

18 May 2022

Markets Announcements Office
ASX Limited

Annual General Meeting – Chairman’s and CEO’s addresses and presentation

The annual General Meeting (AGM) of Eagers Automotive Limited (ASX: APE) is being held today at 11:00am (Qld time).

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

1. Chairman’s Address
2. CEO’s Address
3. AGM presentation

ENDS

For more information: Denis Stark
Company Secretary
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www.eagersautomotive.com.au

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Chairman's address

Shareholders,

Welcome to the Eagers Automotive Annual General Meeting for the 2021 financial year.

Following my address our Chief Executive Officer Keith Thornton will provide an overview of the operating and financial performance for 2021 and comment on current trading and the year ahead.

2021

What a year! 2021 was one of the most challenging but rewarding years in your company's long and proud history.

Reflecting on the past 12 months, the pandemic continued to pose significant challenges for the automotive retail industry globally and locally, including the economic impact of government-mandated lockdowns in some states of Australia and New Zealand, as well as border closures and supply chain issues.

Despite these challenges, we have again demonstrated our ability to quickly respond to public health requirements, continuing to operate safely and provide excellent customer service, executing the company's strategy, while delivering a record financial performance for the year.

We are proud of what we have been able to achieve in a very challenging market.

Our key financial metrics for 2021 reflect a record year. We achieved a Statutory Profit Before Tax from continuing operations of \$456.8 million, up from \$280.1 million in the previous year, while Underlying Operating Profit Before Tax was \$401.8 million, up from \$209.4 million, on group revenue of \$8.7 billion.

Dividends

We are delighted to have continued our long history of rewarding shareholders, with our dividends for 2021 totalling 70.9 cents per share. This included a final dividend of 42.5 cents, an interim dividend of 20.0 cents and a special dividend of 8.4 cents per share which related to the sale of our Daimler Trucks business.

Sustainability / ESG

Whilst our sustainability journey has been underway for many years, this year marks the publication of our first Sustainability Report in our Annual Report. The pandemic, together with heightened focus on climate change, has accelerated the global consciousness of Environmental, Social and Governance matters. ESG risks and opportunities remain a

priority for us as we continue efforts to reduce our impact on the environment and enhance our business as a place to work and support our communities.

The year ahead

As we look to 2022, while some uncertainty remains in the external environment, we have continued to experience strong demand in all regions during early 2022 and are well positioned for the year ahead. In addition, we have a strong balance sheet providing the capacity and flexibility to support disciplined reinvestment to help drive future shareholder returns.

As announced this morning, we expect to achieve an Underlying Operating Profit Before Tax from continuing operations for the first half of 2022 in the range of \$183 to \$189 million, 12% to 15% lower when compared to the same period last year on a like for like basis after adjusting for the Daimler Trucks divestment in 2021.

This is largely attributable to a reduction in the number of new vehicles delivered during the half year. However, the underlying performance of our business remains exceptionally strong with demand continuing to significantly outstrip supply and our record order book having grown by more than 25% year to date.

Despite the continuing strength of our underlying business and our order book, global disruptions to the new car supply chain and a lack of transparency on the timing of new vehicle arrivals provide a challenging environment in which to forecast the timing of vehicle deliveries to customers. Nevertheless, our strong fundamentals have us well placed to capitalise on our growing order book for when supply constraints ease.

We continue to balance these evolving market dynamics with the execution of our Next100 Strategy by actively pursuing opportunities aligned with our strategic priorities and to provide accretive growth for our shareholders.

In his address, Keith will comment on exciting developments in our business portfolio, specifically in relation to new market entrants, like BYD and Cupra, who are attracted to our extensive retail experience and our unique geographic reach.

Keith will also provide an update on our entry into the Australian Capital Territory through the acquisition of the dealership business from Nick Politis' WFM group. The ACT is currently the only metro region in Australia in which we do not operate. Expanding our geographic reach will offer clear strategic benefits. We anticipate that shareholders will be invited to vote on this acquisition in July 2022.

