



# ASG Full Year Investor Presentation

August 2017

---

# PRESENTING TODAY

---



**Nick Pagent**

*Managing Director and CEO*

- Group CEO since formation of the Autosports Group in 2006
- 21 years of motor vehicle industry experience in Australia and the UK including:
  - Director Sales, Mercedes-Benz London North East, UK (2004-2005)
  - Head of Business, Executive Audi, St Albans, Hertfordshire, UK (2002-2004)
  - GM of Honda, Audi, MG Rover, Alfa Romeo at Trivett Classic Group (1997-2002)



**Aaron Murray**

*CFO*

- Group CFO since 2009 after joining the group in 2007
- 21 years of motor vehicle industry experience gained from:
  - Autosports Group (2007 to current)
  - Audi Centre Parramatta (2005-2006)
  - McMillan VW (2004-2005)
  - Trivett Classic (1996-2004)



# AGENDA

---

FY 2017 HIGHLIGHTS

FY 2017 GROUP PERFORMANCE OVERVIEW

FY 2017 STRATEGIC UPDATE

BMW MELBOURNE ACQUISITION & FY 2018 OUTLOOK

Q & A

ADDITIONAL INFORMATION



**FY 2017 HIGHLIGHTS**

FY 2017 GROUP PERFORMANCE OVERVIEW

FY 2017 STRATEGIC UPDATE

BMW MELBOURNE ACQUISITION & FY 2018 OUTLOOK

Q & A

ADDITIONAL INFORMATION



# FY17 HIGHLIGHTS

- ✓ Statutory NPBT for the period 18 November 2016 to 30 June 2017 of \$18.4M exceeding prospectus of \$13.3M by 38.35%
- ✓ Pro forma exceeded prospectus forecast at NPBT, EBIT, EBITDA, NPAT & NPATA
- ✓ Pro forma NPBT up 45% on FY16
- ✓ A first dividend of 4.6c per share fully franked
- ✓ Result delivered on the back of:-
  - Record New Car and Used Car markets
  - Continuing growth of ASG's 11 greenfields sites
  - Vehicle service, parts & collision repairs growing strongly
  - Immediately accretive Doncaster BMW acquisition





FY 2017 HIGHLIGHTS

**FY 2017 GROUP PERFORMANCE OVERVIEW**

FY 2017 STRATEGIC UPDATE

BMW MELBOURNE ACQUISITION & FY 2018 OUTLOOK

Q & A

ADDITIONAL INFORMATION



# FY17 PRO FORMA FINANCIAL HIGHLIGHTS

---

- ✓ ASG, including Doncaster BMW\*, produced revenue of \$1.446B up 14.2% on FY16
- ✓ Organic Growth contributed 57.8% of ASG's revenue growth
- ✓ Gross margins grew from 14.0% in FY16 to 14.9%

- ✓ ASG, including Doncaster BMW, achieved EBITDA of \$55.1M up 34.8% on FY16
- ✓ EBITDA prospectus forecast exceeded by \$2.8M or 5.2%
- ✓ EBITDA margins grew from 3.2% in FY16 to 3.8%
- ✓ EBITDA exclusive of Doncaster BMW exceeded prospectus forecast at \$52.7M

- ✓ ASG, including Doncaster BMW, achieved an NPBT of \$38.7M up 45% on FY16
- ✓ NPBT margins grew from 2.1% in FY16 to 2.7%
- ✓ NPATA prospectus forecast exceeded by \$1.2M or 4.4%
- ✓ NPAT and NPATA exclusive of BMW Doncaster exceeded prospectus forecast at \$26.1M and \$28.3M respectively

- ✓ ASG delivered EPS of 13.47c
- ✓ ASG's interest rate coverage is 6.25 x EBITDA
- ✓ Doncaster BMW immediately accretive, contribution revenues of \$51.4M, EBITDA of \$2.4M and margin of 18.1%

\* Incorporating Doncaster BMW, Alpina, Mini & Motorrad, Bundoora BMW, Motorrad and Bodyshop



# STATUTORY FINANCIALS: 18 NOV 16 TO 30 JUN 17

## Statutory Highlights

- **Statutory result exceeds forecast**
- **Includes IPO and acquisition related costs of \$9.98M**
- **Impacted positively by:**
  - **December quarter income recognition dates**
  - **Impact of BMW Doncaster in June quarter**
  - **18 November 2016 listing saw November revenue recognised primarily after listing**
- **Net cash flow from operating activities \$24.2M**

	Statutory History					
	Historical			Prospectus	Actuals	
	Aggregated accounts (statutory)			Forecast	FY17	
\$m	FY14	FY15	FY16	FY17	FY17	
Total Revenue	461.6	824.3	1032.6	901.5	906.1	
Gross Profit	66.4	115.4	138.5	128.4	142.6	
EBITDA	17.3	25.4	32.1	23.1	28.4	
EBIT	15.7	23.1	29.6	18.5	23.8	
NPBT	12.7	17.5	24	13.1	18.4	
NPAT	8.7	11.7	15.4	6.1	12.3	

*\*For financial period 18 Nov17 to 30 Jun17. Doncaster BMW included from settlement date 1 Apr17*





# 2017 PROFORMA RESULT

\$'000	Prospectus Forecast	Actuals FY17
<b>Total revenue</b>	<b>1,445,107</b>	<b>1,446,195</b>
Cost of goods sold	(1,236,771)	(1,231,397)
<b>Gross profit</b>	<b>208,336</b>	<b>214,798</b>
Operating expenses	(155,926)	(159,664)
<b>EBITDA</b>	<b>52,410</b>	<b>55,134</b>
Depreciation & amortisation	(7,301)	(7,643)
<b>EBIT</b>	<b>45,109</b>	<b>47,491</b>
Floorplan & Corporate interest	(8,014)	(8,818)
<b>NPBT</b>	<b>37,095</b>	<b>38,673</b>
Income Tax Expense	(11,128)	(11,602)
<b>NPAT</b>	<b>25,966</b>	<b>27,071</b>
Share of profits attributable to non-controlling interest	(301)	(292)
<b>NPAT Attributable to shareholders of ASG</b>	<b>25,665</b>	<b>26,779</b>
Acquisition Amortisation	2,500	2,614
<b>NPATA Attributable to ASG Shareholders</b>	<b>28,165</b>	<b>29,393</b>

