ASG Macquarie Conference Presentation

May 2018

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PRESENTING TODAY

Nick Pagent
Managing Director and CEO

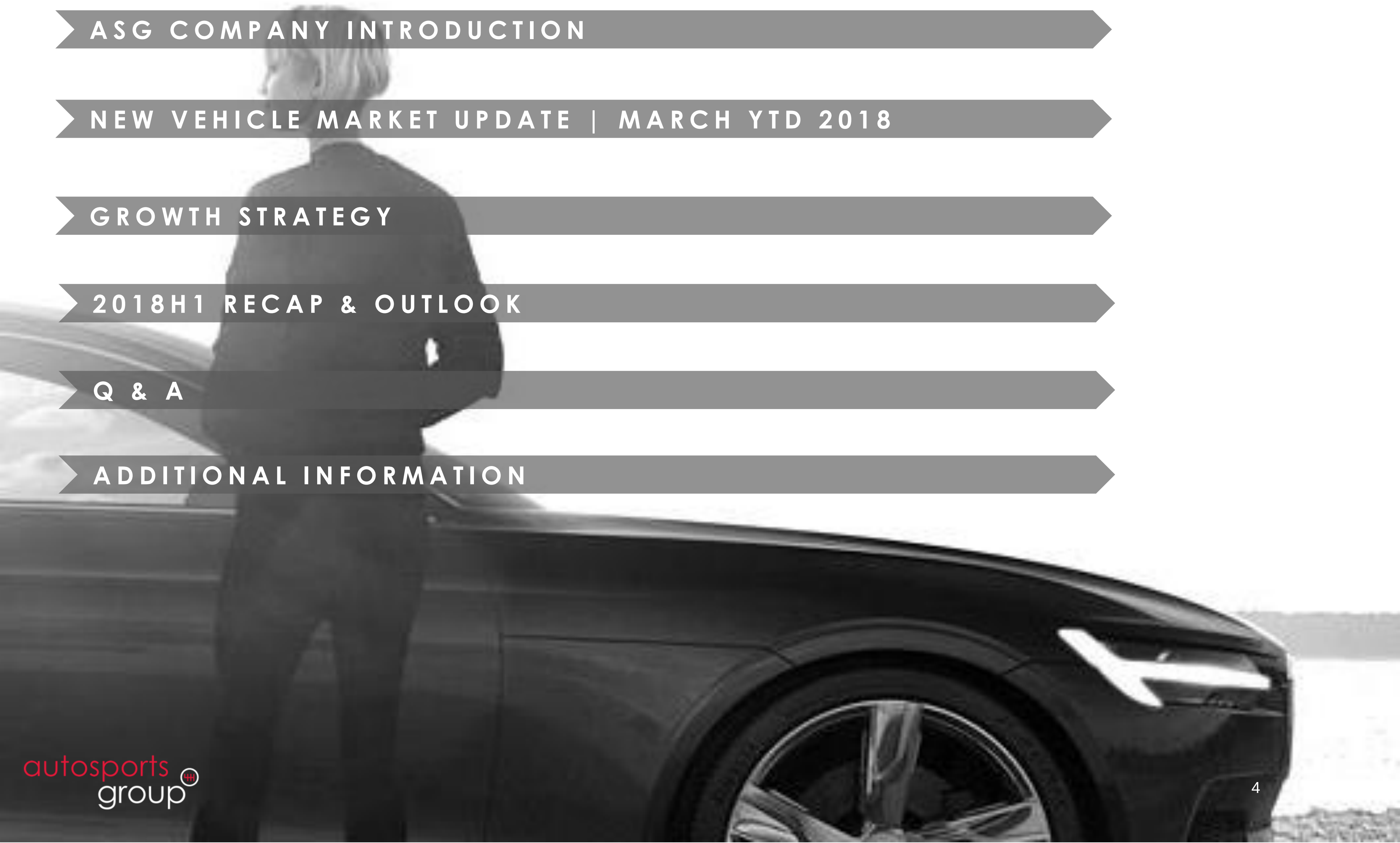
- Group CEO since formation of the Autosports Group in 2006
- 22 years of motor vehicle industry experience in Australia and the UK including:
  - Director Sales, Mercedes-Benz London North East, UK (2004-2005)
  - Head of Business, Executive Audi, St Albans, Hertfordshire, UK (2002-2004)
  - GM of Honda,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