Our Team

I would like to take this opportunity to acknowledge the leadership and dedication of Keith in his first year as Chief Executive Officer of the business. To deliver a record financial year in his first year, amidst a global pandemic, is testament to his and the broader

management team's commitment and focus on execution in a dynamic external environment.

On behalf of the Board, I also extend a sincere thank you to our entire workforce – your hard work and dedication have been pivotal to our delivery of our outstanding results in 2021.

I also thank my fellow Directors for their continued dedication and contributions. And I again sincerely acknowledge and thank David Cowper who is retiring from the Board following today's AGM. David's efforts have been tireless and his contribution to the company has been enormous since his initial appointment to the Board in July 2012.

Finally, thank you to all of our shareholders for your ongoing support. We are excited about the year ahead and look forward to continuing to deliver for shareholders in the long term.

I now hand over to our Chief Executive Officer Keith Thornton and following Keith's address we will deal with the formal business of the meeting.

Tim Crommelin
Chairman

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CEO's address

Thank you, Chairman.

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

Today's AGM marks my first full year in the role as Chief Executive Officer and it is a privilege to report on the results to our shareholders.

Today I will address the company's performance during the last financial year which ended 31 December 2021.

I would then like to update you on the company's progress on delivering on-going and sustainable operational excellence and execution against our key strategic priorities, including our 'Next100' strategy.

Finally, I will comment on our outlook.

Operating summary

The external environment as it relates to automotive retail remains extremely dynamic. Multiple and material influences, largely related to the global impacts of COVID-19, continue to limit new car supply, which in turn impacts virtually every part of our business. In a broader economic sense, historic low interest rates, record low unemployment and the housing price dynamics of the last 12-18 months have all had an influence on our industry.

The net effect is that automotive retail continues to experience both headwinds and tailwinds to the operating environment in broadly equal measure.

We are pleased to report that Eagers Automotive has continued to deliver for our stakeholders in this challenging environment with a record ever 2021.

[Financial Highlights Slide]

For the 12 months ended 31 December 2021 we recorded a Statutory Profit before Tax of \$456.8 million, Underlying Profit before Tax of \$401.8 million, earnings per share of 125.2 cents on a statutory basis and margin performance of 4.6% net profit on sales. All of these metrics represent new benchmarks for the company.

Our consolidated revenue from continuing operations for the full year was \$8.7 billion, marginally down on the prior period due to the divestment of our Daimler Trucks business in April 2021.

Supporting these profit results is an extremely strong balance sheet position with net corporate debt of only \$128.4 million at 31st December and \$451 million of owned property at the end of the year including property held for sale, the highest holding by valuation in the history of the company.

This result highlights once again that Eagers Automotive is focussed on on-going operational excellence combined with strategic execution, irrespective of external factors.

The 2021 result and continued performance of the business into the start of 2022 highlights the robust and adaptable nature of automotive retail, with the ability to pull different income levers at different times and in different market environments. The resilience of the automotive retail business model has been further enhanced by the company structurally resetting our cost base, particularly across the key categories of people and property. A relentless focus on productivity improvements will drive future positive business transformation.

Eagers Automotive's unique geographic scale and breadth of brand representation, which currently includes 40 car and truck brands in the Australian marketplace, allowed the company to leverage strong demand in the new vehicle market across this brand portfolio while also insulating the business and helping to mitigate the impacts of localised COVID-19 restrictions.

It is important to note that 2021 saw a number of government-mandated lockdowns related to the COVID pandemic. In New South Wales, across both our Sydney and Newcastle regions, as well as in Victoria and Auckland, 114 trading days were impacted and restricted more than 35% of the Company at any one time. While this was indeed challenging, the experience we gained from business interruptions during the initial on-set of COVID in 2020 allowed us to quickly adjust. This included providing safe and convenient solutions for our customers through online-enabled 'click and collect' sales combined with contactless delivery and service options and online payment capabilities.