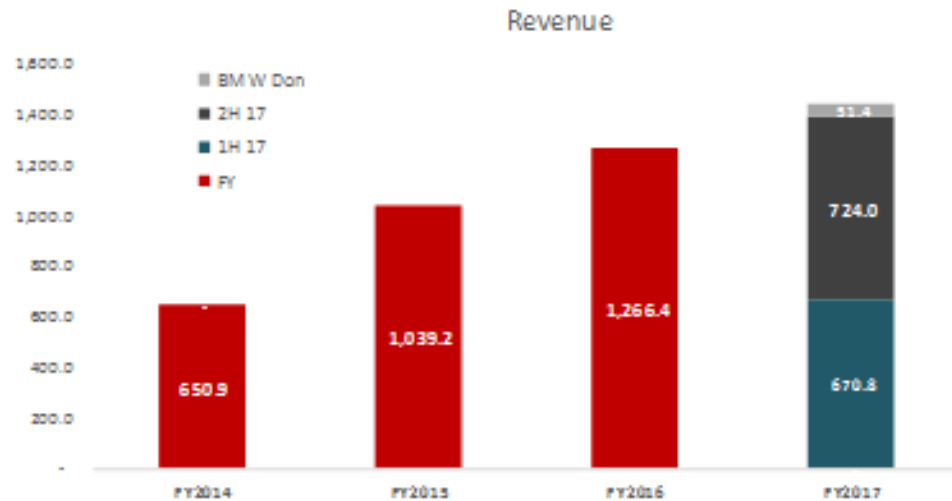
## BASIS OF PREPARATION

- Volvo Cars Brighton which settled on 12 September 2016 and Willims 5 dealerships that settled on 18 November 2016 have been included in the pro forma financials
- All other dealerships, including the TIMG acquisition (now Doncaster BMW) which settled in April 2017 have been included from the time of establishment/ acquisition
- Pro forma adjustments have been made for non-trading expenses (refer pro forma adjustments summary)

## BMW IMPACT

- Doncaster BMW settled in April 2017 and was immediately accretive
- NPBT margins for the June quarter were 2.6% for Doncaster BMW
- Doncaster BMW contributed revenues of \$51.4M, EBITDA of \$2.4M and NPATA of \$1.1M in the June 17 quarter

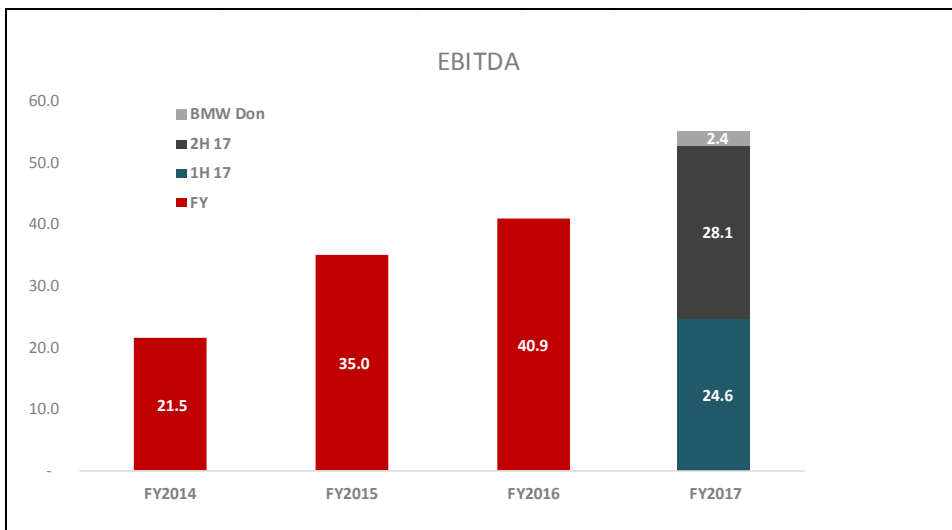
# PRO FORMA FINANCIAL TRENDS – REVENUE & EBITDA



FY Growth	FY2014	FY2015	FY2016	FY2017
	--	59.7%	21.9%	14.2%

## REVENUE

- ✓ Revenue growth of 14.2% in FY17
- ✓ 2014-2017FY revenue growth CAGR of 30.5%
- ✓ Seasonality in line with prospectus disclosures
- ✓ Doncaster BMW acquisition adds \$51.4M in revenue

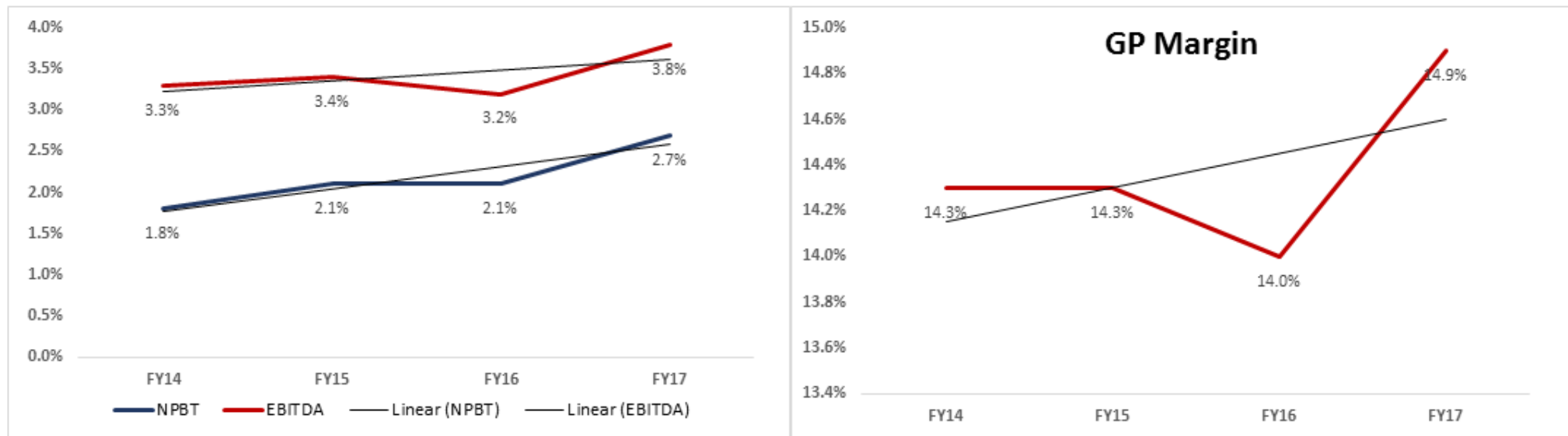


FY Growth	FY2014	FY2015	FY2016	FY2017
	--	62.6%	17.0%	34.8%

## EBITDA

- ✓ EBITDA growth of 34.8% in FY17
- ✓ 2014-2017FY EBITDA growth CAGR of 36.9%
- ✓ Doncaster BMW immediately accretive by \$2.4M
- ✓ Excluding Doncaster BMW exceeds pro forma forecast at \$52.7M

