



AUTOMOTIVE HOLDINGS GROUP

Automotive Holdings Group Limited
21 Old Aberdeen Place
West Perth, WA 6005
www.ahgir.com.au
ABN 35 111 470 038

PRESENTATION TO MACQUARIE CONFERENCE

7th May 2015

The company advises the attached presentation is being delivered at the Macquarie Australia Conference in Sydney today.

ENDS

About AHG Automotive Holdings Group Limited (ASX: AHE) is a diversified automotive retailing and logistics group with operations in every Australian mainland state and in New Zealand. The Company is Australia's largest automotive retailer, with operations in Western Australia, New South Wales, Queensland and Victoria.

AHG's logistics businesses operate throughout Australia via subsidiaries Rand Transport, Harris Refrigerated Transport, Scott's Refrigerated Freightways and JAT Refrigerated Road Services (transport and cold storage), AMCAP and Cova (motor parts and industrial supplies distribution), VSE (vehicle storage and engineering), Genuine Truck Bodies (body building services to the truck industry), WMC (bus and truck importation and distribution), and KTM Sportmotorcycles and HQVA (KTM and Husqvarna motorcycle importation and distribution in Australia and New Zealand).

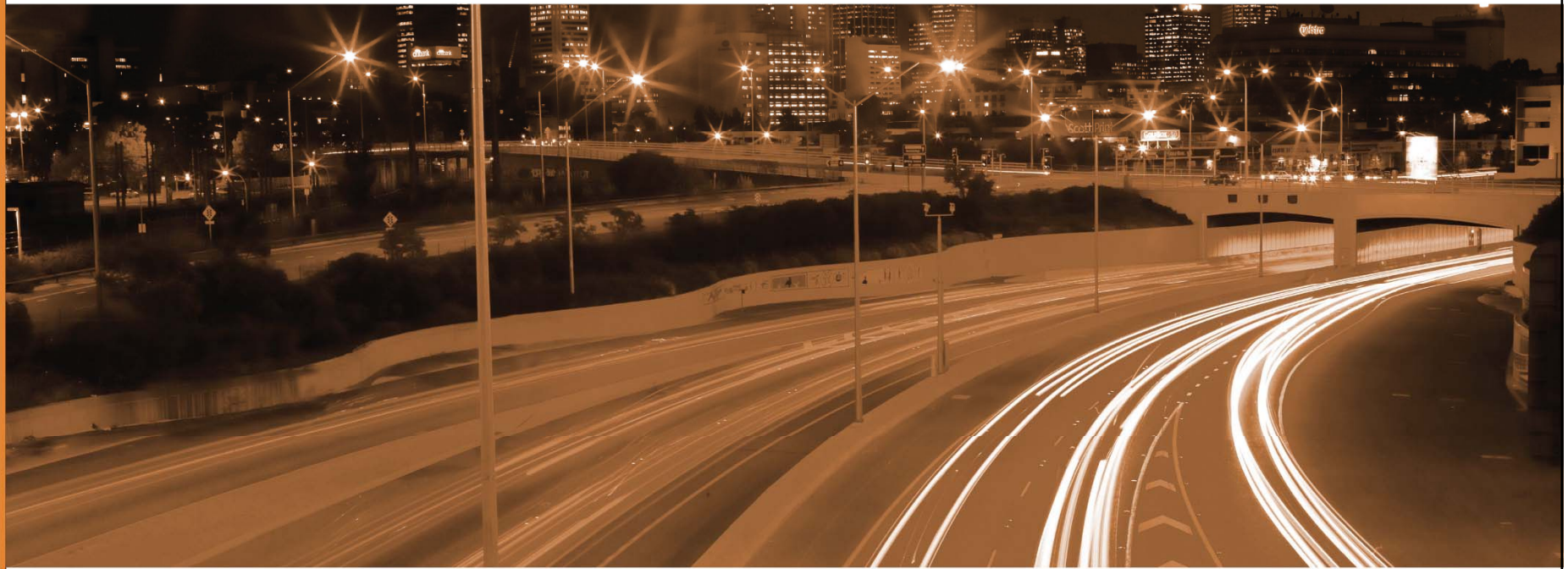
Corporate:

David Rowland
Company Secretary
Mobile: 0421 661 613
Email: drowland@ahg.com.au

Media:

David Christison
Group Executive Corporate Communications
Mobile: 0418 959 817
Email: dchristison@ahg.com.au

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Macquarie Australia Conference

7 May 2015



AUTOMOTIVE HOLDINGS GROUP

Company Overview



- Australia's largest automotive retailer – established 1952
- Australia's largest provider of refrigerated transport and cold storage
- Mature auto parts businesses
- Established importer and distributor of KTM and Husqvarna motorcycles
- FY14 Group revenue \$4.7-billion
- 7,500 employees across Australia and New Zealand
- Experienced, stable management



Diversification and Cross-Business Opportunity



Automotive

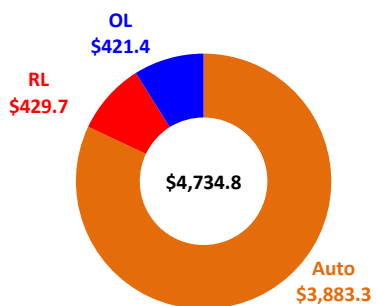
- ✓ Car, truck and bus franchises with multiple revenue streams:
- ✓ New vehicles
- ✓ Used Vehicles
- ✓ Finance and Insurance
- ✓ Service
- ✓ Parts and accessories

Refrigerated

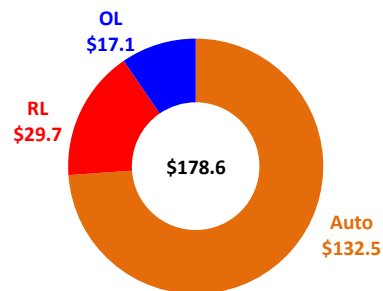
- ✓ National mainland footprint
- ✓ State of the art facilities
- ✓ Modern fleet
- ✓ Scale offers competitive advantage
- ✓ Blue-chip clients
- ✓ Solid long-term relationships with producers and customers