Our 2021 record result was achieved whilst absorbing an estimated \$20-\$25m profit impact due to these localised lockdowns in the 3rd and 4th quarters of 2021, largely related to lost trading in parts and service as well as delayed used car purchases.

Despite lockdowns impacting customer activity levels and creating workforce and supply chain interruptions, new car orders continued to materially outstrip new car deliveries in every month of the year, creating a record order book for the company. This dynamic continues into 2022 and I will talk to this in further detail in our Outlook.

During 2021 we simplified our business model to be focussed on two divisions - Franchised Automotive and Independent Used Cars, both underpinned by strategic property holdings. This has allowed the business to accelerate execution against our Next100 strategy on which I am now pleased to update you.

Strategic progress – Next100

[Next100 Slide]

On the screen you see Eagers Automotive Next100 Strategy, which I am hopeful shareholders are becoming very familiar with. At Eagers we believe a clearly articulated and consistent strategy is something that underpins effective execution and long-term value creation.

Eagers Automotive's Next100 Strategy aims to position the company as a leading automotive retailer, well positioned to capitalise on the ongoing changes in the automotive retail industry. By providing innovative, customer centric solutions to our business partners, on a lower and more sustainable cost base, the company will be best positioned to lead industry transformation and consolidation while striving to always remain a preferred partner for OEMs. As we continue to progress execution of the key components of our strategy, we expect to grow shareholder returns.

[Acquisitions Slide]

In 2021 we continued to actively manage our dealership portfolio with a number of strategic acquisitions. These included Toowoomba Ford and multi-franchised dealership groups in Cardiff and Maitland, in addition to the Daimler Trucks divestment.

We continued to rebalance our property portfolio, acquiring 10 strategic sites valued at \$169 million in 2021. This was in addition to the \$111 million acquired in 2020, taking our total property portfolio to more than \$450 million, including property held for sale, the highest by valuation in the history of the company.

In addition to strategic property ownership, we exited a total of 52 leases during the year as part of our rationalisation and consolidation strategy. Of these 23 leases related to on-going operations, providing a \$12.4 million reduction in annualised property costs in these businesses alone.

We continued to invest in new automotive retail formats, such as AutoMall West which opened last month at the Indooroopilly Shopping Centre in west Brisbane. This new retail format provides a more tailored, flexible and convenient experience for our customers, while leveraging economies of scale to enable a more economically sustainable retail footprint for the longer term. This is a truly globally unique initiative in our industry and another example of how Eagers Automotive is committed to leading innovation in retail solutions for our partners.

I will take a very short break to allow shareholders to view a 30 second drone fly-through so that you can get a true sense of this incredible facility.

[easyauto123 Slide]

Our easyauto123 business continued to grow profitably as it benefits from being fully integrated into our wider group. During the year, we opened new easyauto123 sites in Sydney, Townsville and across multiple locations in Auckland.

We have continued to redesign our workforce and workspace in response to changing customer habits as we extended our measured investment in proprietary technology to optimise workforce productivity and improve customer experience.

We also remain committed to delivering optimised financial solutions for our customers. Despite the impact of COVID-19 on automotive retail finance, we continued to outperform the industry while originating more than \$2 billion of loans during the year.

Outlook

Turning now to our outlook.

Eagers Automotive is in a very strong financial position despite ongoing supply chain constraints and temporary disruption to logistics and resourcing in early 2022 as a result of the Omicron outbreak.

Exceptionally strong underlying demand for new vehicles has continued across our business. The key driver of our order book is the difference between orders and deliveries and this is the metric that best defines the strength of the market relative to supply. The order write year to date to April 2022 has exceeded deliveries by 33.8% with the overall order book growing by more than 25% from the year end position.

Supporting the strength of the underlying demand and record order book is that the total per unit gross achieved on new vehicles delivered year to date has been maintained at the very strong levels of 2021.