Aaron Murray
CFO

- Group CFO since 2009 after joining the group in 2007
- 22 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

- ASG COMPANY INTRODUCTION
- NEW VEHICLE MARKET UPDATE | MARCH YTD 2018
- GROWTH STRATEGY
- 2018H1 RECAP & OUTLOOK
- Q & A
- ADDITIONAL INFORMATION



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INTRODUCTION TO ASG

ASG was established in 2006 and operates one of Australia's largest networks of luxury and prestige car dealerships.

History	• Established 12 years ago by founders and major shareholders, Ian Pagent and Nick Pagent
Operations	• 34 new car dealerships • 2 used car outlets • 4 specialist prestige vehicle collision repair facilities • Strategically located in high growth Sydney, Melbourne and Brisbane markets
# Units sold (FY2017)	• ~16,750 new cars • ~16,800 used cars
ASG brands	• 15 luxury and prestige brands
Employees (April 2018)	• ~1350
Financial scale (FY2017)	• FY17 Proforma Revenue $1.446B • EBITDA 2017FY $55.1M

ASG Brands

- Audi: 6 dealerships
- Volvo: 5 dealerships
- Lamborghini: 2 dealerships
- Mercedes-Benz: 2 dealerships
- BMW: 4 dealerships
- VW: 4 dealerships
- Mazda: 1 dealership
- Honda: 1 dealership
- Prestige Auto Traders: 1 dealership
- Bentley: 1 dealership
- MINI: 2 dealerships
- BMW Motorrad: 3 dealerships
- Maserati: 1 dealership
- 1 dealership
- autosports brisbane: 1 dealership
- Fiat / Alfa Romeo: 1 dealership

ASG COMPANY INTRODUCTION

Consistent Industry Fundamentals

- ✓ Consistent and stable growth in new cars, driven by long term trends
- ✓ Clear and focused strategy to concentrate on the prestige and luxury segments of the market
- ✓ 2018FY has seen improving coverage of major metropolitan markets maximising growth while broadening the base

Diversified Revenue Streams

- ✓ Multiple levers to drive sustainable growth – new and used cars, finance, insurance, accessories, servicing, parts, panel repair
- ✓ Aftersales revenue streams predictable and growing
- ✓ 2018FY has seen continued investment in capacity improvements continuing to unlock strong Aftersales demand

On Strategy mix of Organic and Inorganic Growth

- ✓ ASG has grown from a single dealership in 2006 to 36 new and used car dealerships and 4 specialist collision repair facilities
- ✓ Revenue growth has been driven, organically, supplemented by “greenfields” developments and targeted acquisitions
- ✓ Industry consolidation opportunities continue to be driven by a fragmented market and the retirement of independent owners

Experienced Management Team with skin in the game

- ✓ Management Team that founded the business remains in place and significant shareholders
- ✓ Management focused on service and excellence based culture; leading to high levels of industry recognition
- ✓ No movement in Management since the IPO

CONTINUING OPERATIONAL EXCELLENCE

ASG's operational excellence is recognised by its customers and OEM partners

Dealer Of The Year Awards

1st

Audi	Audi	Audi	Audi	Volvo
2012, 2013, 2015, 2016 Audi Centre Parramatta	2014 Audi Centre Mosman	2017 Audi Indooroopilly	2017 Audi Sutherland	2016, 2017 Volvo Cars Sydney
VW	BMW	MINI	Mercedes-Benz	Fiat / Alfa Romeo
2015, 2016 Volkswagen Five Dock	2017 Doncaster BMW	2017 MINI Garage Doncaster	2015 Mercedes-Benz Toowong	2014 Fiat Alfa Leichhardt

2nd

Audi	Audi	Audi	Volvo
2014 Audi Centre Parramatta	2015 Audi Five Dock	2016 Audi Centre Mosman	2016, 2017 Volvo Cars Parramatta