Other

- ✓ Mature auto parts business (AMCAP and Covs)
- ✓ OEM and aftermarket
- ✓ Solid long-term relationships with manufacturers and customers
- ✓ KTM and Husqvarna are high performance brands
- ✓ GTB/VSE provides services to RL businesses



FY2014 Revenue \$'000

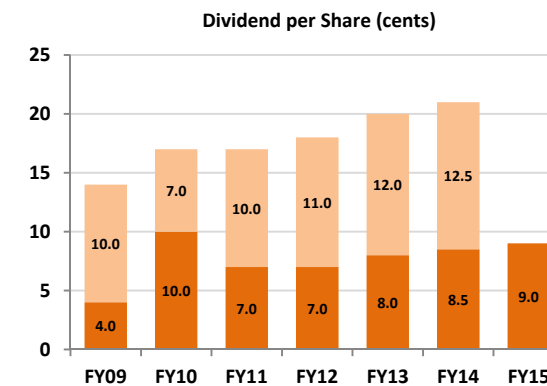
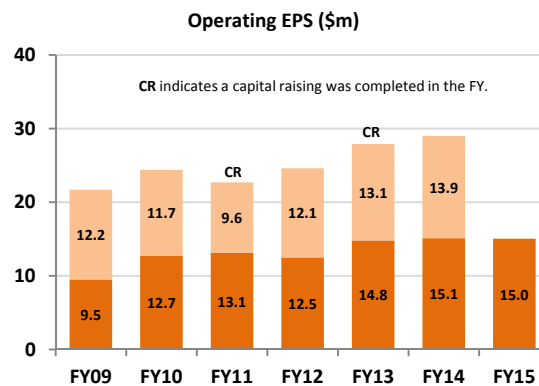
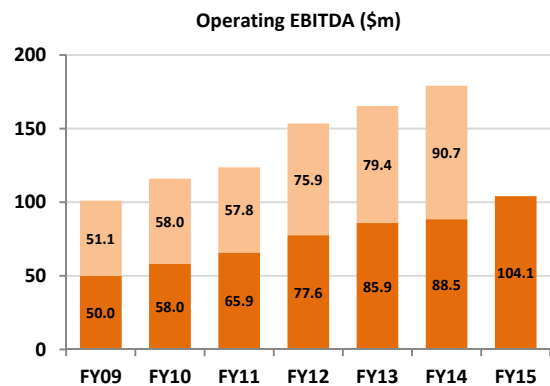
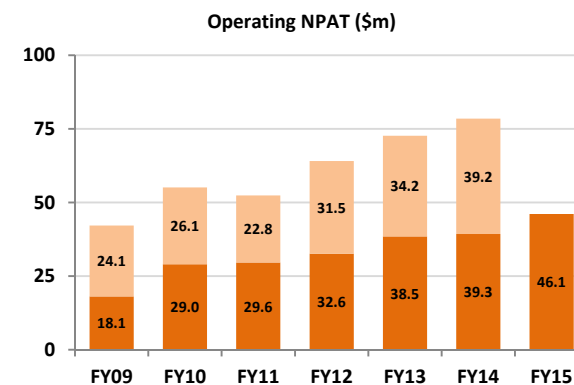
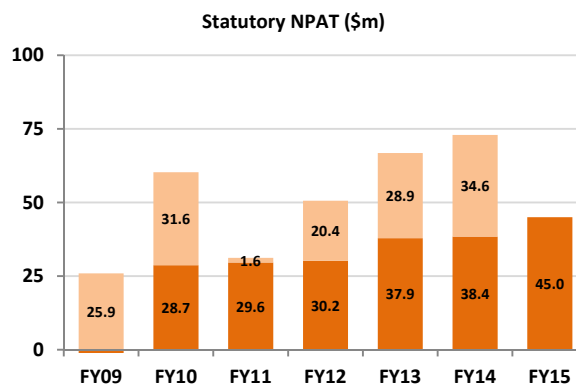
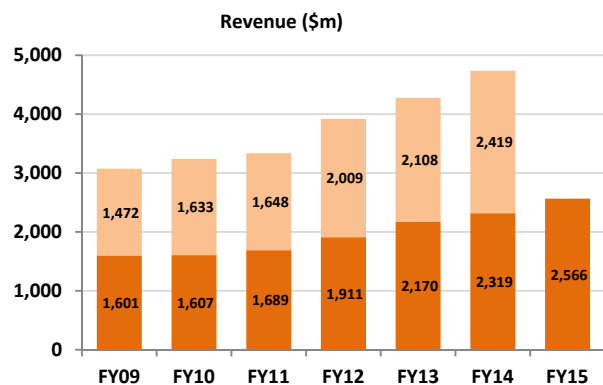