# PRO FORMA FINANCIAL TRENDS - MARGIN



## Margin Growth Drivers

- Greenfields sites continue to mature; 11 ASG dealerships are still under 5 years old
- FY16 margins impacted by 6 greenfields sites under 24 months since establishment
- A full year contribution from Pat Cole's Autobody which is a higher margin business
- Doncaster BMW delivered high margins for the June quarter reflecting the end of financial year seasonality of the market
- 100% of ASG's acquisition led growth came in Luxury brands
- Back-end Revenue streams of Service (+44%) and Parts (+13.1%) helped to improve overall margins

\* All margins are pro forma and include Doncaster BMW

# KEY PERFORMANCE INDICATORS

- ✓ New Vehicle units up 8.3% and revenue up 14.8%
- ✓ Excluding Doncaster BMW, new car volume fell short of prospectus by 12.7%
- ✓ Increasing revenue per unit sale has supported margin growth during FY17

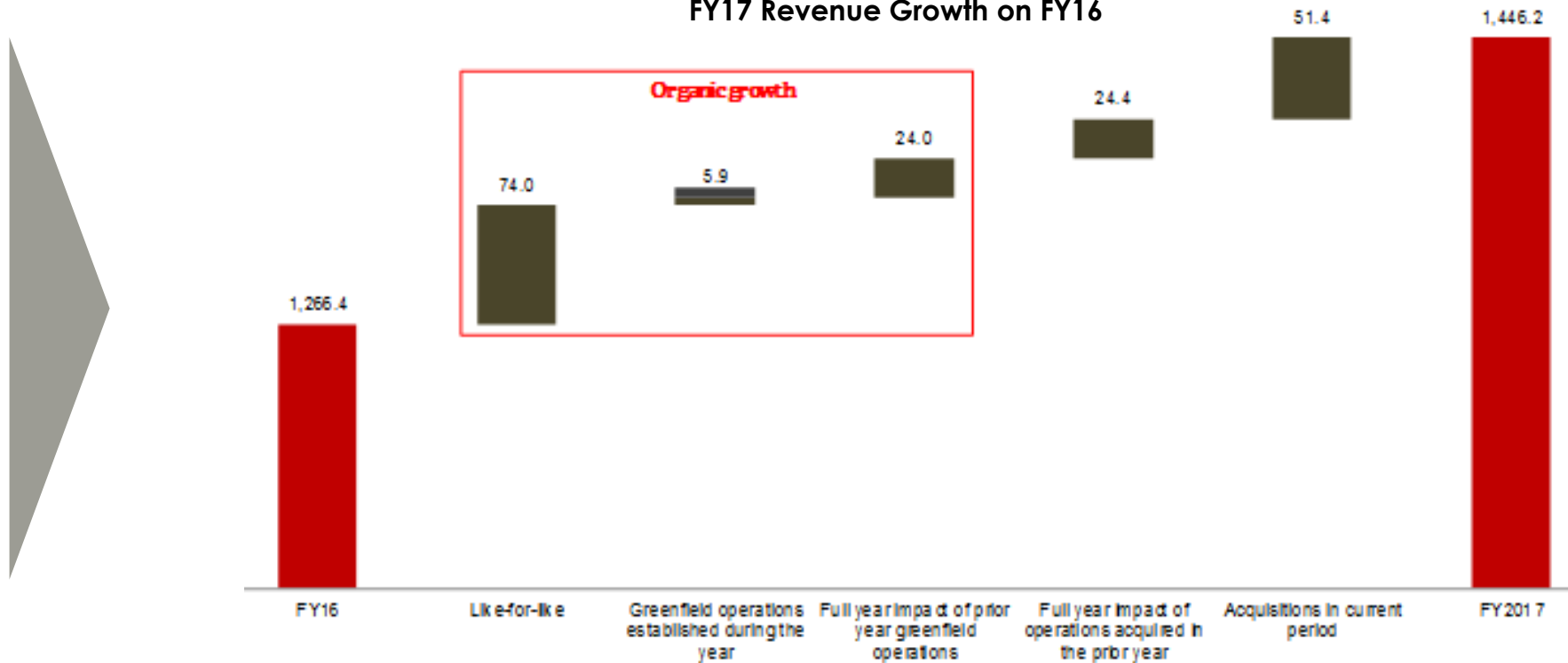
- ✓ Used Vehicle units up 9.8% in volume and 8.7% in revenue
- ✓ Pro form Finance and Insurance Income grew 34% in FY17 on pcp

- ✓ Op Ex affected by acquisitions
- ✓ Scale will drive opportunities
- ✓ Good stock management processes delivered stable bailment ratios

Y/E 30 June	Pro forma historical			Total Group
	FY2014	FY 2015	FY2016	FY2017 Total
# Dealerships and collision repair facilities (year end)	16	21	26	34
Organic revenue growth as % of total revenue growth (Like for like)	n/a	38.0%	92.1%	57.8%
# New Vehicles sales	6,647	12,633	15,483	16,766
# Used Vehicle sales	8,099	10,711	15,293	16,794
Gross profit margin	14.3%	14.3%	14.0%	14.9%
EBITDA margin	3.3%	3.4%	3.2%	3.8%
Cash conversion ratio	57.0%	107.5%	99.1%	92.7%
Opex as % revenue	11.0%	10.9%	10.7%	11.0%
Floorplan interest / Vehicle sales revenue	0.8%	0.7%	0.6%	0.6%

# REVENUE BRIDGE

FY17 Revenue Growth on FY16



## ASG'S Growth Drivers

- Organic Growth continues to be the primary driver of growth at ASG contributing 57.8% of the Group's revenue growth despite the \$51.4M contribution of Doncaster BMW
- Organic Growth has been driven by maturing greenfields sites contributing an additional \$29.9M in revenue and improvements in like-for-like growth of \$74M in revenue
- 100% of ASG's acquisition led growth has come in the Luxury segment which has assisted gross margin improvements to 14.9% in the 2017FY
- The addition of BMW, Mini, Motorrad, Alpina and Volvo in Melbourne has broadened ASG's revenue base and increased its coverage in the Luxury segment

# STRONG BALANCE SHEET

Pro Forma Balance Sheet	30-Jun-17
Total Borrowings	311,013
Cash & Cash Equivalents	(14,903)
<b>Net Debt</b>	<b>296,110</b>
Inventory Finance (Floorplan)	(271,736)
Net Debt / (Cash) - Excluding Floorplan Finance	24,374
<b>Net Debt + Equity</b>	<b>516,047</b>
<b>Excluding Floorplan Finance</b>	
<b>Key Ratios</b>	
Pro Forma interest cover - EBITDA	6.25