3rd

Audi	Audi	Audi	Mercedes-Benz
2015 Audi Centre Mosman	2010 Audi Five Dock	2014, 2016 Audi Five Dock	2016 Mercedes-Benz Toowong

OPERATIONAL EXCELLENCE DRIVES

- OEM KPI based payments
- Opportunity for expansion within the brand
- Demonstrates ASG's capacity to represent multi brands individually

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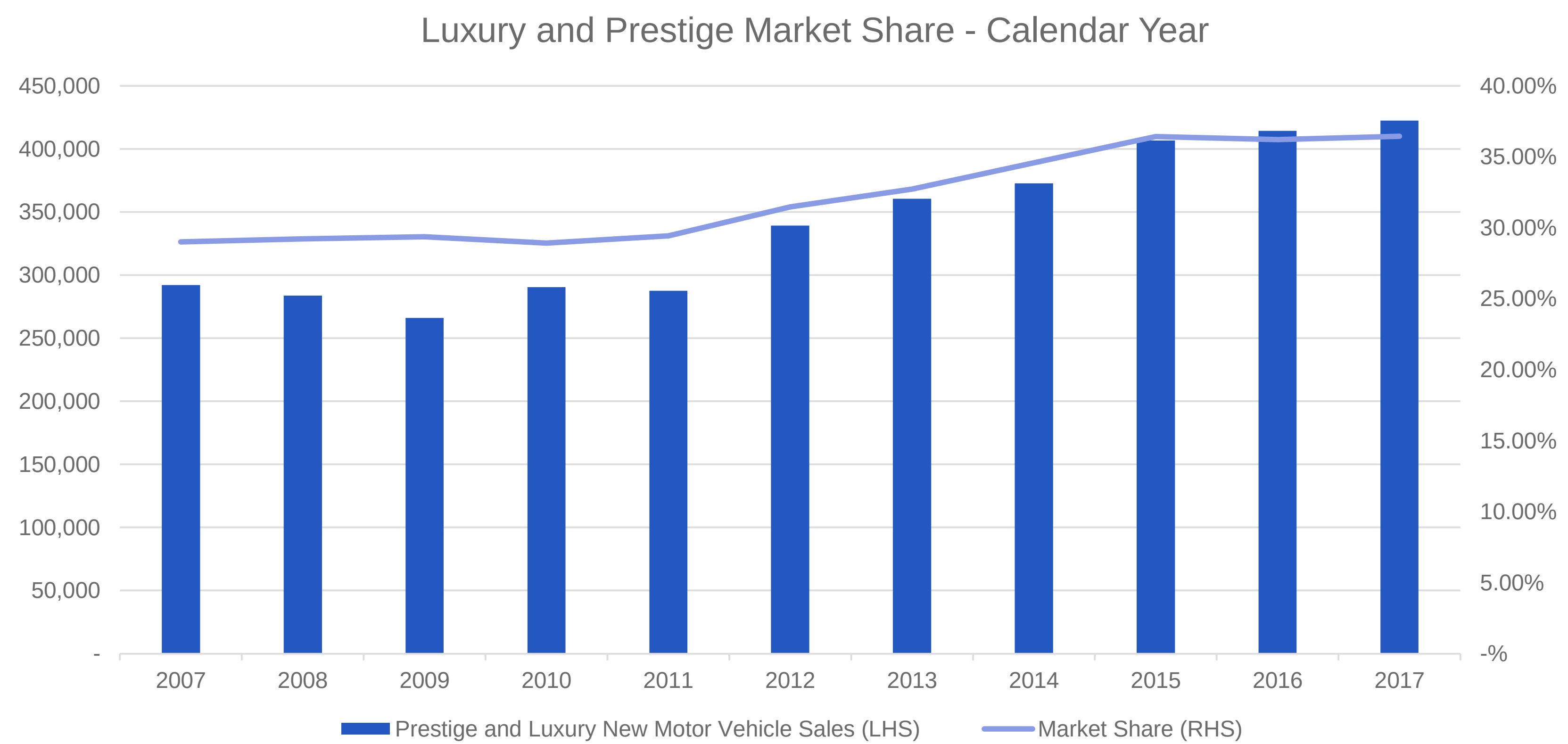
NEW VEHICLE MARKET TRENDS – MARCH YTD 2018