FY2014 EBITDA \$'000

History of Sustained Growth



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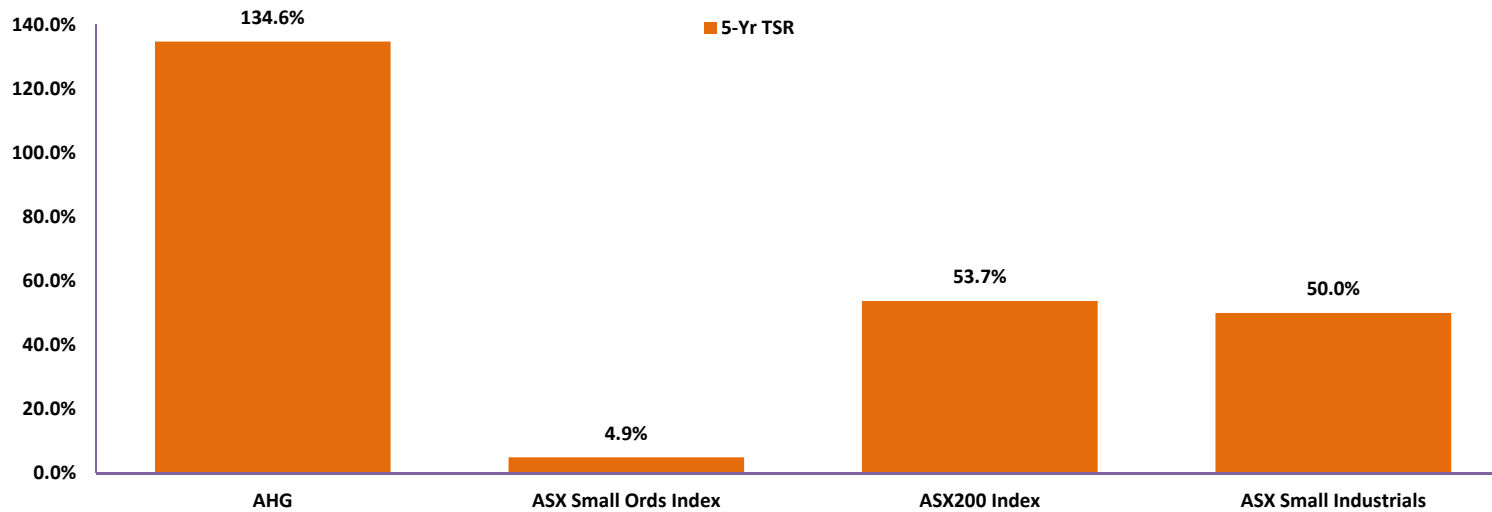
Operating¹ – excludes costs and fees in relation to integration and acquisition-related activities, asset divestments, impairment and sale of properties.

AHG Share Price Performance (5 Years)



| Key Market Statistics (5 May 2015) | |
|------------------------------------|-----------------|
| Ticker | ASX:AHG |
| Share Price (4 May 2015) | \$4.31 |
| Shares on Issue | 306,541,437 |
| Market Capitalisation | \$1.321 billion |

AHG Share Price Performance (5 Year TSR)



Total Shareholder Return at 4 May 2015

| | AHG | ASX200 |
|---------|--------|--------|
| 1 Year | 15.2% | 11.6% |
| 3 Years | 98.0% | 51.6% |
| 5 Years | 134.6% | 53.7% |

Strong Balance Sheet



- Commercial debt facilities of \$286m with \$56m undrawn at 31 December 2014
- \$79m of available cash and cash equivalents
- Funding capacity at 31 December 2014 of \$135m

| Balance Sheet | 31 DEC 2014 |
|-------------------------|----------------|
| Total Borrowings | 867.7 |
| Cash & Cash Equivalents | (79.3) |
| Net Debt | 788.4 |

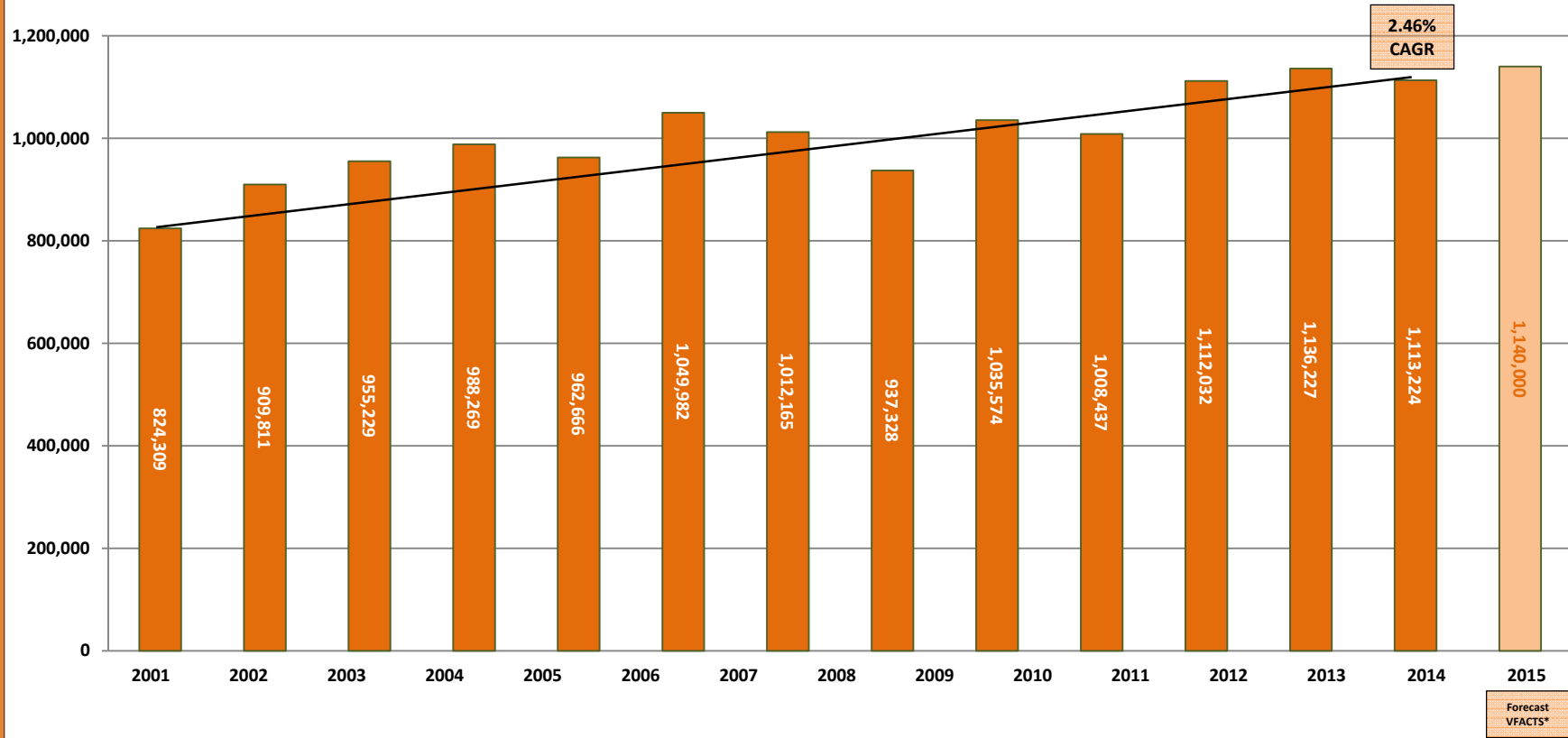
| | |
|--|----------------|
| <i>Inventory Finance (Floorplan)</i> | <i>(550.2)</i> |
| <i>Net Debt – Excluding Floorplan Finance</i> | <i>238.2</i> |
| Net Debt + Equity Excluding Floorplan Finance | 911.8 |