## BASIS OF PREPARATION

- Pro forma balance sheet and key ratios include all businesses 12 month trading profit
- Includes Doncaster BMW

## MAJOR MOVEMENTS SINCE 31 DEC 2016

- Additional \$18.5m capital loans drawn in April 17 to fund settlement of TIMG (Doncaster BMW) Acquisition
- Additional floorplan facilities of \$53.25m added in April 17 to cover TIMG (Doncaster BMW) inventory

# PRO FORMA CASH FLOW

- ✓ ASG typically receives payment for vehicles upon delivery (either from the customer or consumer finance company)
- ✓ Cash typically remitted to floor plan financier within 2 days of delivery of motor vehicle
- ✓ Use of floor plan finance minimises investment in inventory
- ✓ Non-cash expenses relates to the share based payment change in relation to the component of the LTI & STI scheme
- ✓ Includes Doncaster BMW from 1 April 2017

\$m	Pro forma Historical		Prospectus Forecast	Actual FY17	% of F cast
	FY2105	FY2016			
<b>EBITDA</b>	<b>35.0</b>	<b>40.9</b>	<b>52.4</b>	<b>55.1</b>	<b>105.2%</b>
Movement in working capital	(1.1)	(4.7)	(3.9)	(10.3)	
Other non-cash items included in EBITDA	0	0	0.7	0.7	
<b>Operating cash flow</b>	<b>33.9</b>	<b>36.2</b>	<b>49.2</b>	<b>45.5</b>	<b>92.5%</b>
Floorplan interest	(5.8)	(6.9)	(7.0)	(6.8)	
Maintenance capital expenditure	(2.5)	(2.5)	(1.7)	(0.7)	
<b>Operating cash flow after floorplan interest and maintenance capital expenditure</b>	<b>25.60</b>	<b>26.7</b>	<b>40.50</b>	<b>38.0</b>	<b>93.9%</b>
Cash conversion *	107.5%	99.1%	104.6%	92.7%	
Growth capital expenditure	(3.2)	(2.7)	(7.7)	(9.0)	
Net acquisitions	(4.5)	(3.9)	-	(6.8)	
<b>Net cash flow before corporate financing and taxation</b>	<b>17.90</b>	<b>20.1</b>	<b>32.8</b>	<b>22.2</b>	<b>67.7%</b>

\* Operating cash flows post floor plan financing and maintenance capital expenditure / EBIT after floorplan financing interest



FY 2017 HIGHLIGHTS

FY 2017 GROUP PERFORMANCE OVERVIEW

**FY 2017 STRATEGIC UPDATE**

BMW MELBOURNE ACQUISITION & FY 2018 OUTLOOK

Q & A

ADDITIONAL INFORMATION





# FY 2017 STRATEGIC UPDATE

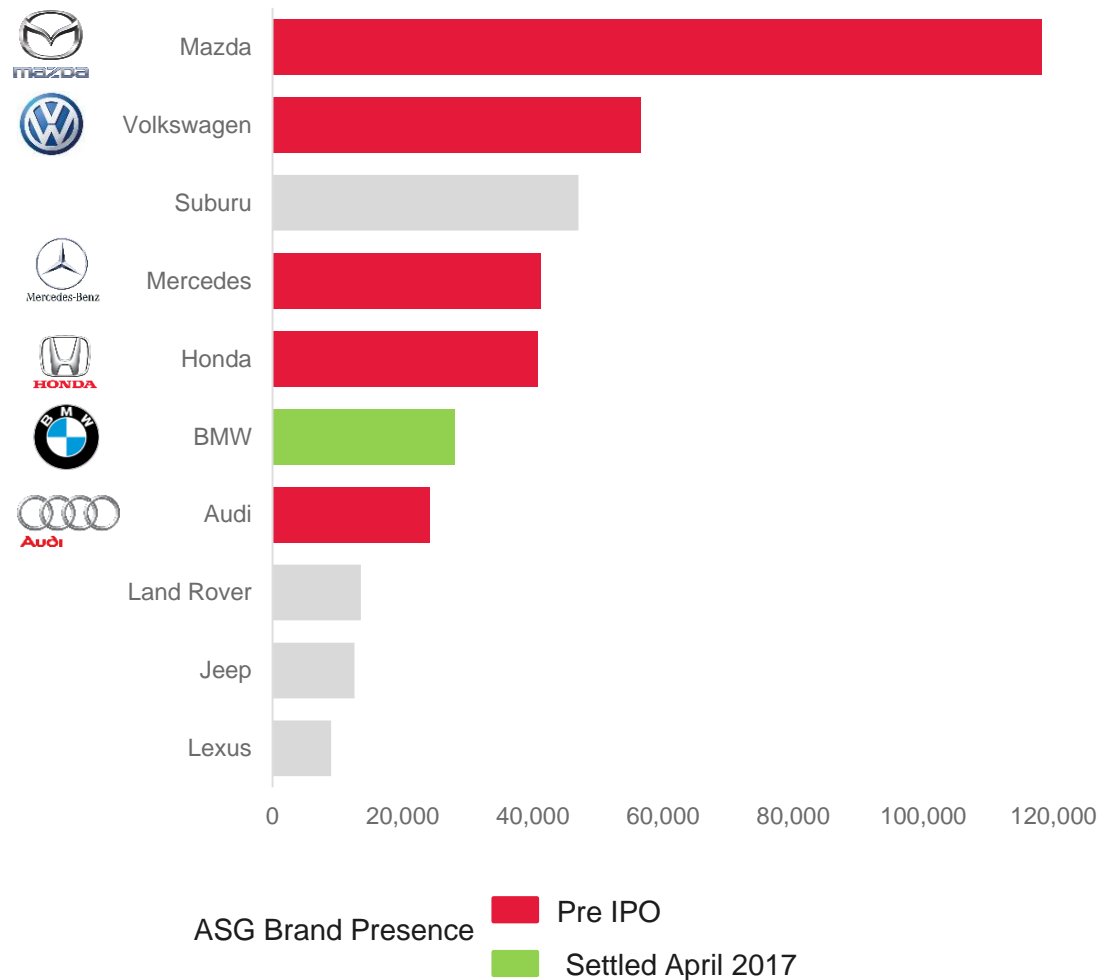
## What we said?

