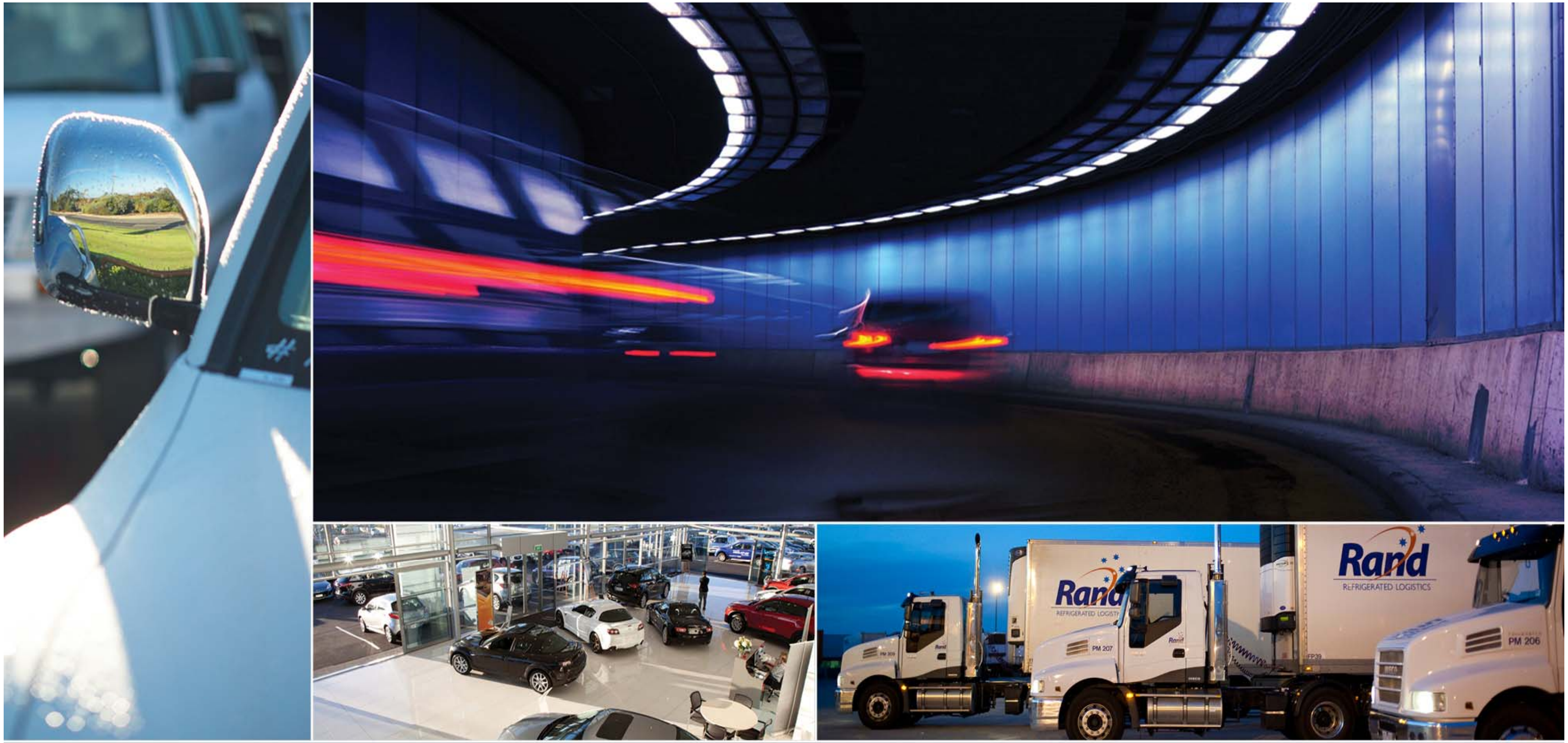



AHG

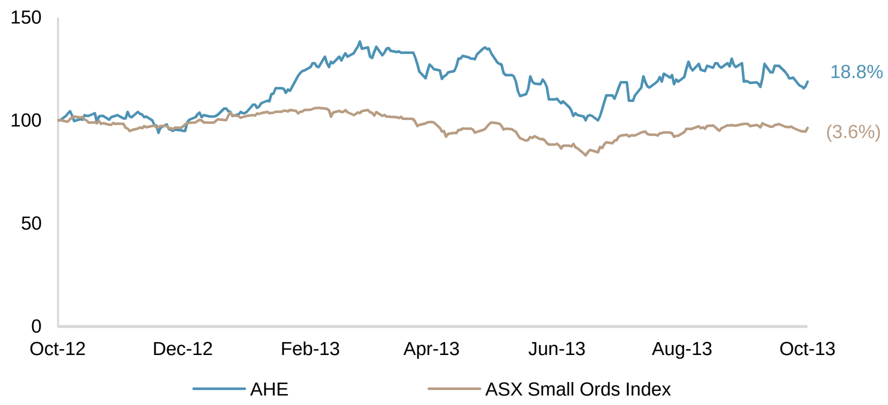
# Merrill Lynch Emerging Stars Conference