| Key Ratios | |
|---|-------|
| Net Debt / [Net debt + Equity] Excluding Floorplan Finance | 26.1% |
| Interest Rate Cover | 4.8 |

Automotive



New Vehicles Sales – Australia VFACTS 2001-2014



*VFACTS March 2015

Industry Volumes – Automotive



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- AHG consistently outperforms the broader new car market
- Represented in 89.7% of the market (Exclude SA/TAS/ACT/NT)
- Private sector represents 52.7% of the market
- AHG strength in private sector sales

YTD Sales Units Analysis History by State

| NEW VEHICLE SALES UNITS | CY to Mar '13 | CY to Mar '14 | CY to Mar '15 | Market Share Mar '13 | Market Share Mar '14 | Market Share Mar '15 |
|-------------------------|------------------|------------------|------------------|----------------------|----------------------|----------------------|
| NSW | 317,528 | 352,799 | 360,420 | 31.1% | 31.2% | 32.1% |
| VIC | 270,827 | 305,945 | 307,200 | 26.5% | 27.1% | 27.3% |
| QLD | 213,060 | 230,789 | 226,700 | 20.9% | 20.4% | 20.2% |
| WA | 112,183 | 121,773 | 113,867 | 11.0% | 10.8% | 10.1% |
| SA/TAS/ACT/NT | 107,765 | 118,243 | 116,261 | 10.6% | 10.5% | 10.3% |
| Total | 1,021,363 | 1,129,549 | 1,124,448 | 100.0% | 100.0% | 100.0% |

YTD Sales Units Analysis History by buyer Type

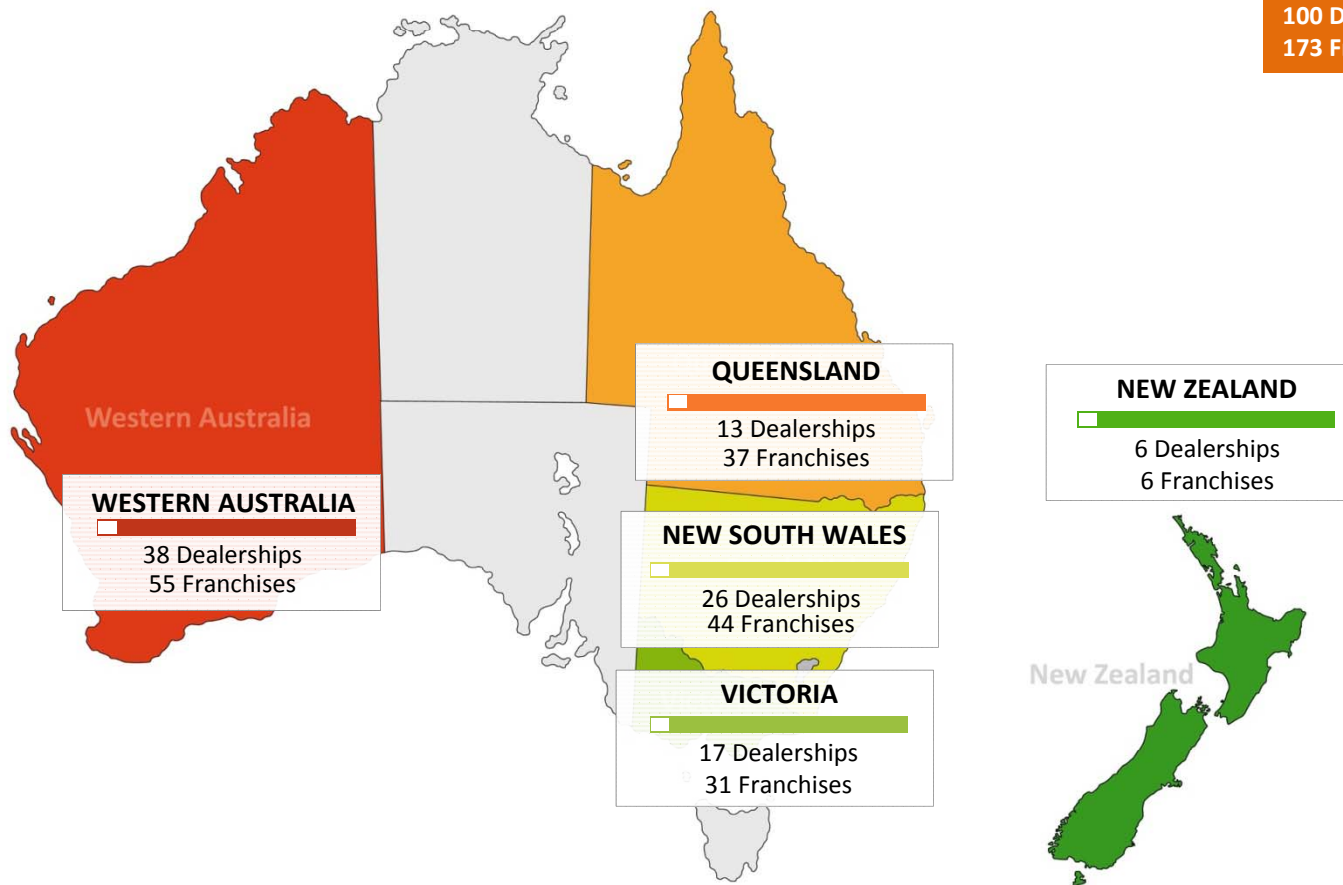
| NEW VEHICLE SALES UNITS | CY to Mar '13 | CY to Mar '14 | CY to Mar '15 | Market Share Mar '13 | Market Share Mar '14 | Market Share Mar '15 |
|-------------------------|------------------|------------------|------------------|----------------------|----------------------|----------------------|
| Private | 493,376 | 584,294 | 592,891 | 48.3% | 51.7% | 52.7% |
| Business | 391,811 | 419,732 | 399,355 | 38.4% | 37.2% | 35.5% |
| Government | 54,275 | 41,408 | 42,344 | 5.3% | 3.7% | 3.8% |
| Rental | 53,347 | 52,581 | 58,482 | 5.2% | 4.7% | 5.2% |
| Heavy Commercial | 28,554 | 31,534 | 31,376 | 2.8% | 2.8% | 2.8% |
| Total | 1,021,363 | 1,129,549 | 1,124,448 | 100.0% | 100.0% | 100.0% |