- **Prestige & Luxury brands**
- **Major cities East Coast**
- **Growth will be driven organically**
- **Greenfields sites will supplement organic growth**
- **Acquisition opportunities from fragmented market**

## What we did?

- **Greenfields site: Volvo Cars Rushcutters Bay in Sydney**
- **Unlocked organic growth capacity in Sydney with facility investments**
- **Grew in Brisbane: Willims acquisition**
- **Grew in Melbourne: Doncaster BMW acquisition**
- **Expanded brand portfolio adding BMW, Mini, Alpina and BMW Motorcycles**

TOP 10 PRESTIGE AND LUXURY BRANDS IN AUSTRALIA (2016, by volume of vehicles)



# DIVERSIFIED REVENUE MODEL

Multiple Income Streams give ASG, strength, flexibility and resilience. They give ASG multiple levers to drive sustainable growth



## FRONT-END

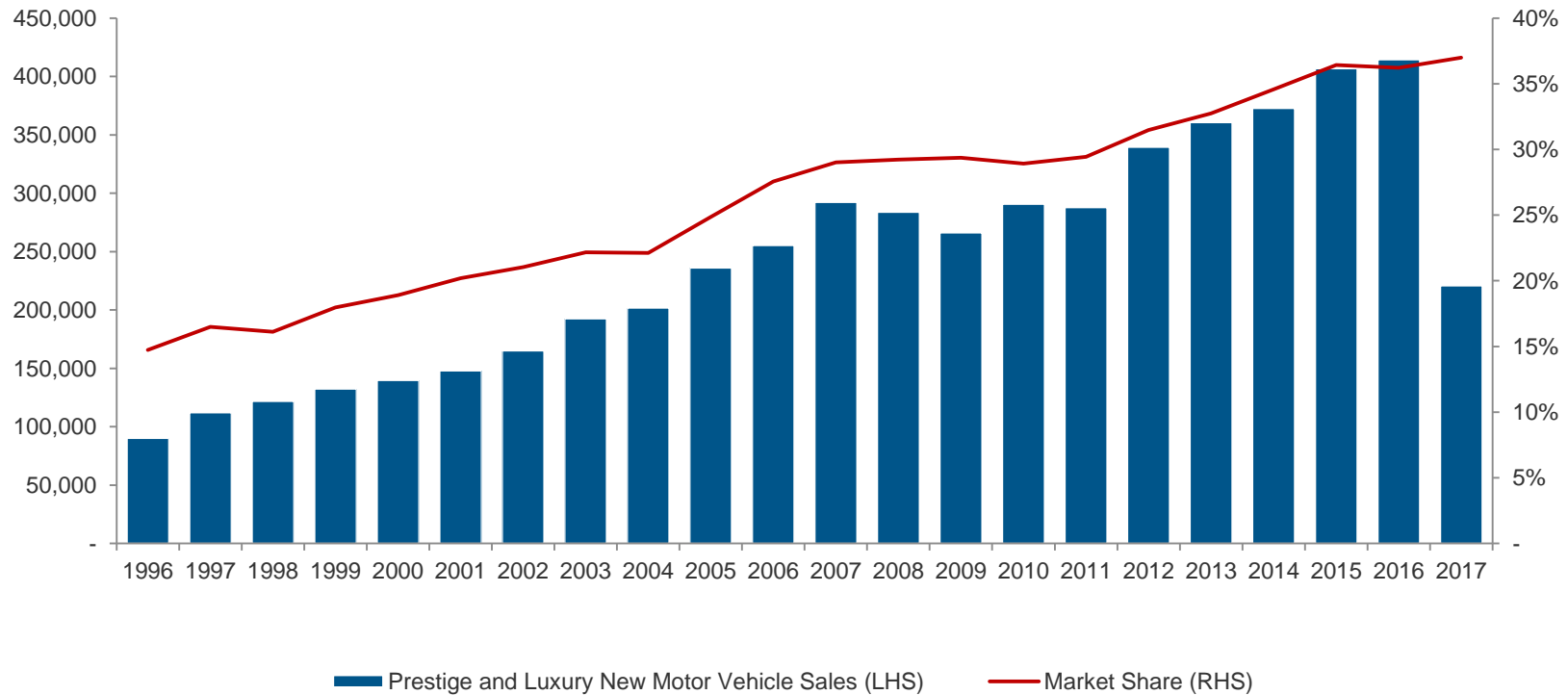
- ✓ Stable but growing New and Used car market
- ✓ Increasing customer preference for Luxury brands
- ✓ Supported by low interest rates, increasing car affordability and high volume of SUV model introductions
- ✓ New car market is protected by franchise agreements
- ✓ Continued growth in Finance and Insurance revenue

## BACK-END

- ✓ Growth enhanced by maturing greenfields and growth brands
- ✓ Gross Margin materially higher in the back-end
- ✓ More predictable income streams supported by servicing schedules
- ✓ Luxury Panel Repair under represented
- ✓ Parts Income protected by Service & Panel
- ✓ Scale delivers synergies

# NEW VEHICLE MARKET UPDATE

- ✓ Total Market remains at record levels 0.2% up at June 2017 YTD
- ✓ Largest markets NSW, QLD & VIC comprise 83% of the total new car market
- ✓ SUV out-selling sedan for the first time
- ✓ After a slow start to the calendar year on Vfacts, record months in May, June and July have restored the market to record growth
- ✓ July 2017 YTD calendar year sees Mercedes-Benz, Maserati, Bentley, Alfa Romeo, Honda, Mazda, Mini and Alpina up on pcp
- ✓ Audi, BMW, Volkswagen, Lamborghini and Volvo all experienced reductions on pcp



Source: VFacts

# USED CARS – GROWTH WITH OPPORTUNITY

- ✓ The FCAI estimate the used car retail market at 2.2m vehicles which is double the size of the new car market
- ✓ ASG's used car retail hub strategy continues to perform strongly
- ✓ Used vehicle revenue was up 8.7% in 2017FY
- ✓ Used car volume grew by 1501 units or 9.8%
- ✓ Doncaster BMW contributes 327 units of this growth
- ✓ ASG currently operates Used Car Retail hubs in Sydney and Brisbane
- ✓ Hubs are considered more efficient for stock management, concentration of expertise and cost management
- ✓ Warehouse facilities reduce fixed expenses and increase capacity
- ✓ Doncaster BMW gives our Victorian operation the scale to commence a Melbourne hub in 2018FY



# AFTERSALES | BACKEND GROWTH-IMPROVING THE MIX

Growth in Service, Parts & Collision Repair continues to drive growth for ASG

ASG's business model benefits from inbuilt growth in back-end revenue from a maturing service, parts and panel customer base

Growth more pronounced in greenfields sites under 5 years old

ASG has 11 greenfields sites under 5 years old

Aftersales / Back-end income has a superior margin profile

Back-end income is predictable and recurring income streams

Back-end income is insulated from market fluctuations

## Service & Collision Repair

- 2017FY Revenue Growth up 44%
- Delivered investments in Audi, Volvo and Volkswagen to grow capacity in this high margin revenue centre
- 2018FY will see further capacity expansion at Audi Indooroopilly and Volvo Cars Sydney to help drive organic growth
- TIMG acquisition (Doncaster BMW) also saw the addition of a 3<sup>rd</sup> OEM approved collision repair centre