- ✓ Total Market is at record levels 4.4% up on March 2017
- ✓ Largest markets NSW, QLD & VIC comprise 83% of the total new car market
- ✓ Victoria is the fastest growing market with 8.7% growth
- ✓ QLD grew at 5.4% and NSW by 35 units (+0.0%)
- ✓ SUV sales continue to grow at 42.3% of the total market up from a full year 2017 number of 39.2%
- ✓ Small SUV segment was up 32.8%
- ✓ Medium SUV segment was up 10.1%
- ✓ Overall the Prestige & Luxury segments continue to grow in total share

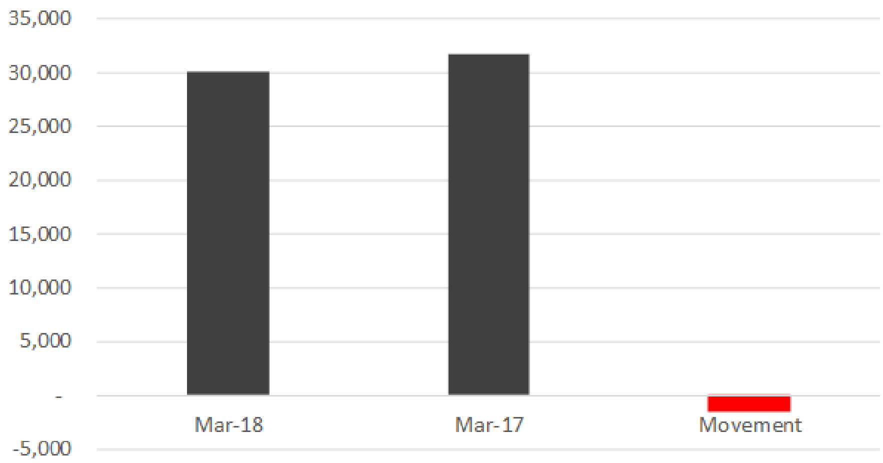


Source: VFacts

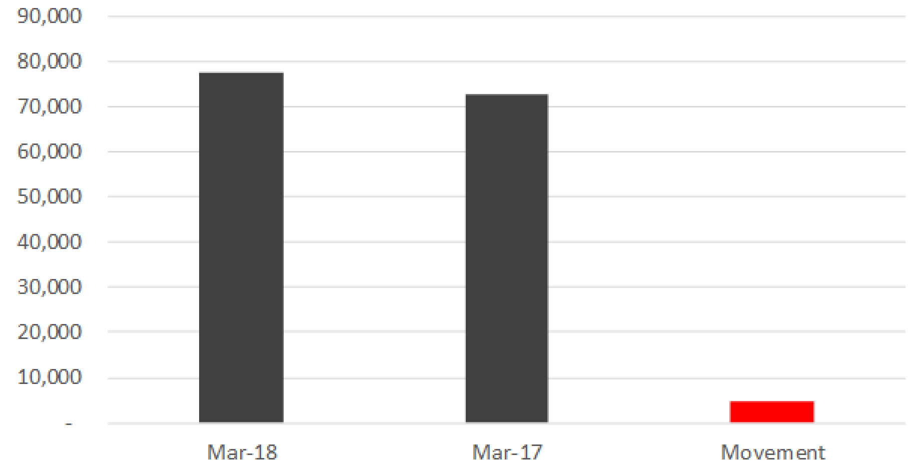
LUXURY & PRESTIGE MARKET UPDATE – MARCH YTD 2018

ASG's strategy of competing in both the Prestige and Luxury segments means we have resilience whilst maintaining exposure to the growing segments.