Our finance penetration results are consistent with 2021 levels, which is materially above industry performance, while our ancillary car care sales are also at record levels.

To be clear, revenue and profits are only recognised once vehicles are delivered to the end user, so our order bank combined with the continued strong gross levels provide a very strong base for our confidence going forward as supply constraints ease.

Underpinning the demand and margin performance, the company continues to be disciplined in our management of our underlying cost base while leveraging the on-going structural benefits of our property, people and technology initiatives.

Finally, we have continued to focus on scaling our easyauto123 business with year to date revenue growth of 51.7% year on year and volume growth of 32.6%.

Despite the continued strength of the underlying business and positive operational metrics, we are not immune from the disruption to the new car supply chain which is

foreshadowed to continue in the coming months. We remain confident that the full year will see a total market broadly in line with 2021. However, the current short-term COVID-19 issues in China specifically, coupled with significant disruption to shipping and logistics, create uncertainty that may mean deliveries are more likely to index higher in the second half than normal.

As foreshadowed by our Chairman, on an underlying like for like basis we expect a result for the first half of 2022 in the range of 12-15% below that of 2021 after adjusting for the Daimler Trucks divestment in 2021. This reduction is largely attributable to a similar reduction in new vehicles delivered over the same period.

On a statutory basis we expect a first half result of between \$225 million and \$240 million, reflecting both the underlying performance and the expected successful completion of the Bill Buckle Auto Group divestment in June 2022.

We remain very confident in the underlying strength of our business, supported by our robust balance sheet and the volume and gross profit contained within our record order book that will be delivered as supply constraints ease. However, the continued lack of transparency of new vehicle supply and disruption to labour, parts supply, logistics and transport, mean we remain cautious regarding the timing of when deliveries will occur.

In summary, our outlook for the second half of 2022 remains very strong with the addition of incremental contributions from the businesses acquired in Q4 2021 and the expected completion of the ACT acquisition in July 2022.

Please note our half year results are subject to external audit review which will be conducted following the half year.

Strategic developments post year end

Your company remains both busy and proactive in our relentless pursuit of profitable, sustainable and strategically aligned growth.

In an exciting development following year end, we have completed binding documentation with EVDirect.com to become the exclusive retail partner for BYD vehicles in the Australian market. BYD is one of the world's largest and fastest growing automotive manufacturers, specialising in electric and hybrid vehicles. BYD is currently the 3rd largest automotive retailer globally by market capitalisation and is looking to expand their global market strategies beyond China. We are progressing our retail network plans with both BYD Australia and EV Direct, the Australian market distributor, with first deliveries expected in the 2nd half of 2022.

In addition, we have recently been appointed as the Cupra retail partner for Queensland and Western Australia. Cupra is a part of the Volkswagen Group, with ambitions to move to be a fully EV model line-up by 2030. The appointment as the launch retail partner in the

metro markets of Brisbane and Perth is an exciting greenfield opportunity that effectively covers approximately 30% of the national Cupra market opportunity on launch.

Our OEM partners and specifically new market entrants, like BYD and Cupra, are attracted to our extensive retail experience combined with an unmatched and unique geographic reach.

Currently, the ACT represents the only metro region in which Eagers Automotive does not operate. However, in March, we entered into a non-binding agreement with WFM Motors Pty Ltd to acquire a high-quality portfolio of dealerships and associated properties in Canberra.

This acquisition offers immediate scale, representing almost 30% of new car sales in the ACT, along with scope for future growth. The portfolio is high performing, representing leading manufacturers which cover approximately 43% of sales in the ACT, and is situated in prime operating locations around Canberra.

Due diligence is progressing to schedule and the transaction remains subject to shareholder approval, among other customary approvals, due to the relationship between Nick Politis and the selling entities. Mr Politis is a member of the Eagers Automotive board of directors and also controls the selling entities.