## Parts

- 2017FY Revenue Growth up 13.1% driven largely through Service growth
- Parts revenue and margin enhanced by ASG's expansion in collision repair
- 2018FY focus on improvements in warehousing synergies and cost of business initiatives in Brisbane and Melbourne



FY 2017 HIGHLIGHTS

FY 2017 GROUP PERFORMANCE OVERVIEW

FY 2017 STRATEGIC UPDATE

**BMW MELBOURNE ACQUISITION & FY 2018 OUTLOOK**

Q & A

ADDITIONAL INFORMATION



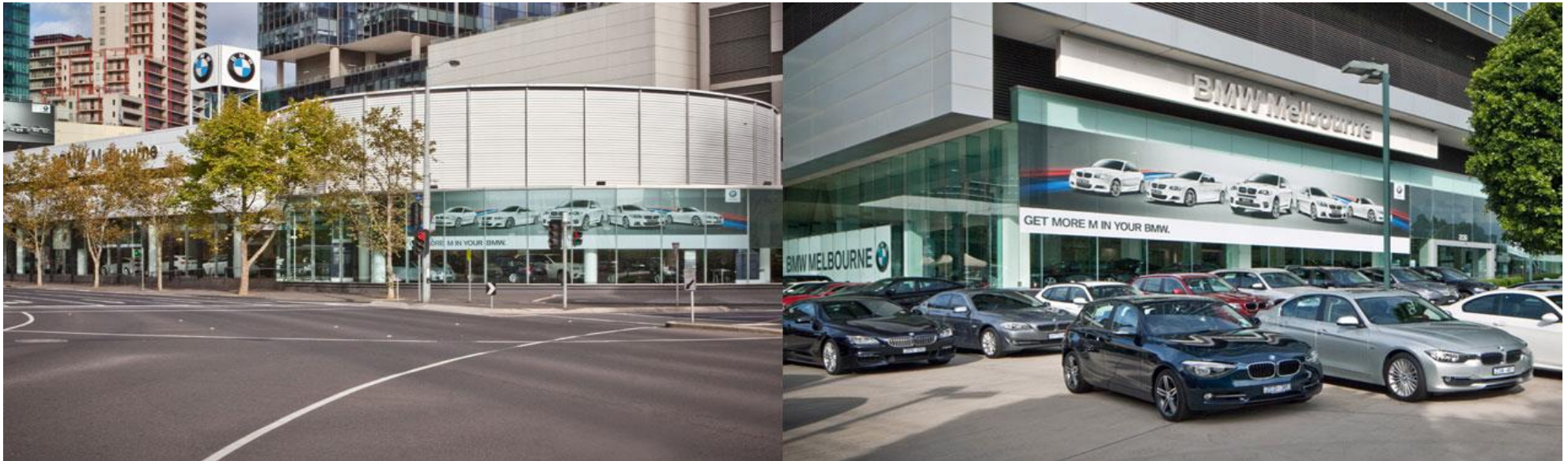
# BMW MELBOURNE ACQUISITION

## ASG STRATEGY FIT

- ✓ Luxury Brands
- ✓ Melbourne
- ✓ BMW, Mini & Panel
- ✓ Long term staff
- ✓ Synergies available with Doncaster BMW and Bundoora BMW

## SCALE

- ✓ Revenue approximately \$238M
- ✓ Staff 197
- ✓ Victorian market is Australia's fastest growing market with 4.4% growth YTD
- ✓ BMW Melbourne is not expected to be accretive in FY18 but is expected to move to ASG margins within 3 years of acquisition



# BMW MELBOURNE ACQUISITION



## THE DEAL

- ❑ \$22M for the business, IP and goodwill
- ❑ Plant & Equipment at valuation
- ❑ Stock at valuation

## FUNDING

- ❑ Cash reserves and debt facility from BMW Finance

## GEARING

- ❑ Consolidated ASG corporate debt remains well under 1 x EBITDA leaving good capacity for further acquisition growth

## SETTLEMENT

- ❑ Planned for November 2017



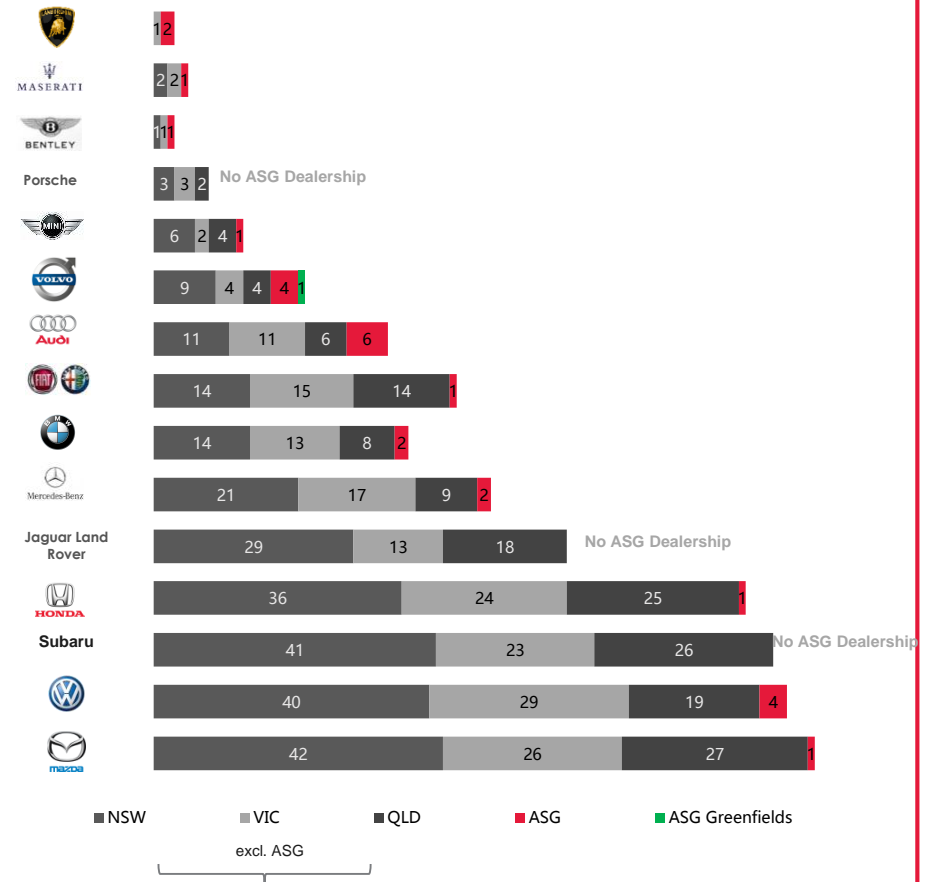


# GROWTH WITH OPPORTUNITY

## GROWTH

- ✓ ASG now operates 34 (not including acquisitions and greenfields sites in second half FY2018) of approximately 540 new car prestige or luxury dealerships on the East Coast of Australia
- ✓ The industry remains highly fragmented
- ✓ Consolidation opportunities are being driven by:
  - Increasing industry regulation
  - Retirement of private dealership owners
  - OEM's preference for larger and well capitalised partners
- ✓ ASG remains well positioned to take advantage of targeted acquisition and greenfields opportunities