October 2013

AUTOMOTIVE HOLDINGS GROUP

# Performance History

## Share Price Performance – 12 Months




11 Oct 12 – 11 Oct 13

*Source: IRESS*

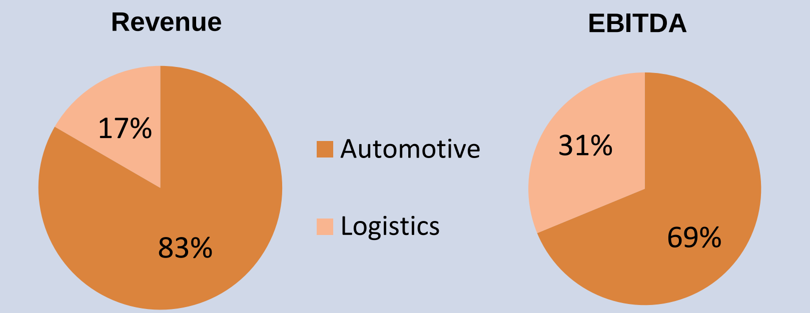
| 14 Oct 2013 | AHE | ASX Small Ords |
|---|---|---|
| Share price | $3.72 | 2193.21 |
| 1-Yr TSR[1] | 25.0% | (0.6%) |
| 3-Yr TSR[1] | 94.0% | (11.6%) |
| 5-Yr TSR[1] | 333.7% | (30.4%) |

[1] *Includes capital growth and reinvestment of dividends*

## Key Market Statistics (14 October 2013)

| | |
|---|---|
| Ticker | ASX:AHE |
| Share Price (14 Aug 2013) | $3.72 |
| Shares on Issue | 260,683,178 |
| Market Capitalisation | $969.7 million |

## Divisional Split (FY2013)



# Summary Financial Performance FY2013

AUTOMOTIVE HOLDINGS GROUP

| Consolidated Financial Performance | FY12 ($m) | FY13 ($m) | *% change* |
|---|---|---|---|
| **Operating[1] Performance** | | | |
| **Revenue** | **3,920** | **4,278** | ***9.1%*** |
| EBITDA | 153.5 | 165.3 | *7.7%* |
| *EBITDA %* | *3.9%* | *3.9%* | |
| EBIT | 127.0 | 137.0 | *7.9%* |
| *EBIT %* | *3.2%* | *3.2%* | |
| **Net Profit after Tax** | **64.1** | **72.7** | ***13.4%*** |
| *Earnings Per Share (cps)* | *24.6* | *27.9* | *13.4%* |
| *Interest Cover (times)* | *4.14* | *4.66* | *12.6%* |
| **Statutory IFRS Profit after Tax** | | | |
| Impairment of Intangible Assets | (9.7) | - | |
| Net Integration and Acquisition, Asset Divestment and Sale of Properties | (3.8) | (5.9) | |
| **Statutory Net Profit after Tax** | **50.6** | **66.8** | ***31.9%*** |
| *Earnings Per Share (cps)* | *19.4* | *25.6* | *31.9%* |

- **Statutory IFRS Net Profit after Tax and EPS up 31.9% with underlying Operating[1] performance up 13.4%**
- Revenues up 9.1% to $4.3 billion
- Operating[1] EBITDA up 7.7% to $165.3 million
- Margins maintained although impacted by:
  - Investment in Greenfields
  - Acquisition of Toll
- Asset divestments include sale of Gold Coast and Capalaba dealerships and final closure of Zupps parts
- Strong interest cover

*Operating[1] – excludes costs and fees in relation to integration and acquisition-related activities, asset divestments, impairment and sale of properties.*