As mentioned by our Chairman, we anticipate that Eagers Automotive shareholders will be asked to approve the transaction at an Extraordinary General Meeting in July 2022. Further information on the transaction, including an Independent Expert's Report and property details, is expected to be released to shareholders in mid June 2022.

Finally, and as already mentioned, a non-binding agreement was also signed in March 2022 with Australian Motor Group for the strategic divestment of the Bill Buckle Auto Group in North Sydney. This will enhance our capacity to invest in organic growth as well as focus on acquisitions, like the ACT portfolio, which will accelerate our Next100 Strategy.

Closing

In closing, I would like to extend my thanks to each and every customer we served in 2021, many of whom are also loyal shareholders. Your support is greatly appreciated and we never take your custom for granted.

I would also like to sincerely thank all 7,580 members of our team – your dedication and commitment have been instrumental to the delivery of our record results in 2021; while the level of resilience, agility and empathy you have shown during challenging times was extraordinary.

Thank you to the Board and my predecessor Martin Ward for your advice and support throughout my first 12 months as CEO. I would like to specifically thank David Cowper for his commitment, expertise and guidance over the last 10 years. David's legacy with

Eagers Automotive will include a significant contribution to the improvement and the professionalism of the company in the areas of audit and risk. Thank you, David.

To each OEM partner, we are proud to represent your brand. Our position as your retail partner is a privilege and responsibility we take very seriously. We will continue to focus on delivering on our internal mandate to being a preferred partner for your business.

To our banks and finance partners, our landlords large and small, and all our other business suppliers, we thank you for your overwhelming support during what has continued to be a challenging time for business.

Finally, a big thank you to our shareholders for your ongoing confidence in and support of our company.

We look forward to continuing to engage with you and all of our stakeholders over the coming year.

We are very excited about what the future holds for Eagers Automotive.

Thank you.

Keith Thornton
Chief Executive Officer

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65th Annual General Meeting
18 May 2022

Directors and Secretary



Tim Crommelin



Sophie Moore



Nick Politis



Dan Ryan



David Cowper



Greg Duncan



David Blackhall



Michelle Prater



Marcus Birrell



Denis Stark
Company Secretary

David Cowper

Non-executive Director since July 2012.

David has decided not to seek re-election today and will retire from Board at the conclusion of this meeting.

On behalf of Board, and all shareholders, I acknowledge and thank David for his tireless efforts and immense contribution to the Company.

David departs with our very best wishes.