## WITH OPPORTUNITY



Source: Number of East Coast Prestige and Luxury Dealerships calculated as at May 2017 based on information sourced from the above OEM websites

# 2018 FOCUS AREAS

---

## Organic Growth & Operations Improvements

- ✓ Delivering further EPS growth from acquisitions
- ✓ Deliver improvements in synergies and logistics in our Victorian division
- ✓ Continue to drive organic growth in like-for-like sites by expanding Aftersales capacity, principally via Audi Indooroopilly, Volvo Cars Sydney and Leichhardt Alfa Romeo
- ✓ Pursue organic growth in used cars through ASG's Prestige Auto Traders model by taking advantage of the Group's growth in supply of vehicle trade-ins and business to business opportunities
- ✓ Continue to improve the performance of greenfields sites to improve margins and bring these greenfields businesses through to maturity

## Greenfields & Acquisition Growth

- ✓ Launch a new greenfields site for Volvo in Rushcutters Bay in Sydney and expand our Queensland super-luxury representation with Bentley and Maserati on the Gold Coast
- ✓ Complete the acquisition of the BMW Melbourne business and integrate this business successfully
- ✓ Continued focus on targeted acquisitions on the East Coast in Luxury and Prestige brands



# RESULTS SUMMARY

---

## 2017FY Recap

- ✓ Exceeded pro forma prospectus forecast at NPBT, EBIT, EBITDA, NPAT & NPATA
- ✓ Completed the EPS accretive acquisition of Doncaster BMW adding the brands of BMW, Mini, Alpina and BMW Motorcycles to the ASG portfolio
- ✓ Announced the complementary acquisition of BMW Melbourne from BMW Group Australia to be completed in November 2017
- ✓ Delivered pro forma organic growth of 57.8%

## ASG's Outlook

- ✓ ASG continues to have a clear and focused strategy to grow in Prestige and Luxury Brands in major metropolitan areas
- ✓ ASG enjoys a revenue model that benefits from diverse revenue streams; making ASG resilient
- ✓ ASG expects further growth from the maturation of its 11 greenfield sites under 5 years old
- ✓ ASG does not expect to be affected by any regulatory changes to Finance and Insurance income models
- ✓ ASG is well positioned and well capitalised to take advantage of growth opportunities





FY 2017 HIGHLIGHTS

FY 2017 GROUP PERFORMANCE OVERVIEW

FY 2017 STRATEGIC UPDATE

BMW MELBOURNE ACQUISITION & FY 2018 OUTLOOK

**Q & A**

ADDITIONAL INFORMATION





FY 2017 HIGHLIGHTS

FY 2017 GROUP PERFORMANCE OVERVIEW

FY 2017 STRATEGIC UPDATE


























BMW MELBOURNE ACQUISITION & FY 2018 OUTLOOK

Q & A

**ADDITIONAL INFORMATION**



# ASG BRAND PORTFOLIO

LUXURY (22)	PRESTIGE (7)	USED CAR DEALERSHIPS (2)	COLLISION REPAIR FACILITIES (3)	ACQUISITIONS GREENFIELDS FY18
 (6) <b>Audi</b>	 (4)	 (1)	Authorised by:	 <b>BMW Melbourne</b> (1) *
 (4)	 (1) <b>mazda</b>		 <b>Audi</b>	 <b>BMW Motorrad</b> (1) *
 (2) <b>Mercedes-Benz</b>	 (1) <b>HONDA</b>	<b>autosports brisbane</b> ® (1)	 <b>Mercedes-Benz</b>	 <b>BMW Melbourne Bodyshop</b> (1) *
 (2)	  (1)			 (1) *
 (1) <b>MASERATI</b>				 (1)
 (1) <b>BENTLEY</b>				
 (2)				
 (1)				
 (1)				
 <b>BMW Motorrad</b> (2)				

\* Subject to settlement

# CAPITAL STRUCTURE

## Pro Forma 30 June 2017 Capital Structure

Facility	\$m
Capital Loans	36.5
Other Loans & Hire Purchase facilities	2.8
Cash	(14.9)
<b>Pro forma Net debt / (cash) (Excluding floorplan finance)</b>	<b>24.4</b>
Net Debt (Cash) / FY2017 EBITDA (adjusted)*	0.4 x
Floorplan Finance	271.7
<b>Total Net Debt</b>	<b>296.1</b>



\*\* Full year FY17 EBITDA used for calculation. EBITDA Adjusted to include floorplan finance interest

## Capital Loans as at 30 June 2017

Finance company	Total '000	Total Term
OEM	102	40 Months
BMW Finance	18,342	10 Months
Macquarie	3,235	7 Years
Mercedes Benz Finance	2,568	5-10 Years
Volkswagen Financial Services	12,241	4-9 Years
Hunter Premium Funding	46	5-15 Years
<b>Total</b>	<b>36,534</b>	

- ✓ ASG's strong cash generation results in a capital light business
- ✓ Floorplan finance supports inventory holdings minimising cash required for holding stock
- ✓ \* Minor capital loans at 0.4x EBITDA. All capital loans have been drawn to acquire businesses, establish greenfield sites or to renovate and expand existing facilities
- ✓ At 30 June 2017, 85% of floorplan facilities are with OEM financiers



# STATUTORY TO PRO FORMA RECONCILIATION

## Pro forma adjustments to statutory income statement

	Pro forma Actual Consolidated 30-Jun-17 \$m
<b>Statutory revenue</b>	<b>906.1</b>
Pre completion ASG trading from 1 July 2016 to completion	404.6
Pre completion trading for acquisitions (Acquired Willims Business and Volvo Cars Brighton) from 1 July 2016 to completion	100.8
*Statutory revenue Reclass	34.7
<b>Pro forma revenue</b>	<b>1,446.2</b>
<b>Statutory PBT</b>	<b>18.4</b>
Pre completion ASG trading from 1 July 2016 to completion	8.2
Pre completion trading for acquisitions (Acquired Willims Business and Volvo Cars Brighton) from 1 July 2016 to completion	2.5
Acquisition costs	4.9
Offer costs	6.4
Public company costs & KMP Adjust	(0.9)
Acquisition amortisation	(1.3)
Employee gift offer	0.5
<b>Total pro forma adjustments</b>	<b>20.3</b>
<b>Pro forma PBT</b>	<b>38.7</b>

