</b>	<b>7.5%</b>

FY2014 trading update has been restated to reflect the impact of new accounting standards (AASB 10; 11; 12) as disclosed in the Annual Report in Note 39

## Strong Balance Sheet



Balance Sheet Gearing	30 JUN 2013	30 JUN 2014
Total Borrowings	766.7	782.5
Cash & Cash Equivalents	(97.4)	(99.5)
<b>Net Debt</b>	<b>669.2</b>	<b>683.0</b>
Inventory Finance (Floorplan)	(578.7)	(565.6)
<b>Net Debt – Excluding Floorplan Finance</b>	<b>90.5</b>	<b>117.4</b>

### GEARING RATIO

<b>Net Debt / [Net Debt + Equity]</b> - Excluding floorplan finance	<b>15.8%</b>	<b>15.0%</b>
--	--------------	--------------

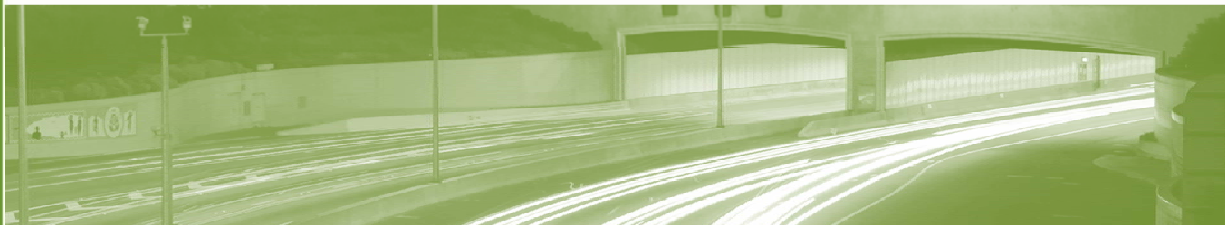
FY2014 Acquisitions	Consideration
Jason Mazda	\$12.6m
Davie Motors	\$2.2m
Husqvarna	\$3.0m
Scott's / JAT	\$109.7m
	<b>\$127.5m</b>

- Debt capacity as at 30 June 2014 was supported by \$218 million of cash and undrawn commercial bill facilities

- Since 30 June 2014 we have funded:
  - \$73m Bradstreet acquisition (August 2014)
  - \$38.3m Final FY2014 dividend (October 2014)

## Driving Shareholder Value in FY2015

- Improve returns to shareholders by applying AHG's proven auto dealership model to acquisitions and Greenfield sites
- Focus on integration of Scott's and JAT to realise business efficiencies and synergy savings in FY2015 and beyond
- 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