



AUTOMOTIVE HOLDINGS GROUP

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13 May 2013

AHG PRESENTS AT THE ASX SPOTLIGHT IN ASIA

AHG is presenting at the ASX Spotlight Conference promoting Australian companies to institutional investors in Hong Kong and Singapore.

Attached are the presentation slides.

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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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Australia's Largest Motoring Group



ASX Spotlight Series

14 – 16 May 2013

Company Overview



- Established in 1952 and listed on the ASX in 2005
- Diversified business model – Automotive and Logistics
- Largest Australasian automotive retailer by sales, profitability, market capitalisation and workforce
- More than 140 passenger vehicle, bus and truck dealerships at 85 locations
- Australia's largest refrigerated transport provider

AUTOMOTIVE RETAIL

PASSENGER CARS

COMMERCIAL TRUCKS

- Passenger car and commercial truck retailer
- Operations in WA, QLD, NSW, VIC and NZ
- Franchises in 11 of Australia's 12 most popular brands
- Successful history of developing greenfield sites
- Establishing strategic truck 'hubs' in key states

LOGISTICS

TRANSPORT AND COLD STORAGE (Rand and Harris)

- Largest national refrigerated transport and warehousing provider
- Dynamic model with modern fleet and integrated tracking systems
- Key market brands RAND and HARRIS
- Road and Rail capability

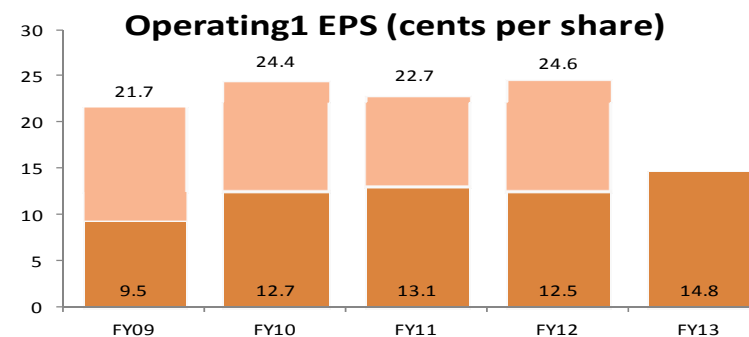
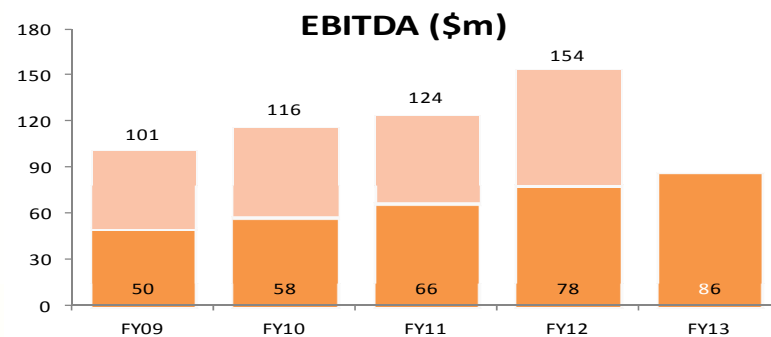
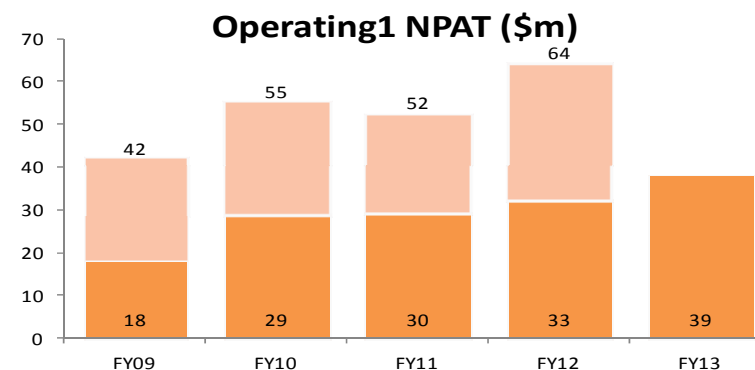
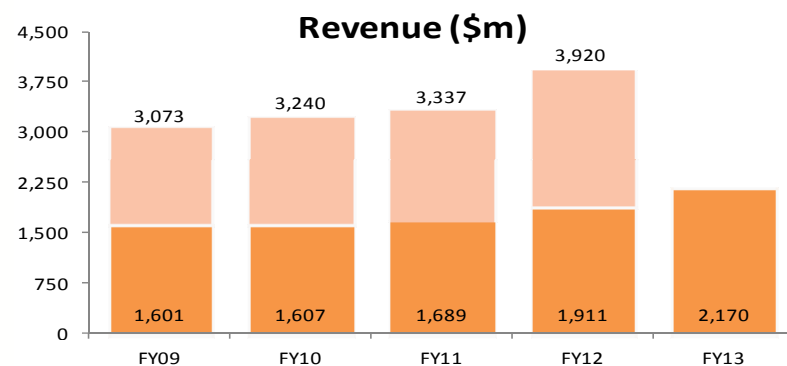
OTHER LOGISTICS (AMCAP, Covs, KTM, GTB/VSE)