Geographical Location of AHG Dealerships



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100 Dealership locations
173 Franchises



Competitive Advantage



- AHG represents 22 passenger brands in Australia including 9 of the top 10*
- Nine truck brands
- Record of performance
- Long term partnerships
- State of the art facilities
- As Australasia's largest motoring group, AHG's scale offers a wide range of choice and benefits to its customers and their employees



AHG Holds A Distinctive Position



- Strong leadership and management structure
- Experienced in a changing environment
- High performance retail culture
- Strong relationships with manufacturers
- 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



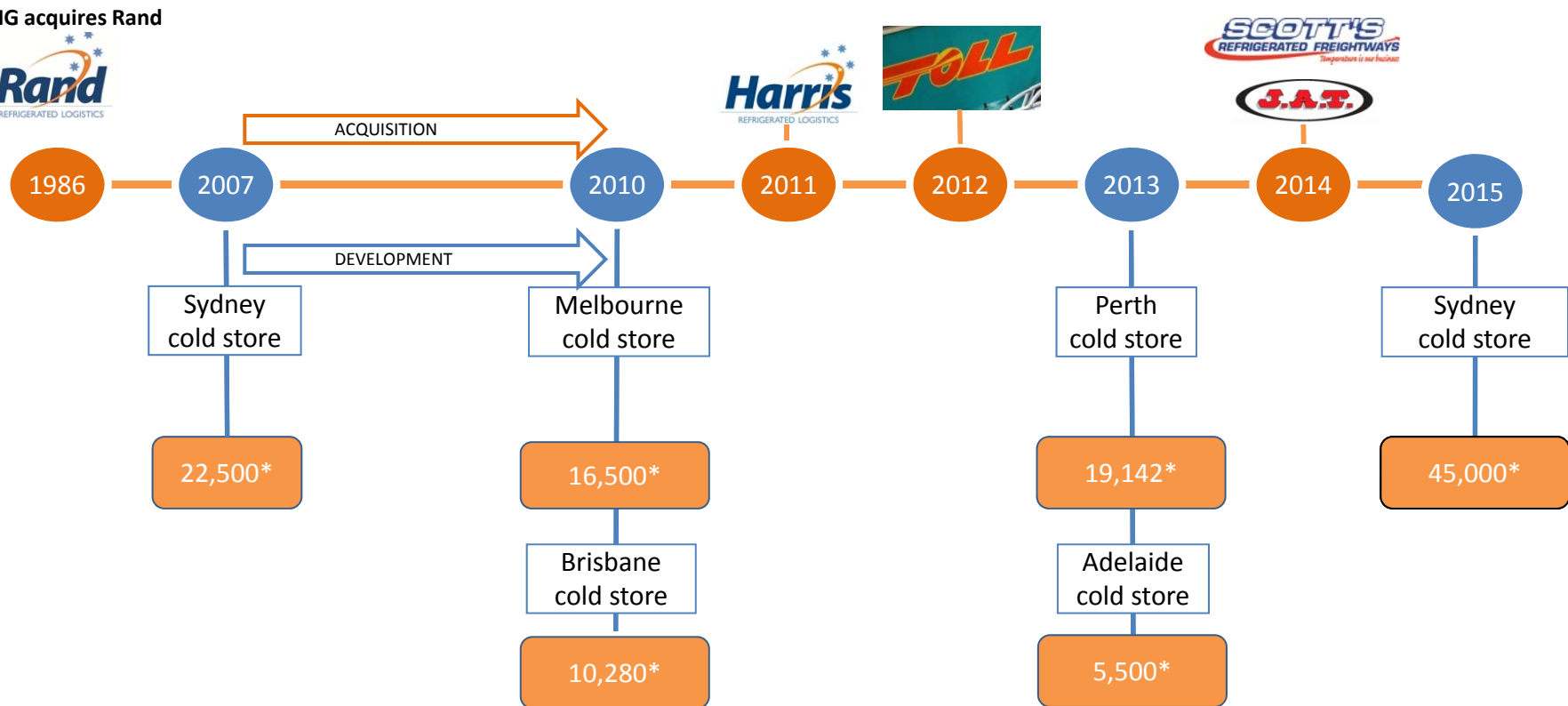
Refrigerated Logistics



The Evolution of AHG Refrigerated Logistics



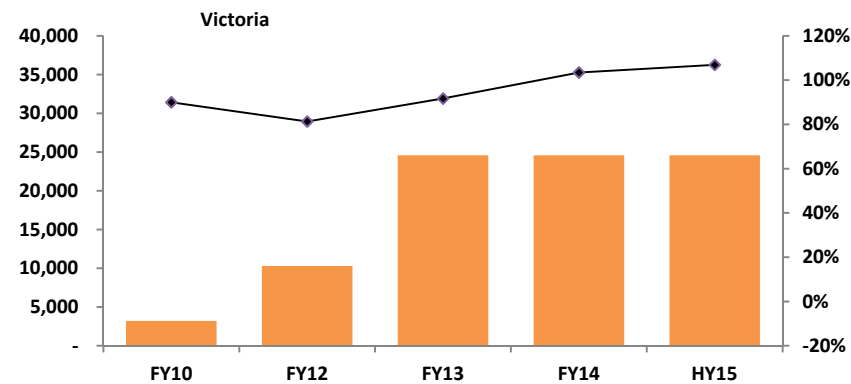
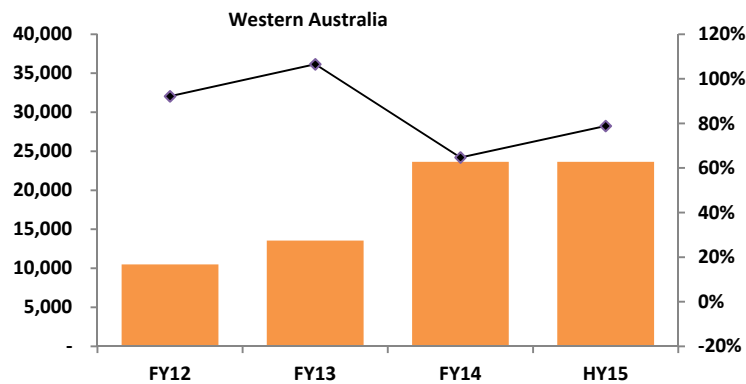
AHG acquires Rand



The Cycle of Pallet Capacity and Utilisation

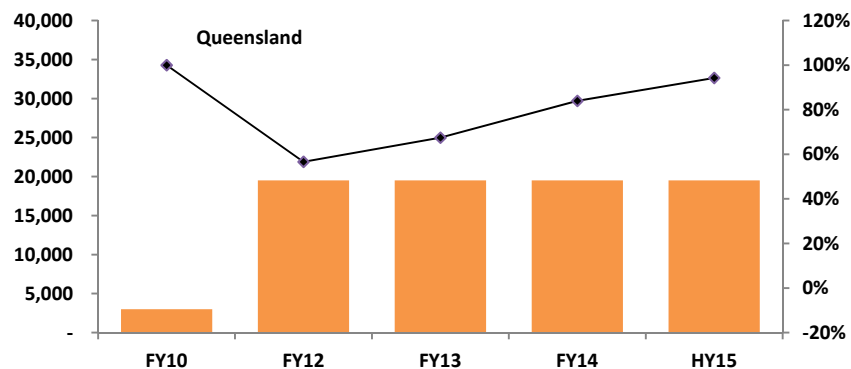
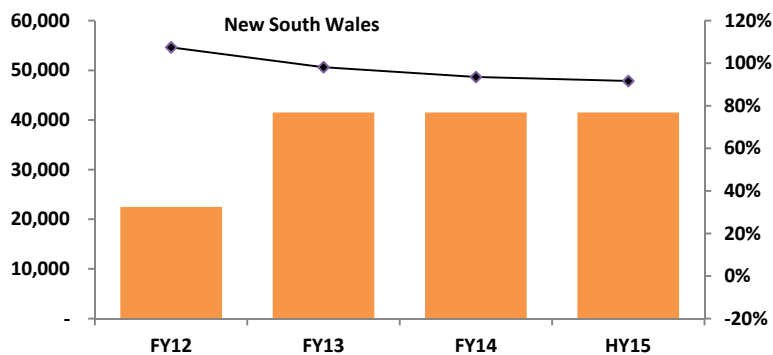