# Highlights FY2013

AHG AUTOMOTIVE HOLDINGS GROUP


## Group Performance

- Record Performance
  - Group Revenue of $4.278b up 9.1%
  - Statutory EPS up 31.9% to 25.6c
  - Operating[1] NPAT of $72.7m up 13.4%
- Increased full year dividend of 20c per share (fully franked) up 11.1%
- Completion of API transaction generating $55.4m in operating cash

## Automotive

- Record revenues and profits
- Growth through acquisition
  - Coffey Ford, Bayside and Peninsula Motor Groups, and McMillan Toyota
  - Daimler Trucks Brisbane and Newcastle, IVECO
- Castle Hill Greenfield development approval for Nissan franchise
- Approval of South Melbourne Greenfield opportunity for Holden/HSV and Hyundai

## Logistics

- Record Revenue and Profits
- Acquisition of Toll Refrigerated
- Completion of new cold store facility in WA
- Completion of new distribution centre for Covs
- Record unit sales in KTM/Husaberg motorbikes
- Continued strong performance in AMCAP and Covs

*Operating[1] – excludes costs and fees in relation to integration and acquisition-related activities, asset divestments, impairment and sale of properties.*

# A history of strong growth

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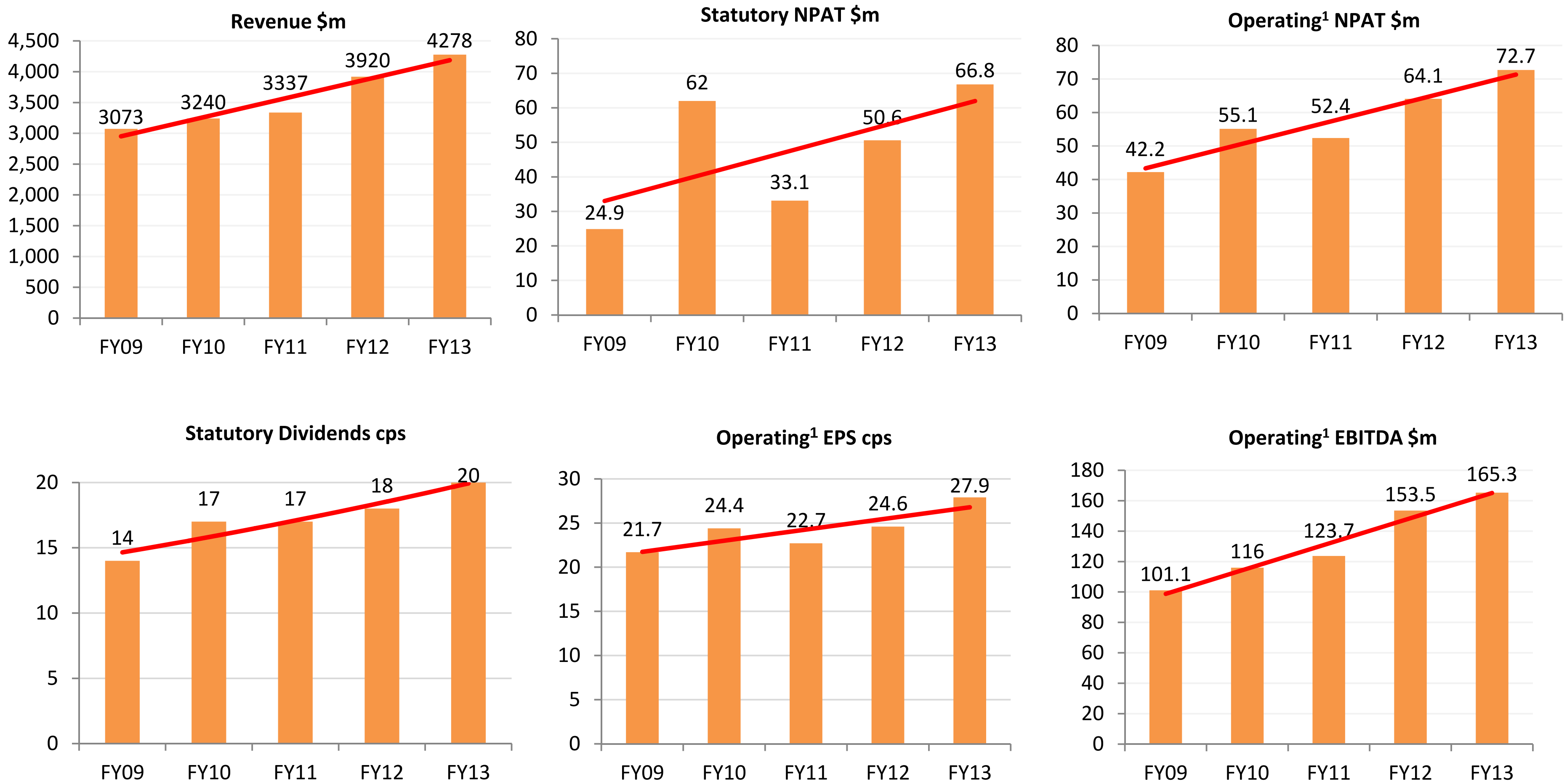
AUTOMOTIVE HOLDINGS GROUP