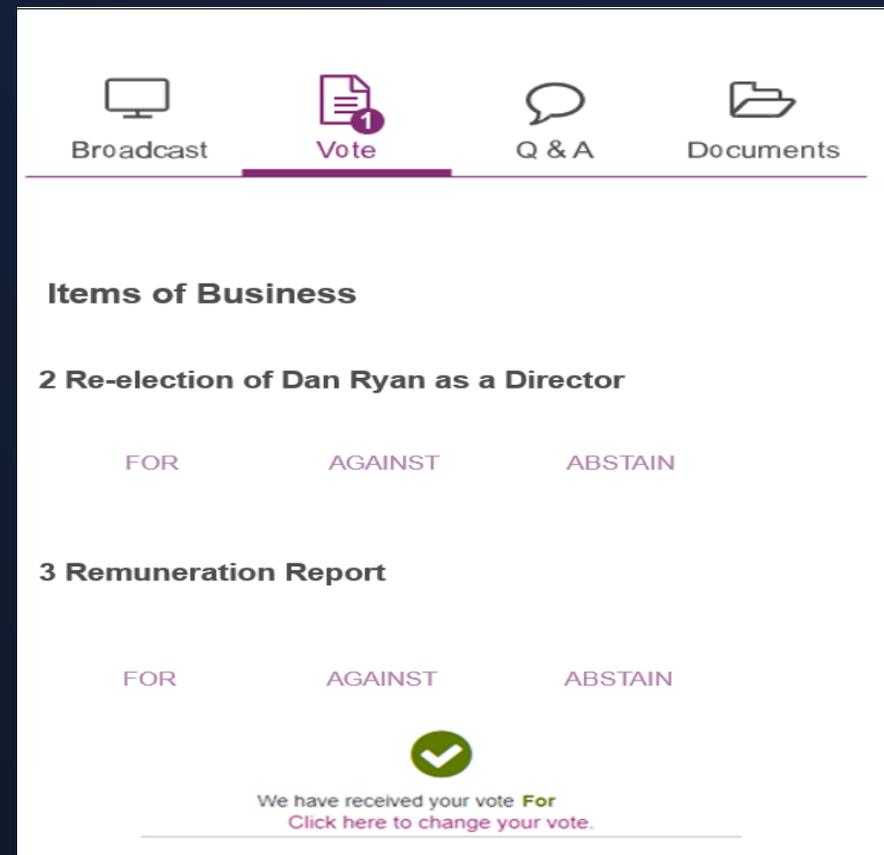
How to ask a question online

- 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 user interface for asking questions online. At the top, there are four navigation tabs: 'Broadcast' (with a monitor icon), 'Vote' (with a document icon), 'Q & A' (with a speech bubble icon and a red underline), and 'Documents' (with a folder icon). Below the tabs is a large text input area labeled 'Your question(s)'. Underneath this area, a message states 'You may enter a question using the field below.' followed by a 'Select Topic' dropdown menu. A note indicates 'Questions are limited to 2000 characters.' Below this is a smaller text input field with a character count of '0 character(s)' and a 'Send' button.

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



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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.ape>

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>

Financial Highlights FY 2021

Disciplined focus on cost base underpinning sustainable Return on Sales performance

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Statutory Profit Before Tax

\$456.8m

Underlying Operating Profit Before Tax¹

\$401.8m

Return on Sales (Underlying)

4.6%

Consolidated Revenue

\$8.7b

Corporate Debt Net of Cash²

\$128.4m

Owned Property Portfolio³

\$451m

(1) Underlying operating results refers to continuing operations outlined and reconciled to statutory results in the FY21 Investor Presentation. Underlying operating figures are non-financial measures and have not been subject to audit by the Company's external auditors.

(2) At 31 December 2021.

(3) At 31 December 2021 including property held for sale.

NEXT100 Strategy

Providing integrated mobility solutions for the next 100 years



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Strategic Acquisitions

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Maitland NSW



- 1 property (Nov 22 settlement)
- Consolidation opportunities with existing operations in Maitland



Cardiff NSW



- 2 properties (dealerships & parts)
- Consolidation opportunities with existing operations in Cardiff



Toowoomba QLD



- Gateway PMA into Darling Downs QLD
- Parallel acquisition¹ of 3 properties previously leased