- Industry leading 3PL and 4PL
- Expanded WA distribution centre
- Automotive parts and mining service supplier
- KTM Sportmotorcycles and Husaberg national distribution
- Fabrication, customisation and build capability in GTB



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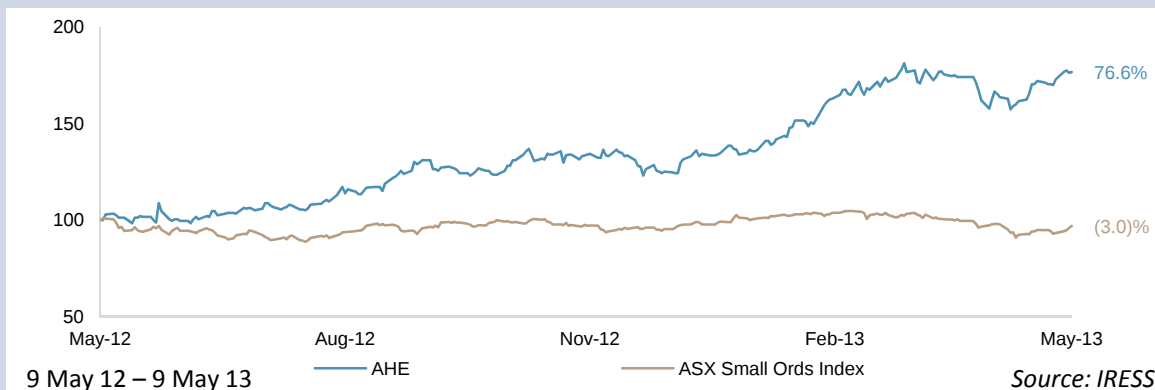
History of Growth



Shareholder Performance



Share Price Performance – 12 Months



9 May 2013	AHE	ASX Small Ords Index
Share price	\$4.22	2,236
1-Yr TSR ¹	88.3%	0.2%
3-Yr TSR ¹	91.9%	(7.4%)

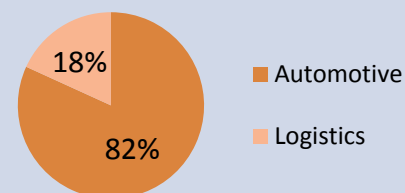
¹ Includes capital growth and reinvestment of dividends

Key Market Statistics (9 May 2013)

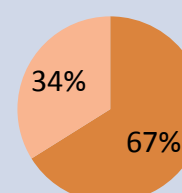
Ticker	ASX:AHE
Share Price (9 April 13)	\$4.22
Shares on Issue	260.6 million
Market Capitalisation	\$1,099 million

Divisional Split (HY2012)

H1 2012 Revenue



H1 2012 EBITDA



Automotive



- Industry leading management model for dealerships
- Strong focus on automotive retail hubs – multiple dealerships, strong efficiencies
- Represent 12 of top 13 passenger brands in Australia
- AHG dealerships compete with and against each other
- Multiple revenue streams – strongly incentivised
- Forecasting organic growth and further acquisitions



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Automotive – H1 FY2013 Operating¹ Performance