LUXURY TOTAL



PRESTIGE TOTAL



- Luxury Market has contracted by 4.7% during the March quarter (1507 units)
- Audi (+0.1%), BMW (+0.3%), Mini (+16.6%) and Volvo (+11.1%) have returned to growth
- Mercedes-Benz passenger cars decline of 2.5% has been offset by the growth in Mercedes-Benz Vans of 17.7% which is not measured in the luxury segmentation

- Prestige Market growth has been strong at 6.7% (4887 units)
- Growth in the Prestige Market has more than offset the decline in the Luxury Market
- Honda continues to grow strongly at +54.4% in the March quarter
- Volkswagen has maintained growth of 0.4%

Source: VFacts

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ON STRATEGY GROWTH

Since listing ASG has pursued a clear and focused strategy evenly balanced between acquisitions, organic and greenfield growth

Acquisitions

NOV 2016
- Audi Centre Brisbane (Willims Motor Group)

APR 2017
- Doncaster BMW

NOV 2017
- Melbourne BMW

APR 2018
- Canterbury BMW

Greenfields

SEP 2016
- Volvo Cars Mt Gravatt

SEP 2017
- Volvo Cars Rushcutters Bay

Focused strategy split evenly between acquisition, greenfields and organic growth

ACQUISITION

- ✓ Added 4 high quality businesses in major metropolitan markets
- ✓ Diversified into the Melbourne market
- ✓ Diversified in brand portfolio with BMW, Mini, Alpina and BMW Motorcycles (Motorrad)

GREENFIELDS

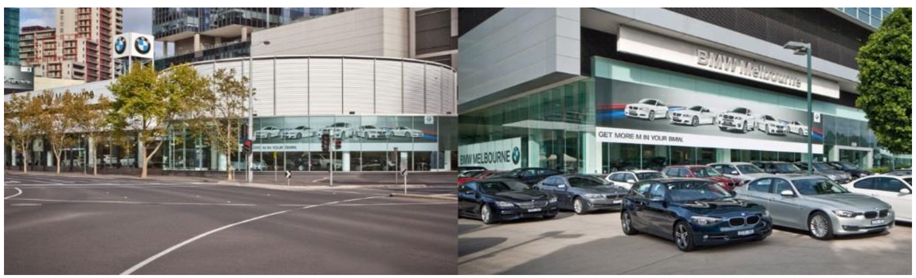
- ✓ Added 2 greenfields sites
- ✓ Major markets in Sydney and Brisbane
- ✓ Luxury brand Volvo
- ✓ Brands known to the Group

SERVICE & PARTS INVESTMENTS

- ✓ Increased capacity in 6 service departments
- ✓ $6M investment
- ✓ 55 additional Service Bays
- ✓ Investing in Audi, Volvo and Volkswagen organic growth

ACQUISITION GROWTH | BMW | 2017-2018

Doncaster BMW



Melbourne BMW

Canterbury BMW

BMW GROWTH

- ✓ Prior to listing ASG did not represent the BMW Group brands of BMW & MINI
- ✓ BMW & MINI account for 24.5% of the Luxury Market YTD March 2018. This number is up from 22.8% of the Luxury Market at March 2017 (source Vfacts)
- ✓ ASG's growth with BMW Group has been in strategically important major metropolitan markets. Doncaster and Melbourne in Victoria and Canterbury in Sydney.
- ✓ BMW Group is well placed for the future with maximum flexibility
- ✓ BMW Group is in the midst of its largest ever new product roll-out including X2, X3, X4, X5, X6 and X7 SUV offerings
- ✓ BMW Motorcycles grew by 5.7% YTD March in a challenging Motorcycle market (source FCAI)
- ✓ ASG BMW acquisitions will contribute revenue in excess of $500m on an annualised basis

ORGANIC GROWTH STRATEGY | GREENFIELDS

With the opening of the Gold Coast Maserati & Bentley sites, ASG will have 13 greenfield sites under five years old