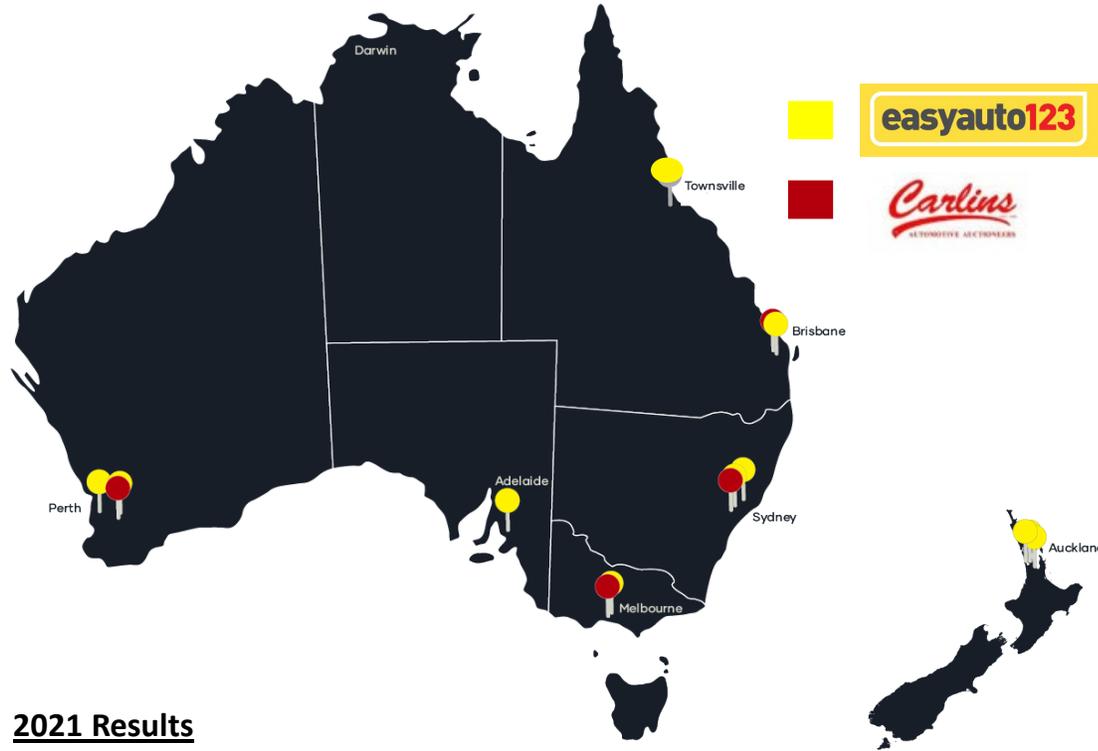


(1) Settlement of third property expected to occur prior to 30 June 2022.

easyauto123

Expansion of easyauto123 footprint across Australia & New Zealand via repurposing existing facilities

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2021 Results

- **Sydney:** Relocation to Castle Hill (EA owned site)
- **Queensland:** Townsville location opened 2H 2021
- **New Zealand:** 2 new Auckland sites opened

2022/23 Plans

- **AutoMall West:** Virtual store open
- **Canberra:** New site following ACT acquisition
- **Tasmania:** First site within Tasmanian market
- **Sydney:** Open 2nd site
- **Melbourne:** Open 2nd site
- **Queensland:** Gold Coast site
- **Auckland:** 4th site in West Auckland
- **Christchurch:** Expansion into NZ South Island



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>

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 Dan Ryan					
190,387,670	4,128,698	157,191	443,619	251,456	97.66%
Item no. 3 – Remuneration Report					
111,149,416	1,856,888	157,191	433,019	2,341,492	97.99%

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Financial Reports

Item 1

Eager Automotive financial reports are contained within the 2021 Annual Report

(commencing from page 34)



Re-election of Dan Ryan

Item 2

Non-executive Director since January 2010.

Motor vehicle dealer.

Director & CEO of WFM Motors Pty Ltd, Eagers Automotive Limited's largest shareholder.

Significant management experience in automotive, transport, manufacturing and retail industries.



Voting results – prior to meeting

Item no. 2		Re-election of Dan Ryan			
For	Against	Discretion of the Board	Discretion of person other than the Board	Abstain	% in favour or at the Board's discretion
190,387,670	4,128,698	157,191	443,619	251,456	97.66%

Remuneration Report

Item 3

The Remuneration Report is set out in the 2021 Annual Report
(refer to pages 42 - 54)

Voting results – prior to meeting

Item no. 3		Remuneration Report			
For	Against	Discretion of the Board	Discretion of person other than the Board	Abstain	% in favour or at the Board's discretion
111,149,416	1,856,888	157,191	433,019	2,341,492	97.99%

**The meeting is paused for one minute so
shareholders may finalise their votes on
Items 2 & 3**

Voting is now closed

General Questions

Meeting has closed

Thank you for your participation