*Operating[1] – excludes costs and fees in relation to integration and acquisition-related activities, asset divestments, impairment and sale of properties.*

# Automotive – Operating[1] Performance

AHG AUTOMOTIVE HOLDINGS GROUP

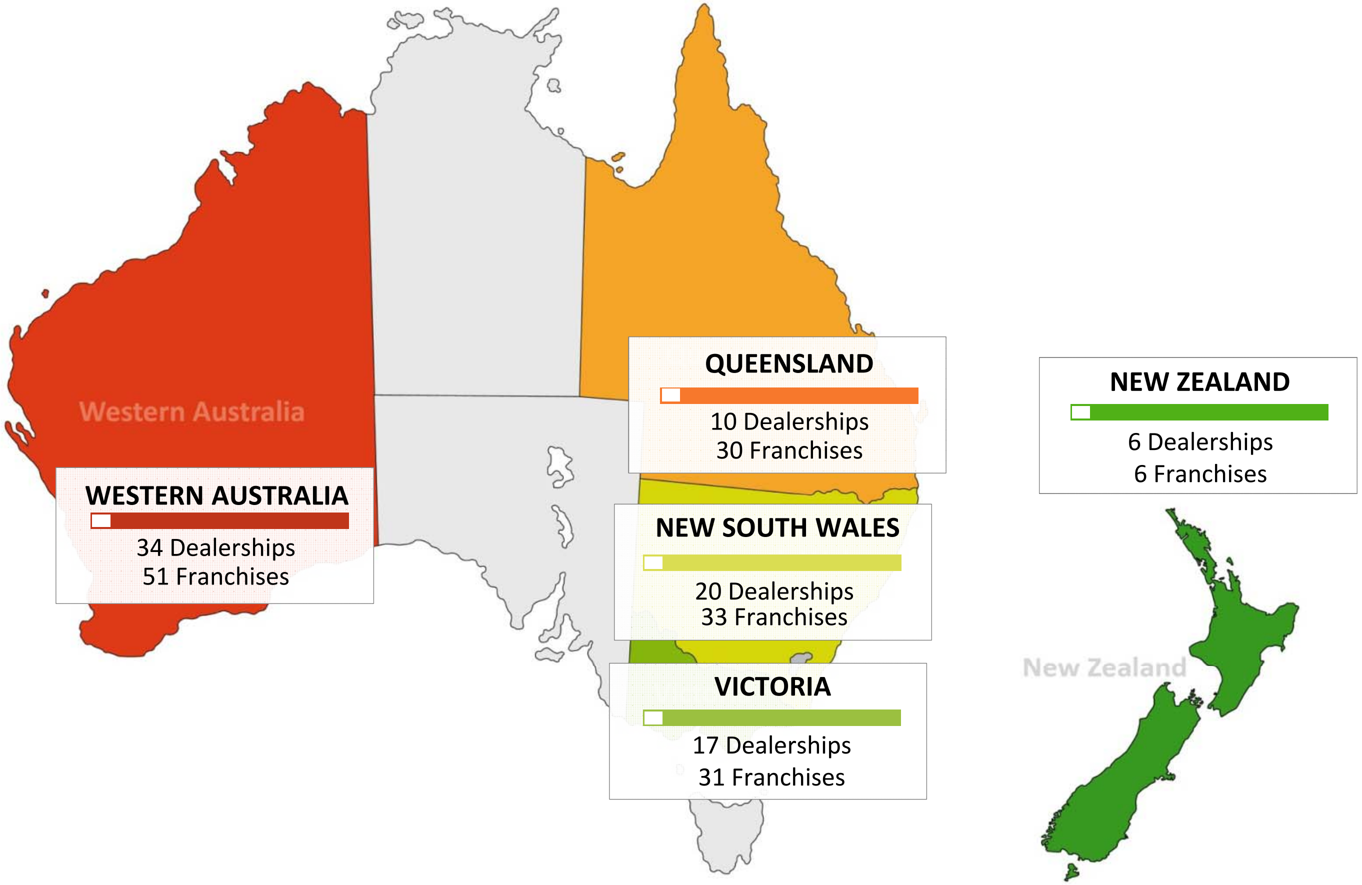
| Operating[1] Performance | FY12 ($m) | FY13 ($m) | *% change* |
|---|---|---|---|
| Revenue | 3,207.5 | 3,541.4 | *10.4%* |
| EBITDA | 106.3 | 118.8 | *11.7%* |
| *EBITDA Margin (%)* | *3.3%* | *3.4%* | |
| **EBIT** | **92.9** | **104.5** | ***12.5%*** |
| *EBIT Margin (%)* | *2.9%* | *3.0%* | |
| **Profit Before Tax** | **71.6** | **80.1** | ***11.9%*** |