Cost effective expansion. Nil goodwill

Evidence of preferred partner status

An area of Management expertise

DEALERSHIP	BRANDS	CATEGORY	YEAR ACQUIRED / ESTABLISHED
Autosports Honda	HONDA	Prestige	CY13 greenfield
Fiat Alfa Leichhardt		Prestige	CY13 greenfield
Lamborghini Sydney		Luxury	CY14 greenfield
Lamborghini Brisbane		Luxury	CY15 greenfield
Volkswagen Castle Hill		Prestige	CY14 greenfield
Volkswagen Mt Gravatt		Prestige	CY15 greenfield
Volvo Cars Sydney	VOLVO	Luxury	CY15 greenfield
Volvo Cars Rushcutters Bay	VOLVO	Luxury	CY17 greenfield
Autosports Brisbane	Used Vehicles	N/A	CY16 greenfield
Volkswagen Capalaba		Prestige	CY16 greenfield
Volvo Cars Mt Gravatt	VOLVO	Luxury	CY17 greenfield
Gold Coast Bentley	BENTLEY	Luxury	CY18 greenfield
Gold Coast Maserati	MASERATI	Luxury	CY18 greenfield

HOW DOES A GREENFIELDS SITE WORK?

ACQUIRE

START UP

- No customer database
- High marketing spend
- Lack of aftersales absorption
- New branding
- Commence service plan sales
- Group enterprise wide systems implemented swiftly

YEAR 1

Focus on new & used car sales

- One year parc only
- Medium marketing spend
- Low aftersales absorption

YEAR 2

Aftersales beginning to build

- Database now at 50% potential
- Medium marketing spend
- Medium aftersales absorption
- Repeat sales business commences

YEAR 3

Vehicle replacement cycle aids sales

- Database marketing for vehicle sales
- Reducing marketing spend
- Service plan customers maturing with high retention into high margin service
- Acceptable aftersales absorption

YEAR 4

Maturity

- Strong database
- High vehicle parc
- Low marketing spend

ORGANIC GROWTH | UNLOCKING AFTERSALES DEMAND

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

Aftersales / Back-end income has a higher margin profile

Back-end income is predictable and recurring income streams

Back-end income is insulated from market fluctuations

Service & Collision Repair

- 2018HY Revenue Growth up 34.2%
- 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
- Further greenfields opportunities in collision repair

Parts

- 2018HY Revenue Growth up 42.8% driven largely through Service growth
- Parts revenue and margin enhanced by ASG's expansion in collision repair
- 2018FY consolidate warehousing and trade sales facilities in Melbourne and Brisbane to improve efficiencies