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Utilisation

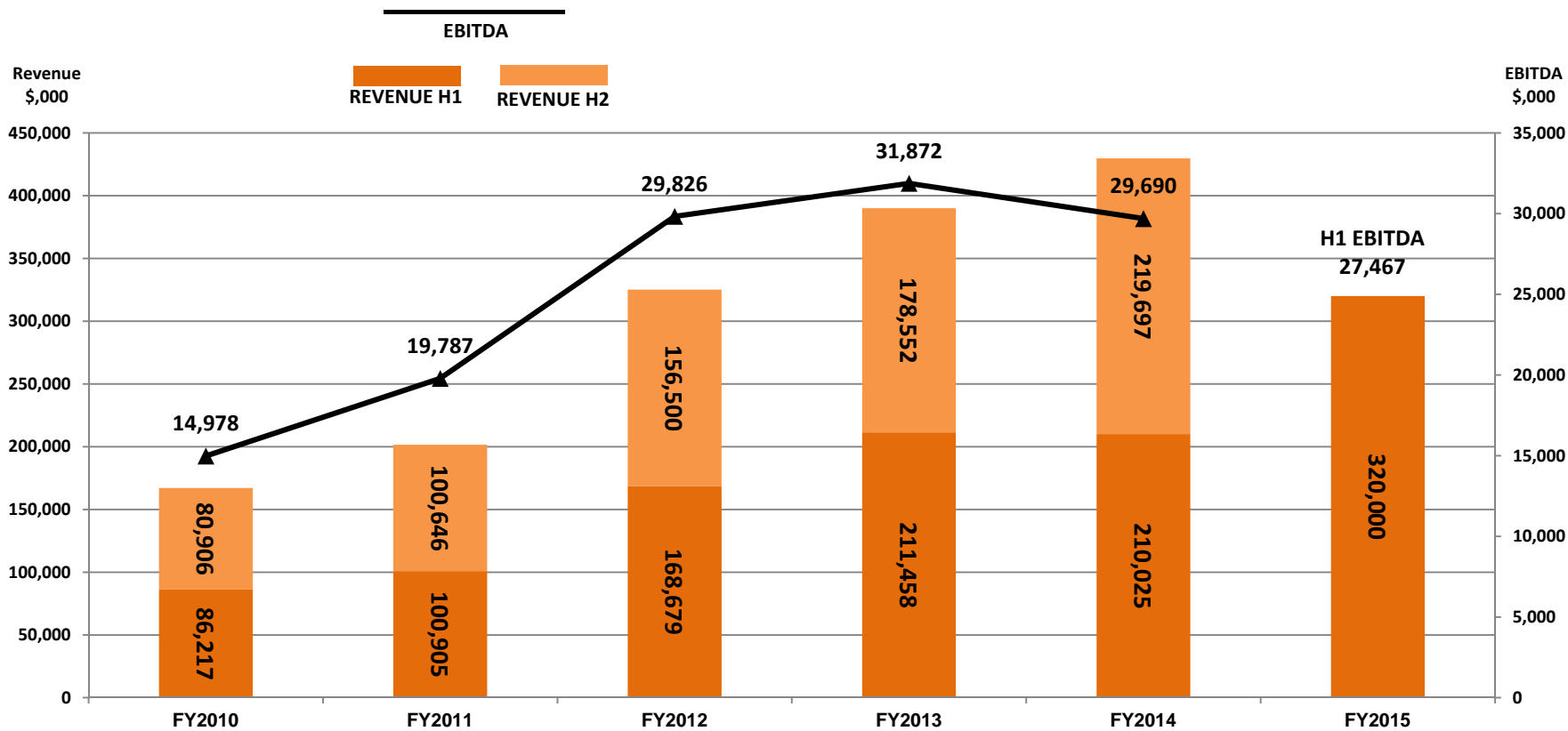
Capacity



Significant Growth From Investment



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| Pallet capacity | 40,500 | 66,200 | 66,200 | 111,700 | 154,350 | FY2015 forecast 175,000 |
|-----------------|--------|--------|--------|---------|---------|-------------------------|
|-----------------|--------|--------|--------|---------|---------|-------------------------|

Custom Designed State-Of-The-Art 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
- Improved energy efficiency

Positioned For Further 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 and rail transport capacity
 - 459 owned prime movers and rigids
 - 1,013 owned road trailers
 - 464 owned rail containers
 - Major network of 300 sub-contractor prime movers and rigids



Other Logistics



Other Logistics



Mature automotive parts distribution business

3PL and 4PL

Holden, Ford, Fuso, Hyundai, Subaru, Suzuki, VW, Audi, Skoda, Mitsubishi, Iveco, 3M, PPG



Supplies automotive, mining and resource sectors

Warehouse and retail



Importation and distribution of bus and truck



Truck industry storage and engineering services



Importation and distribution of motorcycles in Australia and New Zealand

Driving Shareholder Value



- 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



QUESTION TIME

APPENDICES

AHG Consolidated Financial Performance FY2014



| Consolidated Financial Performance | FY13 (\$m) | FY14 (\$m) | % change |
|---|---------------|---------------|-------------|
| Operating ¹ Performance | | | |
| 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 | |
| Statutory IFRS Profit after Tax | | | |
| 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 Operating¹ NPAT of \$78.5 million (Statutory IFRS profit of \$72.9 million)
- Operating¹ EBIT and EBITDA margins maintained
- Increased Operating¹ EPS (up 7.0%)
- Strong interest cover

AHG Consolidated Financial Performance H1 FY2015



| Consolidated Financial Performance | 1H FY2014 (\$m) *restated | 1H FY2015 (\$m) | % change |
|---|------------------------------------|-----------------------|-------------|
| Operating ¹ Performance | | | |
| Revenue | 2,319.2 | 2,565.9 | 10.6% |
| EBITDA | 88.5 | 104.1 | 17.6% |
| EBITDA % | 3.8% | 4.1% | |
| EBIT | 74.4 | 84.2 | 13.1% |
| EBIT % | 3.2% | 3.3% | |
| Net Profit after Tax | 39.3 | 46.1 | 17.2% |
| Earnings Per Share (cps) | 15.1 | 15.0 | (0.3%) |
| Interest Cover (times) | 4.9 | 4.8 | |
| Statutory IFRS Performance | | | |
| Net Integration and Acquisition, Asset Divestment and Sale of Properties | (0.9) | (1.1) | |
| Statutory Net Profit after Tax | 38.4 | 45.0 | 17.4% |
| Earnings Per Share (cps) | 14.7 | 14.7 | - |

- Improved operating performance highlighted by integration of acquisitions
- Revenues up 10.6% to \$2,565.9 million
- Record Statutory Net Profit after Tax, up 17.4% on PCP
- Operating¹ EBITDA of \$104.1 million, up 17.6% on PCP
- EPS impacted by equity raising (March 2014)
- Interest cover 4.8 x

* Corresponding prior period results have been restated in accordance with change of Accounting Standards as described in note 39 of AHG's 2014 Annual Report and Note 13 of AHG's December 2014 Interim Financial Report.