- Record revenue of $3.5b
- Record Profit before Tax of $80.1m up 11.9%
- Significant contribution from established Automotive dealerships
- Acquisitions and Greenfield developments adding to growth although impacting on margins
- Divestment of Gold Coast dealerships
- Queensland restructure completed


*Operating[1] – excludes costs and fees in relation to integration and acquisition-related activities, asset divestments, impairment and sale of properties.*

# Automotive representation

**87 Dealerships**
**151 Franchises**



# Strength of manufacturer relationships

AHG
AUTOMOTIVE HOLDINGS GROUP

- AHG represents 22 passenger brands in Australia including 11 of top 12
- Industry leading management model for dealerships
- Record of performance
- Long term partnerships
- Strong focus on automotive retail hubs with multiple dealerships, strong efficiencies
- Investment in state of the art facilities

# Automotive – Growth model

AHG AUTOMOTIVE HOLDINGS GROUP

## ORGANIC

- Significant contribution from established dealerships
- Automotive industry remains strong
- Geographic spread of dealerships
- Diversified portfolio of brands
- Centralised data systems
- Disciplined management processes
- History of performance

## GREENFIELD

**Castle Hill - Sydney**

- Hyundai and Holden trading profitably
- Nissan franchise now approved

**South Melbourne**

- Construction of Holden showroom completed October 2013
- Temporary Hyundai sales facility operating
- Holden/HSV and Hyundai service facilities operating
- New Hyundai showroom expected to be completed in Q1 2014

## ACQUISITIONS

**Victoria**

- Strategic investments to establish strong Victorian position
- Peninsula and Bayside group completed in April 2013 (Nissan, CJD and Suzuki)
- McMillan Toyota franchises completed in June 2013

**Western Australia**

- Jason Mazda in July 2013

**New Zealand**

- Davie Motors Holden
- New Nissan franchise
- Both are top-six franchises

# Automotive – New Melbourne Facilities

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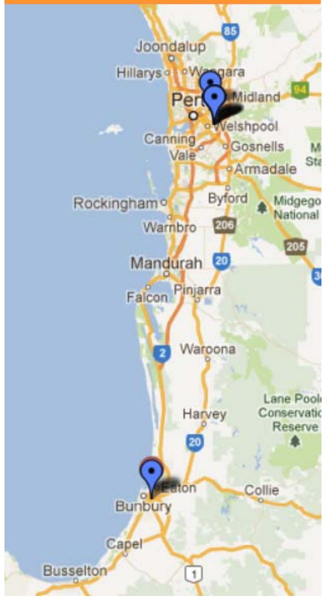
**Melbourne City Holden and HSV**
**Opened October 2013**