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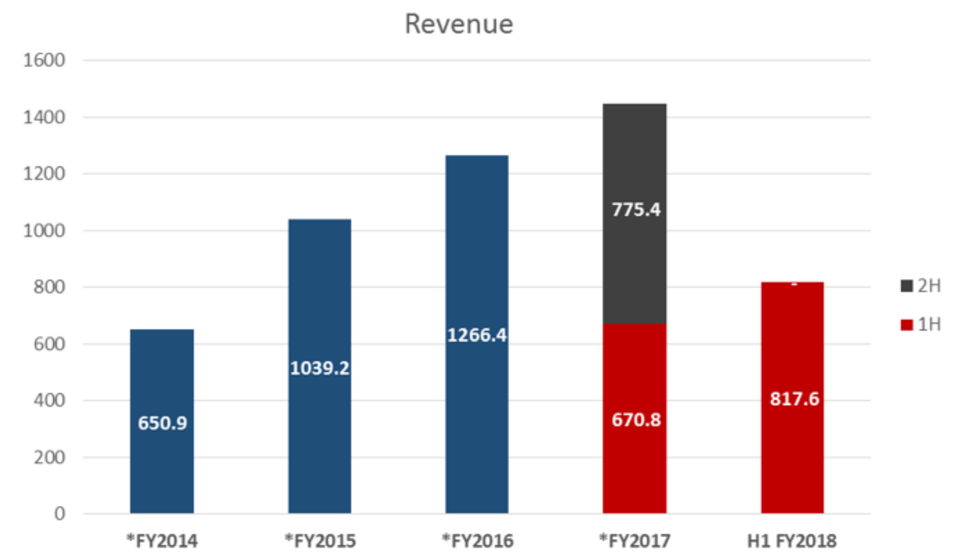
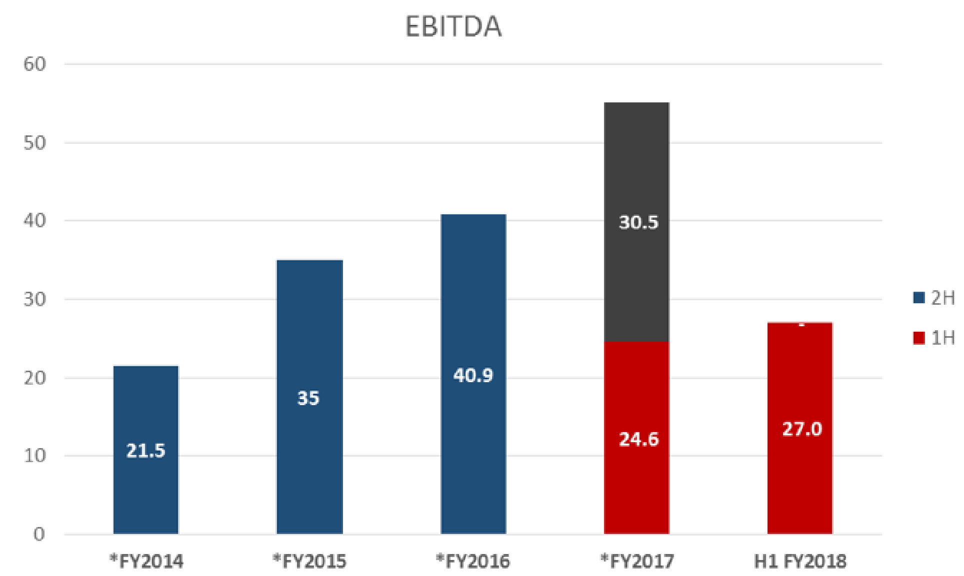
2018FY H1 RECAP

- ✓ Growth on Revenue and EBITDA driven by acquisition led growth
- ✓ Completed the acquisition of Melbourne BMW & Canterbury BMW increasing ASG's coverage in the brands of BMW, Mini, Alpina and BMW Motorcycles in the Melbourne and Sydney markets
- ✓ Diverse revenue streams contribute to growing gross margins in a challenging new car market
- ✓ Future growth will be underpinned by the maturing of 12 greenfields sites under 5 years old
- ✓ Investments in Service and Panel capacity will continue to support margin growth into the future





* Comparison to pro-forma historical financials

ASG'S OUTLOOK

March quarter trading in line with expectations within the prestige and luxury segments for H2 2018FY and in line with the outlook provided in February. Anticipate conditions to remain stable through till the end of the financial year with normal seasonality

Pressure in new car margins should continue to be largely offset by improvements in Service and Parts revenue

Op Ex ratio to remain high through the balance of 2018FY

ASG is well positioned and well capitalised to take advantage of growth opportunities

Growth vs pcp will be supported by a full period from Doncaster and Melbourne BMW and a June quarter contribution from Canterbury BMW

