



AUTOMOTIVE HOLDINGS GROUP

Automotive Holdings Group Limited
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**ASX ANNOUNCEMENT
13 MAY 2019**

TRADING UPDATE

Automotive Holdings Group Limited ("AHG") today announces that, based on trading performance for the 10 months to the end of April 2019 and current market conditions, it expects to deliver FY2019 Operating NPAT¹ in the region of approximately \$50 million. This compares to AHG's previous guidance of FY2019 Operating NPAT of between \$52 - \$56 million provided in February 2019.

The revised outlook reflects the challenging conditions in franchised automotive retail volumes and margins, as well as weaker than expected April performance in AHG's Refrigerated Logistics division on the back of subdued Easter trading.

May and June are typically higher profitability months in the automotive retail sector and will have a significant bearing on AHG's FY2019 financial performance. The actual result for FY2019 may be impacted by a range of factors, including the evolving market conditions (particularly in automotive retail), consumer behaviour around the upcoming Australian Federal Election and any negative impact resulting from the below review.

Review of Refrigerated Logistics' receivables balances

Following extensive upgrades to the Refrigerated Logistics division's financial reporting systems, AHG (with the assistance of external advisers) is undertaking a review of the carrying value of receivables generated across prior years and FY2019.

While this review is ongoing and the extent of its financial impact on the AHG Group is not yet certain, it may result in some write down of the division's receivables generated across one or more periods. The current expectation is that any potential impact would not be material to AHG's balance sheet or future cash flows beyond FY2019, but it could ultimately have a bearing on AHG's earnings outlook for FY2019 (as mentioned above).

AHG would not expect any of the above to impact the takeover bid from AP Eagers.

ENDS

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¹ **Operating NPAT** means statutory NPAT adjusted for unusual items including impairment of current and non-current assets, costs relating to restructure of operations and discontinued operations, net costs relating to integration, acquisition and divestment activities, the costs associated with responding to the Offer, and any potential impact from the current review of the receivables balances (in respect of the Refrigerated Logistics division).

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