**Melbourne City Hyundai**
**Opening Q1 2014**

# Automotive - Trucks

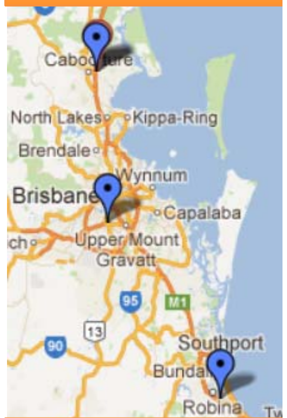
AHG AUTOMOTIVE HOLDINGS GROUP

*Western Australia*

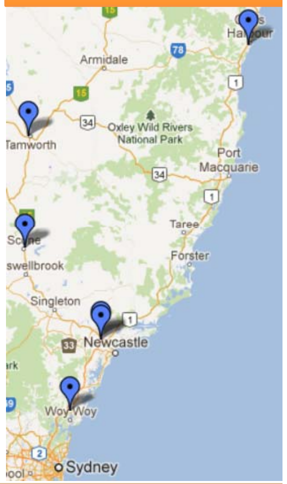



- Increased revenue and profit contribution from truck sales
- Acquisitions of Daimler Trucks Newcastle and Brisbane, Newcastle Hino and Iveco to expand national market reach
- Development of Newcastle Truck Hub (Freightliner, Mercedes, Fuso, Hino and Iveco)
- Perth, Newcastle and Brisbane provide greater exposure to the broader transport market.
- Strong brand representation nationally

*Queensland*

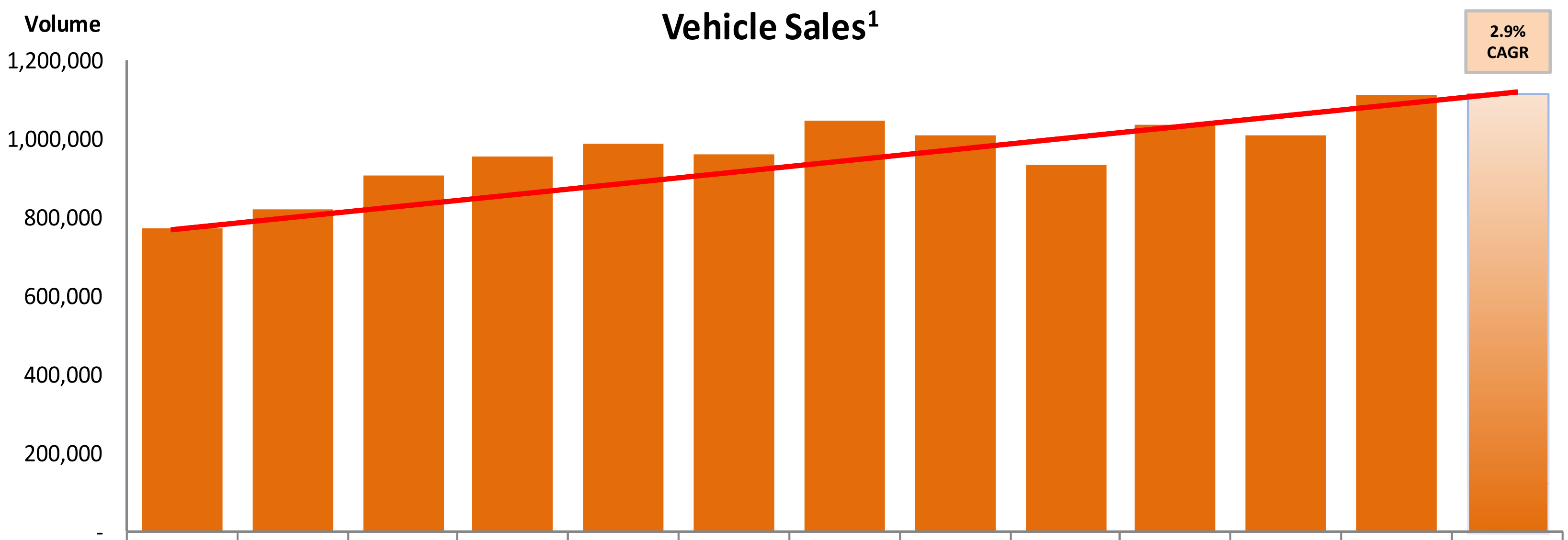



*New South Wales*




# Australia new vehicle sales

- Record new vehicle sales in CY2012
- Previous Australian record was CY2007




| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Vehicle Sales | 772,681 | 824,309 | 909,811 | 955,229 | 988,269 | 962,666 | 1,049,982 | 1,012,165 | 937,328 | 1,035,574 | 1,008,437 | 1,112,032 | 1,120,000 VFACTS[1] Forecast |

[1] *Federal Chamber of Automotive Industries VFACTS National Reports*

# Industry volume remains strong

AHG AUTOMOTIVE HOLDINGS GROUP

- Retail consumer demand remains strong
- Private sector up 9.7%
- Private sector represents 51.7% of the market
- AHG relatively unaffected by FBT issue