ASG COMPANY INTRODUCTION

NEW VEHICLE MARKET UPDATE | MARCH YTD 2018

GROWTH STRATEGY

2018H1 RECAP & OUTLOOK

Q & A

ADDITIONAL INFORMATION

ASG COMPANY INTRODUCTION

NEW VEHICLE MARKET UPDATE | MARCH YTD 2018

GROWTH STRATEGY

2018H1 RECAP & OUTLOOK

Q & A

ADDITIONAL INFORMATION

2018FY H1 RESULT DETAIL

Profit & Loss Statement
period ended 31 December 2017

	Financial Statements			
	1H FY17 YTD	1H FY18 YTD	+/-	%
New Vehicles	377,391	462,094	84,703	22.4%
Used Vehicles	189,501	212,798	23,297	12.3%
Finance & Insurance	11,662	12,082	420	3.6%
Aftermarket	4,313	6,180	1,867	43.3%
Service	33,969	45,589	11,620	34.2%
Parts	33,035	47,187	14,152	42.8%
Other Revenue	20,924	31,673	10,749	51.4%
Total Revenue	**670,795**	**817,603**	**146,808**	**21.9%**
Cost of Goods Sold	(570,406)	(694,255)	(123,849)	21.7%
Gross Profit	**100,390**	**123,348**	**22,958**	**22.9%**
Operating Expenses *	(75,787)	(96,327)	(20,540)	27.1%
EBITDA	**24,603**	**27,021**	**2,418**	**9.8%**
Depreciation & Amortisation	(3,799)	(4,080)	(281)	7.4%
EBIT	**20,804**	**22,941**	**2,137**	**10.3%**
Floorplan & Corporate Interest	(4,117)	(5,454)	(1,337)	32.5%
NPBT	**16,687**	**17,487**	**800**	**4.8%**
Income Tax Exp @30%	(5,507)	(5,246)	261	-4.7%
NPAT	**11,180**	**12,241**	**1,061**	**9.5%**
Share of Profits attributable to non-controlling interests	**(140)**	**(125)**	**(135)**	-10.7%
NPAT distributable to S/H	**11,040**	**12,116**	**1,076**	**9.7%**
Acquisition Amortisation	**1,225**	**2,039**	**1,937**	66.4%
NPATA distributable to S/H	**12,265**	**14,155**	**1,890**	**15.4%**
Gross Profit Ratio	15.0%	15.1%	0.1%	
Opex Ratio	11.3%	11.8%	0.5%	
EBITDA Ratio	3.7%	3.3%	-0.4%	
NPBT Ratio	2.5%	2.1%	-0.3%	
Interest Coverage Ratio X EBITDA	5.98	4.95	- 1.02	

BASIS OF PREPARATION

- One off adjustment relating to acquisition expenses on Melbourne BMW of $0.6M
- 1HFY17 is pro-forma historical financial comparison

KEY OBSERVATIONS

- Revenue $817.6m
- EBITDA $27.0
- NPBT $17.5M
- NPAT $12.2M
- NPATA $14.2M

autosports group

STRONG BALANCE SHEET

Balance Sheet	30-Jun-17	31-Dec-17
Total Borrowings	311,013	415,118
Cash & Cash Equivalents	(14,903)	(10,560)
Net Debt	**296,110**	**404,558**
Inventory Finance (Floorplan)	(271,736)	(356,843)
Net Debt / (Cash) - Excluding Floorplan Finance	24,374	47,715
Net Debt + Equity Excluding Floorplan Finance	**516,047**	**542,373**
Key Ratios		
Interest cover - EBITDA	6.25	4.95

MAJOR MOVEMENTS SINCE 30 JUN 2017

- Additional $15.5m capital loans drawn in November 2017 to fund settlement of Melbourne BMW
- Additional floorplan facilities of $43.4m and $6.1m for Melbourne BMW and Volvo Cars Rushcutters Bay
- Interest coverage affected by acquisition of Melbourne BMW in November 2017

CASH FLOW

- ASG typically receives payment for vehicles upon delivery to customers (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

	Pro forma Historical			Actual
	FY2105	FY2016	FY2017	H1 FY18
$m				
EBITDA	**35.0**	**40.9**	**55.1**	**27.0**
Movement in working capital	(1.1)	(4.7)	(10.3)	5.4
Other non-cash items included in EBITDA	0	0	0.7	0.3
Operating cash flow	**33.9**	**36.2**	**45.5**	**32.7**
Floorplan interest	(5.8)	(6.9)	(6.8)	(4.4)
Maintenance capital expenditure	(2.5)	(2.5)	(0.7)	(2.8)
Operating cash flow after floorplan interest and maintenance capital expenditure	**25.60**	**26.7**	**38.0**	**25.5**
Cash conversion *	107.5%	99.1%	92.7%	112.7%
Growth capital expenditure	(3.2)	(2.7)	(9.0)	(3.2)
Net acquisitions	(4.5)	(3.9)	(6.8)	(4.5)
Net cash flow before corporate financing and taxation	**17.90**	**20.1**	**22.2**	**17.8**

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