



18 February 2013

AHG delivers record interim H1 operating¹ profit of \$38.5 million

Highlights

- Statutory NPAT of \$37.9 million (125.5% of pcg)
- Statutory EPS 14.6 cents (125.5% of pcg)
- Record Operating¹ NPAT of \$38.5 million (118.1% of pcg)
- Record Group revenue of \$2.17 billion (113.5% of pcg)
- Record Operating¹ EBITDA of \$85.9 million (110.7% of pcg)
- Operating¹ EBITDA margin 4.0% (4.1% pcg)
- Interim dividend of 8.0 cents per share fully franked (7.0 cents pcg)
- Solid growth in both Automotive and Logistics

Automotive Holdings Group Limited (ASX: AHE), Australia's largest automotive retailing and logistics group, today announced a Statutory NPAT for the six months to 31 December 2012 of \$37.9 million (125.5% of pcg), and a record Operating¹ net profit after tax of \$38.5 million for the six months to 31 December 2012 (118.1% of pcg).

The results were achieved on record Group H1 revenue of \$2.17 billion. Operating¹ EBITDA improved 10.7% to a record \$85.9 million.

Operating¹ earnings per share were 14.8 cents (12.5 cents pcg) and the Directors have declared a fully franked interim dividend of 8.0 cents per share (7.0 cents previously). The record date is 18 March 2013 with the dividend payable on 3 April 2013.

AHG Managing Director Bronte Howson said the result reflected solid growth in the Company's Automotive and Logistics divisions.

Automotive Retail

Revenue for the Automotive Retail segment in the first half of the financial year was up 15.4% to a record \$1.775 billion (\$1.538 billion pcg).

"This is a strong result in Automotive, based on some solid fundamentals in terms of consumer demand, manufacturer incentives and the strong Australian dollar," said Mr Howson.

"We've experienced organic growth across the Automotive division; in new and used passenger and truck sales, service, parts and finance."

During the half-year AHG completed the acquisitions of Coffey Ford in Victoria; Daimler Trucks in Newcastle and Brisbane; Newcastle Iveco and Newcastle Hino. The company also progressed its greenfield development sites at Castle Hill in NSW and South Melbourne in Victoria.

“At Castle Hill we are pleased with the contributions from our Holden/HSV and Hyundai dealerships, while we’re commencing service workshops and parts sales for Holden/HSV and Hyundai at South Melbourne with construction of both new dealerships expected to be completed in Q4 of CY2013.”

The Group has also recently announced further significant acquisitions in Victoria, with the purchase of the Bayside and Peninsula Groups of dealerships located on the Mornington peninsula.

Logistics

AHG’s Logistics division delivered revenue of \$394.7 million (105.9% of pcg); Operating¹ EBITDA was \$29.4 million (108.4% of pcg).

The Transport and Cold Storage operations delivered revenue of \$211.5 million (125.4% of pcg) and EBITDA of \$20.1 million (105.2% of pcg) while revenue for Other Logistics (comprising the operations of AMCAP, Cogs, KTM and GTB/VSE) was \$183.2 million (89.8% of pcg) reflecting the closure of the Zupps parts business at Coopers Plains in Queensland. EBITDA for Other Logistics operations was \$9.3 million (116.25% of pcg).

Mr Howson said the Logistics division was well placed for sustained growth following the acquisitions and integration of Harris Refrigerated Transport and the Toll Refrigerated business into Rand, and the acquisition and integration of the Cogs business.

“We’ve seen strong increase in volumes from the Transport and Cold Storage operations driven by organic growth and acquisitions,” said Mr Howson.

“Elsewhere, AMCAP is trading strongly and is still showing growth, while KTM produced record motorcycle sales and a record profit contribution.”

Outlook

“Automotive is positioned to deliver a solid second half result supported by a strong order bank and industry sales forecast of 1.07 to 1.1 million units for CY13,” said Mr Howson.

“We’ll focus on ensuring our new dealerships are integrated into AHG’s existing management and operating structures to meet our performance standards, drive earnings and deliver increased value to shareholders. We will also continue to explore other opportunities that meet our growth and financial criteria,” he said.

“On the Logistics front, there is continuing strong demand for increased cold storage capacity at Rand and the Company is investing in facilities to support that demand. The proposed expansion will take Rand’s total capacity to more than 130,000 pallets and further strengthen its position in the Australian market. We’re also confident the AMCAP, Cogs and KTM units will continue to perform strongly.”

The Company’s balance sheet remains strong, with \$147.2 million cash and undrawn commercial bill facilities at 31 December 2012.

“We believe the Company’s strong balance sheet, experienced management team and diversified business model positions AHG to deliver ongoing solid financial performance,” said Mr Howson.

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 and Harris Refrigerated Transport (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), and KTM Sportmotorcycles (motorcycle importation and distribution in Australia and New Zealand).

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