**YTD Sales Units Analysis History by buyer Type**

| NEW VEHICLE SALES UNITS | Jan-Sept CY12 | Jan-Sept CY13 | Jan-Sept '13 v Jan-Sept '12 |
|---|---|---|---|
| Private | 400,751 | 439,761 | 9.7% |
| Business | 315,658 | 316,805 | 0.4% |
| Government | 39,287 | 29,908 | -23.9% |
| Rental | 44,117 | 39,872 | -9.6% |
| Heavy Commercial | 22,861 | 23,598 | 3.2% |
| **Total** | **822,674** | **849,944** | **3.3%** |

**YTD Sales Units Analysis History by State**

| NEW VEHICLE SALES UNITS | Jan-Sept CY12 | Jan-Sept CY13 | Jan-Sept '13 v Jan-Sept '12 |
|---|---|---|---|
| NSW | 253,770 | 262,069 | 3.3% |
| VIC | 216,722 | 227,468 | 5.0% |
| QLD | 174,939 | 176,983 | 1.2% |
| WA | 94,087 | 95,137 | 1.1% |
| SA/TAS/ACT/NT | 83,156 | 88,287 | 6.2% |
| **Total** | **822,674** | **849,944** | **3.3%** |

# Logistics – Operating[1] Performance

AUTOMOTIVE HOLDINGS GROUP

| Operating[1] Performance Transport and Cold Storage | FY12 ($m) | FY13 ($m) | % change |
|---|---|---|---|
| Revenue | 325.2 | 390.0 | *19.9%* |
| EBITDA | 29.8 | 31.9 | *7.1%* |
| *EBITDA Margin (%)* | *9.2%* | *8.2%* | |
| **Profit Before Tax** | **14.6** | **16.1** | ***10.2%*** |

- Strong revenue improvement driven by organic growth and Toll Refrigerated acquisition
- Margins impacted by Toll Refrigerated integration
- H2 performance and margins affected by NSW and Queensland flooding and Riverina drought

| Operating[1] Performance Other Logistics *(AMCAP, Covs, KTM, GTB/VSE)* | FY12 ($m) | FY13 ($m) | % change |
|---|---|---|---|
| Revenue | 386.9 | 345.6 | *(10.7%)* |
| EBITDA | 16.5 | 16.6 | *0.6%* |
| *EBITDA Margin (%)* | *4.3%* | *4.8%* | |
| **Profit Before Tax** | **14.9** | **15.0** | ***0.7%*** |

- KTM produced a record profit
- AMCAP steady with moderate organic growth
- Covs affected by mining downturn
- Revenue affected by final closure of Coopers Plains (Zupps) parts business
- GTB/VSE turnaround with increased storage and demand for body building and engineering services