Operating ¹ Performance	HY12 (\$m)	HY13 (\$m)	% change
Revenue	1,538	1,775	15.4%
EBITDA	49.9	57.4	14.9%
EBITDA Margin (%)	3.2%	3.2%	
EBIT	43.4	50.4	16.0%
EBIT Margin (%)	2.8%	2.8%	
Profit Before Tax	33.3	38.7	16.3%

- Strong growth in the half with revenue up 15.4% and Profit before tax of \$38.7m up 16.3%
- Some impact from acquisitions (Coffey Ford, Newcastle and Brisbane Trucks)
- Margins consistent with historical performance



Automotive – Cars



NEW ZEALAND
4 Dealerships
4 Franchises

Automotive – Passenger



ORGANIC BUSINESS	GREENFIELD	ACQUISITIONS
- Automotive industry remains strong - Geographic spread of dealerships - Diversified portfolio of brands - Centralised data systems - Disciplined management processes - History of performance	<u>Castle Hill - Sydney</u> - Hyundai and Holden trading profitably - Nissan franchise now approved - Close to agreeing fourth brand for site <u>South Melbourne</u> - Temporary Hyundai facility operating - Temporary Holden/HSV service facilities in operation - Construction of Holden showroom underway	Public company multiples typically higher than private sellers <u>Recent Acquisitions</u> <u>Victoria</u> - Strategic investments to establish strong Victorian position - Peninsula and Bayside group completed in April (Nissan, CJD and Suzuki) - McMillan Toyota franchise announced in May – completion expected in by mid June



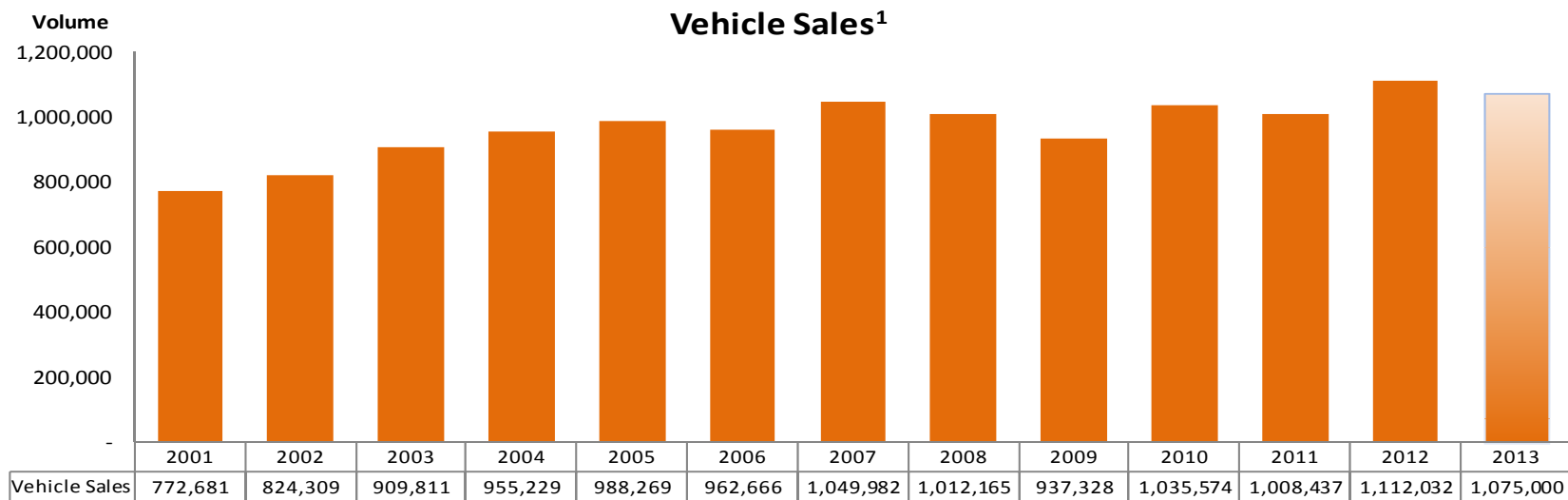
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Australia – New Vehicle Sales