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

FY2015 H1 Highlights



Strong H1 performance with Operating¹ NPAT up 17.2%

Automotive EBITDA increased 10.1% driven by Bradstreet acquisition and continued growth in underlying business

Significant year in Refrigerated Logistics as Rand/Harris and Scott's/JAT develop and transition to new facilities

Balance sheet reflects recent acquisitions while retaining funding capacity



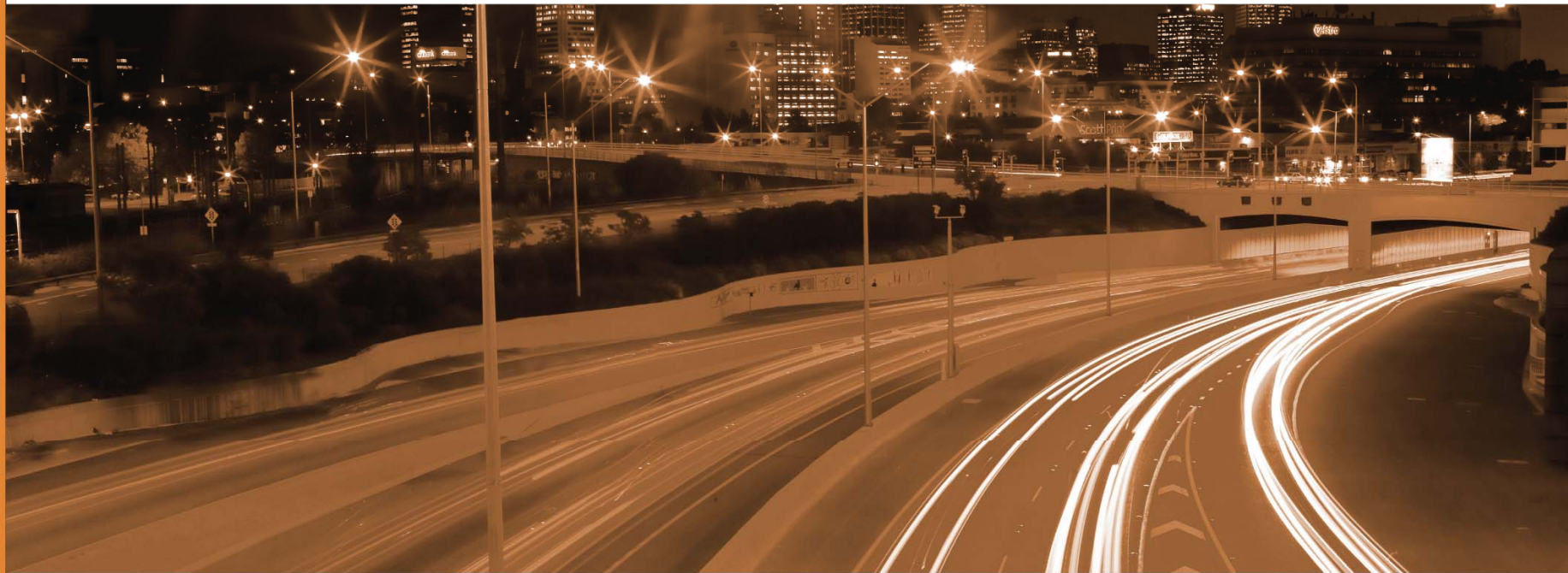
Key Financial Metrics – Consolidated



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| | FY12 | | | FY13 | | | FY14 | | | FY15 |
|-----------------------|---------------|---------------|------------------|---------------|---------------|------------------|---------------|---------------|------------------|---------------|
| (A\$'000s) | H1 | H2 | FY | H1 | H2 | FY | H1 | H2 | FY | H1 |
| | <i>Actual</i> | <i>Actual</i> | <i>Actual</i> | <i>Actual</i> | <i>Actual</i> | <i>Actual</i> | <i>Actual</i> | <i>Actual</i> | <i>Actual</i> | <i>Actual</i> |
| Revenue | 1,911,262 | 2,008,877 | 3,920,139 | 2,169,648 | 2,107,905 | 4,277,553 | 2,316,150 | 2,418,610 | 4,734,760 | 2,563,962 |
| YoY Growth (%) | 13.1% | 24.4% | 17.5% | 13.5% | 4.9% | 9.1% | 6.8% | 14.7% | 10.7% | 10.7% |
| EBITDA | 77,597 | 75,909 | 153,506 | 85,923 | 79,402 | 165,325 | 87,953 | 90,661 | 178,614 | 104,077 |
| EBITDA Margin (%) | 4.1% | 3.8% | 3.9% | 4.0% | 3.8% | 3.9% | 3.8% | 3.7% | 3.8% | 4.1% |
| EBIT | 64,163 | 62,876 | 127,039 | 71,986 | 65,014 | 137,000 | 73,953 | 74,311 | 148,264 | 82,276 |
| EBIT Margin (%) | 3.4% | 3.1% | 3.2% | 3.3% | 3.1% | 3.2% | 3.2% | 3.1% | 3.1% | 3.2% |
| Operating NPAT | 32,623 | 31,526 | 64,149 | 38,542 | 34,192 | 72,734 | 39,295 | 39,217 | 78,512 | 46,078 |
| Net Profit Margin (%) | 1.7% | 1.6% | 1.6% | 1.8% | 1.6% | 1.7% | 1.7% | 1.6% | 1.7% | 1.8% |
| Unusual Items | - 2,414 | - 11,123 | - 13,537 | - 604 | - 5,356 | - 5,960 | - 943 | - 4,645 | - 5,588 | - 1,057 |
| Statutory NPAT | 30,209 | 20,403 | 50,612 | 37,938 | 28,836 | 66,774 | 38,352 | 34,571 | 72,924 | 45,021 |
| Net Profit Margin (%) | 1.6% | 1.0% | 1.3% | 1.7% | 1.4% | 1.6% | 1.7% | 1.4% | 1.5% | 1.8% |

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