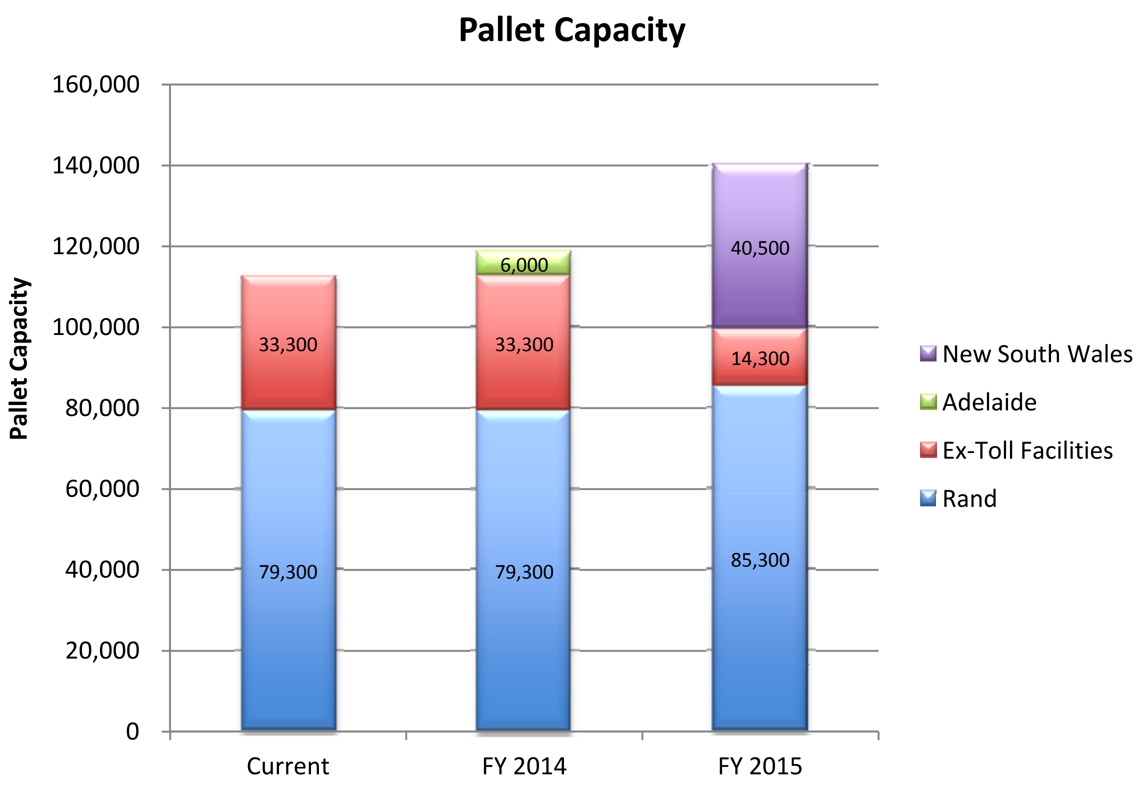





*Operating[1] – excludes costs and fees in relation to integration and acquisition-related activities, asset divestments, impairment and sale of properties.*

# Investment in new cold storage facilities






- National network with state of the art facilities across Australia
- New leased facilities constructed under turnkey developments funded by landlords
- All Rand facilities built to specific AHG design objectives to maximise operational efficiencies and ROI

# Balance Sheet supports further growth opportunities

AHG AUTOMOTIVE HOLDINGS GROUP

## Balance Sheet

| Net Debt | 30 JUN 2012 | 30 JUN 2013 |
|---|---|---|
| Total Borrowings | 654.0 | 768.8 |
| Inventory Finance (Floorplan) | (501.9) | (578.7) |
| Cash & Cash Equivalents | (81.4) | (97.4) |
| **Net Debt** | **70.7** | **92.6** |
| Net Debt to Total Assets (excluding Floorplan and Cash) | 8.7% | 10.2% |

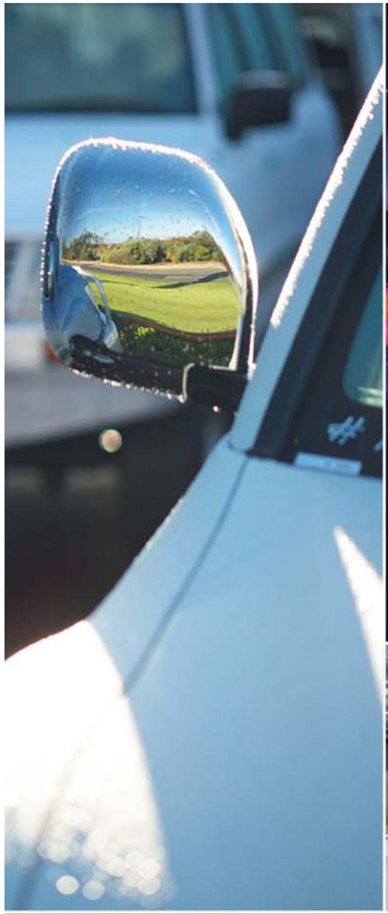
| FY2013 Acquisitions | Consideration |
|---|---|
| Toll Refrigerated | $6.2m |
| Coffey Ford | $3.8m |
| Newcastle and Brisbane Trucks | $13.7m |
| Bayside / Peninsula Group | $9.0m |
| McMillan Toyota | $19.5m |
| | **$52.2m** |

- $135.4 million cash and undrawn commercial bill facilities at 30 June 2013
- Final FY2013 fully franked dividend of $0.12 ($31.3 million) to be paid October 2013
- Continued investment in Castle Hill and South Melbourne Greenfield sites scheduled in FY2014

# Investment Highlights

AUTOMOTIVE HOLDINGS GROUP

- Track record of consistent underlying net profit and dividend growth
- Diversified revenue and profit through Automotive and Logistics businesses
- Automotive growth from greenfield site investment , acquisitions and organic growth
- Logistics businesses well placed to leverage market position and organically grow
- Continued investment in strategic and accretive acquisitions that complement existing portfolio
- Experienced and proven management team focused on delivering shareholder value
- Strong balance sheet providing capacity to fund further growth opportunities
- Strong operating cash flows supporting growth

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AUTOMOTIVE HOLDINGS GROUP