\* Add other revenue items classed as COGS for statutory accounts



# 2017 PROFORMA RESULT DETAIL

\$'000	Prospectus	ACTUALS
	Forecast	FY17
New Vehicles	879,601	840,693
Used Vehicles	353,402	378,495
Parts	67,457	71,151
Service	65,110	74,308
Aftermarket	13,496	10,538
Finance and insurance	21,400	22,031
TOTAL Other revenue	44,641	48,979
<b>Total revenue</b>	<b>1,445,107</b>	<b>1,446,195</b>
Cost of goods sold	(1,236,771)	(1,231,397)
<b>Gross profit</b>	<b>208,336</b>	<b>214,798</b>
Operating expenses	(155,926)	(159,664)
<b>EBITDA</b>	<b>52,410</b>	<b>55,134</b>
Depreciation & amortisation	(7,301)	(7,643)
<b>EBIT</b>	<b>45,109</b>	<b>47,491</b>
Floorplan & Corporate interest	(8,014)	(8,818)
<b>NPBT</b>	<b>37,095</b>	<b>38,673</b>
Income Tax Expense	(11,128)	(11,602)
<b>NPAT</b>	<b>25,966</b>	<b>27,071</b>
Share of profits attributable to non-controlling interest	(301)	(292)
<b>NPAT Attributable to shareholders of ASG</b>	<b>25,665</b>	<b>26,779</b>
Acquisition Amortisation	2,500	2,614
<b>NPATA Attributable to ASG Shareholders</b>	<b>28,165</b>	<b>29,393</b>

## BASIS OF PREPARATION

- Volvo Cars Brighton which settled on 12 September 2016 and Willims 5 dealerships that settled on 18 November 2016 have been included in the pro forma financials since 2014
- All other dealerships, including the TIMG acquisition (now Doncaster BMW) which settled in April 2017 have been included from the time of establishment/acquisition
- Pro forma adjustments have been made for non-trading expenses (refer pro forma adjustments summary)

## KEY OBSERVATIONS

- Pro forma Group, excluding Doncaster BMW
  - Revenue \$1.395B
  - EBITDA \$52.7M
  - EBIT \$45.3M
  - NPBT \$37.3M
  - NPAT \$26.1M
  - NPATA \$28.3M

# BMW MELBOURNE ANNOUNCEMENT

---

## ASX ANNOUNCEMENT | ASG acquisition of BMW Melbourne

ASG Melbourne Pty Ltd, a wholly owned subsidiary of Autosports Group Limited (**ASG**), has entered into an agreement with BMW Melbourne Pty Limited to purchase the businesses operating as BMW Melbourne, MINI Garage Melbourne, Southbank Motorcycles and BMW Bodyshop (**BMW Melbourne Businesses**). ASG has guaranteed ASG Melbourne Pty Ltd's payment obligations under the agreement.

The transaction is subject to a number of conditions prior to completion, including approval of bailment facilities. Subject to the conditions being met, it is expected to complete in the final quarter of the calendar year.

BMW Melbourne achieved revenues of approximately \$236M for the 12 months ending 31 December 2016. It operates from fully brand compliant leasehold premises in City Road, Southbank and Kings Way, South Melbourne.

We are currently expecting to pay for the BMW Melbourne Businesses a consideration of approximately \$22M plus fixed assets at valuation plus or minus industry standard adjustments. The acquisition will be funded by a combination of cash drawn from reserves and new debt facilities.

This acquisition provides the opportunity for ASG to consolidate its representation with the luxury brands of BMW, BMW Motorrad, MINI and ALPINA. Furthermore, it consolidates ASG's move into the Victorian market, which commenced in August 2016 with the acquisition of Volvo Cars Brighton and in April 2017 the acquisition of BMW Doncaster and BMW Bundoora (TIMG Business).

ASG CEO Nick Pagent said: "This acquisition is a perfect strategic and geographic fit for Autosports Group. We are looking forward to deepening our relationship with the BMW Group in the important market of Melbourne. We thank BMW Group Australia CEO Marc-Heinrich Werner for his collaborative approach to the acquisition."

# IMPORTANT NOTICE AND DISCLAIMER

---

This presentation contains summary information about Autosports Group Limited (ACN 614 505 261) (**ASG**) and its activities current as at the date of this presentation. The information in this presentation is of general background and does not purport to be complete. It should be read in conjunction with ASG's other periodic and continuous disclosure announcements filed with the Australian Securities Exchange, which are available at [www.asx.com.au](http://www.asx.com.au).

This presentation is for information purposes only and is not a prospectus or product disclosure statement, financial product or investment advice or a recommendation to acquire ASG shares or other securities. It has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek legal, financial and taxation advice appropriate to their jurisdiction. Past performance is no guarantee of future performance.

This presentation contains forward-looking statements including statements regarding our intent, belief or current expectations with respect to ASG's business and operations. When used in this presentation, the words 'likely', 'estimate', 'project', 'intend', 'forecast', 'anticipate', 'believe', 'expect', 'may', 'aim', 'should', 'potential', 'target' and similar expressions, as they relate to ASG, are intended to identify forward looking statements. Forward looking statements involve inherent risks and uncertainties, both general and specific, and there is a risk that such predictions, forecasts, projections and other forward looking statements will not be achieved. A number of important factors could cause ASG's actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward looking statements, and many of these factors are outside ASG's control. Forward looking statements are provided as a general guide only, and should not be relied on as an indication or guarantee of future performance. As such, undue reliance should not be placed on any forward looking statement.

No representation or warranty, expressed or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this presentation (including forward-looking statements). To the maximum extent permitted by law, none of ASG and its related bodies corporate, or their respective directors, employees or agents, nor any other person accepts liability for any loss arising from the use of this presentation or its contents or otherwise arising in connection with it, including, without limitation, any liability from fault or negligence on the part of ASG, its related bodies corporate, or any of their respective directors, employees or agents.

## **Financial data**

Readers should note that this presentation contains pro forma financial information. The pro forma financial information provided in this presentation is for illustrative purposes only and is not represented as being indicative of ASG's views on the future financial condition and/or performance of ASG.

All references in this presentation to "\$" are to Australian currency, unless otherwise stated.

A number or figures, amounts, percentages, estimates, calculations of value and fractions in this presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this presentation.