- Consumer demand remains strong – record national unit sales in CY2012
- Car affordability at its best level in decades
- Strong Australian dollar
- Manufacturer incentives (Low interest rates, value added extras)

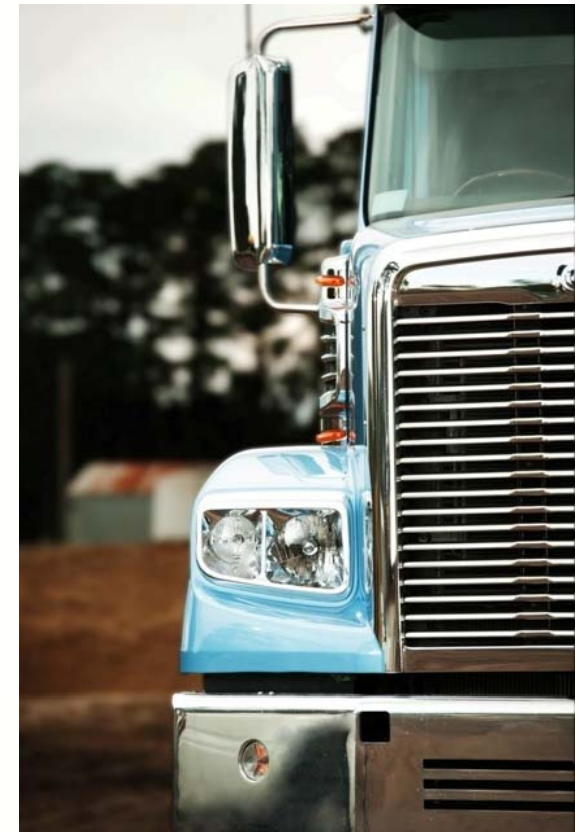


¹ Federal Chamber of Automotive Industries VFACTS National Reports

Automotive – Truck



- Strong brand representation nationally – focus on truck hubs
- Newcastle truck hub (Freightliner, Mercedes, Fuso, Hino and Iveco) now consolidated from 3 sites to 2
- Progressing towards a single site Brisbane truck hub for Daimler brands (Freightliner, Mercedes and Fuso)
- New larger dealership site underway for Daimler brands in Perth
- Perth, Newcastle and Brisbane provide broad exposure to mining and energy sectors and service industries



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Automotive – Truck



Logistics – Transport and Cold Storage



- Leading national refrigerated transport, cold storage and distribution services provider in Australia
- Extensive fleet of purpose-built temperature controlled containers and pantechnicons
- Interstate transport services to a vast range of customers
- State of the art satellite tracking systems to closely monitor shipments nationwide
- Cold Storage and Distribution centres located throughout Australia



- Niche market is fresh produce
- Services clients in the meat, dairy, confectionery and fresh produce industry
- Daily departures from all states (to all states) via road and rail
- Specialist in temperature sensitive freight
- Approximately 300 staff located at branches in Adelaide, Renmark, Melbourne, Sydney, Brisbane and Perth



Logistics – H1 FY2013 Operating¹ Performance



Transport and Cold Storage	HY12 (\$m)	HY13 (\$m)	% change
Revenue	168.7	211.5	25.4%
EBITDA	19.1	20.1	5.2%
EBITDA Margin (%)	11.3%	9.5%	
Profit Before Tax	10.9	12.2	11.9%

- Strong result, driven by organic growth and acquisitions (Toll Refrigerated)
- Lower initial margins from Toll Refrigerated (Transition into AHG and inefficiency of older facilities)



Other Logistics (AMCAP, Covs, KTM, GTB/VSE)	HY12 (\$m)	HY13 (\$m)	% change
Revenue	203.9	183.2	(10.1%)
EBITDA	8.0	9.3	16.3%
EBITDA Margin (%)	3.9%	5.1%	
Profit Before Tax	7.1	8.7	22.5%

- Revenue affected by closure of Zupps Coopers Plains parts
- Organic growth in KTM produced a record profit contribution
- AMCAP trading well with moderate organic growth
- Covs migrated to new distribution facility and commenced branch upgrades



Logistics – Rand/Harris



- Challenging trading conditions in Q3 with lower industry volume reducing stock turn ratio
- Severe flooding in Queensland impacted operating efficiencies
 - Reduced fresh produce volumes
 - Substantial route diversions
 - Increased subcontracting costs
 - Disrupted operating schedules
- Current utilisation across all cold stores close to 100%
- Strategic investment in new facilities to gain competitive advantage
- Substantive investment in technology infrastructure planned for FY2014
- Growth from operating efficiencies and market demand expected in FY2014/15



Edinburgh Park, SA



Hazelmere, WA

Investment in new storage facilities



Cold Storage Capacity



- Current utilisation across all cold stores close to 100% - but lower stock turn
- New facilities constructed under turnkey developments funded by landlords
- Long term leases
- Specific design benefits
 - ✓ Lower power consumption
 - ✓ Improved traffic management
 - ✓ Cross Dock capacity
 - ✓ Fire and safety standards

Logistics – Other



- AMCAP continues to trade in line with expectations
- KTM business performing well ahead of expectations with strong first half, however second half is seasonally weaker due to usual model year run out
- VSE/GTB continues to reduce historic loss making position contributing its first profit in April on the back of a strong order book
- Cova's volumes slightly weaker on reduced mining demand, however new distribution centre, redesigned retail stores and operational efficiencies support continued growth



Robust Balance Sheet



Balance Sheet

Net Debt	30 JUN 2012	31 DEC 2012
Total Borrowings	654.0	673.2
Inventory Finance (Floorplan)	(501.9)	(504.4)
Cash & Cash Equivalents	(81.4)	(82.7)
Net Debt	70.7	86.1
Net Debt to Total Assets (excluding Floorplan and Cash)	8.7%	10.4%

Recent Acquisitions (H2 FY2013)	Consideration
Bayside and Peninsular Group	\$10.0m
MacMillan Toyota	\$20.0m*
	\$30.0m

- \$147.2 million cash and undrawn commercial bill facilities at 31 December 2012
- Growth in working capital needs as logistics business expands
- Fully franked dividend of \$0.08 (\$20.8 million) paid April 2013
- Development of greenfield auto site in South Melbourne for Hyundai and Holden underway
- Continued investment in Castle Hill site expected in CY2013
- Acquisition of Bayside and Peninsula group agreed March 2013
- Acquisitions of McMillan and dealership announced April 2013

Growth initiatives FY2014 and 2015



- Automotive acquisitions in Victoria enhance state operations and build capacity and focus
- Greenfield development in South Melbourne offers substantive growth potential with central location
- Castle Hill development in Sydney is maturing with both Holden and Hyundai contributing to group performance
- Further development planned at Castle Hill with Nissan franchise commencing in CY2013 and VW commitment being sought
- Development of national truck capability in sales and service
- Logistics businesses well placed to leverage market position and organically grow
- Investment in cold storage warehouses to strengthen full service offering, increase barriers to entry and enhance profitability
- Closure of non profitable business and discontinued operations eliminates leakage and focuses management
- Further automotive acquisitions will be pursued



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Appendix – FY2013 H1 results summary

Consolidated H1 FY2013 Financial Performance



Consolidated Financial Performance	HY12 (\$m)	HY13 (\$m)	% change
Operating¹ Performance			
Revenue	1,911	2,170	13.5%
EBITDA	77.6	85.9	10.7%
EBITDA %	4.1%	4.0%	
EBIT	64.2	72.0	12.2%
EBIT %	3.3%	3.3%	
Net Profit after Tax	32.6	38.5	18.1%
Earnings Per Share (cps)	12.5	14.8	18.1%
Statutory Reported Profit after Tax			
Discontinued Operations & Acquisition Costs	(2.4)	(3.9)	64.2%
Gain on Sale of Property (API)	-	3.3	n/a
Statutory Net Profit after Tax	30.2	37.9	25.5%
Earnings Per Share (cps)	11.6	14.6	25.5%

- Statutory profit and EPS up 25.5% with underlying operating performance up 18.1%
- Revenues up 13.5% to \$2.17m
- Strong growth in KTM with record unit sales
- EBITDA up 10.7% to \$85.9m
- Margins remaining steady
- Discontinued operations include sale of Gold Coast dealerships, and closure of Zupps parts in Coopers Plains, Queensland

