ASG Half Year Investor Presentation

February 2019

AGENDA

- FY2019 H1 FINANCIAL RESULT & HIGHLIGHTS
- ASG STRATEGY & MARKET REVIEW
- FY2019 H2 FOCUS AREAS & OUTLOOK
- Q & A
- ADDITIONAL INFORMATION

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- ASG STRATEGY & MARKET REVIEW
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- ADDITIONAL INFORMATION

FY2019 H1 RESULTS

- REVENUE **CONTINUES TO GROW** VIA ACQUISITION
- GROSS MARGINS **GROW** ON IMPROVED REVENUE MIX
- OPEX HIGHER DUE TO **ACQUISITIONS** AND **FACILITY INVESTMENTS**
- ASG'S LIKE FOR LIKE REVENUE **AHEAD OF MARKET TREND**
- DIVIDEND **MAINTAINED**

FY2019 H1 FINANCIAL RESULT

A$m	Normalised FY2019 H1	% movement on PCP	Normalised FY2018 H1
Total revenue	862.5	*5.5%*	817.6
Gross profit	134.4	*9.0%*	123.3
Opex	(111.4)	*15.6%*	(96.3)
EBITDA	23.0	*-14.8%*	27.0
Depreciation	(3.0)	*48.1%*	(2.1)
EBIT	20.0	*-10.6%*	22.3
Interest Expense	(9.1)	*66.5%*	(5.5)
NPAT	8.31	*-43.9%*	14.82

A$m	Statutory FY2019 H1	% movement on PCP	Statutory FY2018 H1
Total revenue	826.6	*4.3%*	792.7
Gross profit	134.4	*9.0%*	123.3
Opex	(112)	*15.5%*	(97)
EBITDA	22.5	*-14.9%*	26.4
Depreciation	(3.0)	*41.4%*	(2.1)
Acquisition amortisation	(2.3)	*21.1%*	(1.9)
EBIT	17.2	*-23.0%*	22.3
Interest Expense	(9.1)	*66.5%*	(5.5)
NPAT	5.4	*-55.4%*	12.2

NORMALISATIONS

- Result includes $0.6M of acquisition and restructure costs
- Statutory re-class of $35.9M in other revenue to cost of sale
- Acquisition amortisation of $2.24M (FY2018 H1: $2.0m) excluded

EBITDA

- EBITDA down 14.8%
- Impacted by Opex increase of $15M driven by acquisitions and facility investments

NPAT

- Down 43.9% normalised
- Impacted by additional depreciation of $1.0M driven by acquisitions of Melbourne BMW and Canterbury BMW
- Interest costs up $3.6M comprising $3.1M in additional floorplan ($2.1M like for like floorplan interest growth, $1.0M acquisition floorplan interest growth) and $0.5M in corporate interest

FY2019 H1 HIGHLIGHTS

REVENUE & GROSS MARGINS UP

- Revenue up 5.5% in a difficult new market
- Revenue growth predominantly driven by $88M for Melbourne BMW and Canterbury BMW acquisitions
- GP up 9% and GP margin up to 15.6% on an improving back-end revenue mix

IMPACT OF DELIVERY DELAYS

- Product Delays – WLTP* and Stop Sells impact approximately $2.6M EBITDA
- Delivery Delays – Hail and Quarantine delays impact approximately $2.0M EBITDA
- Total revenue impact approximately $32M

** WLTP – please see Page 28 Appendix*

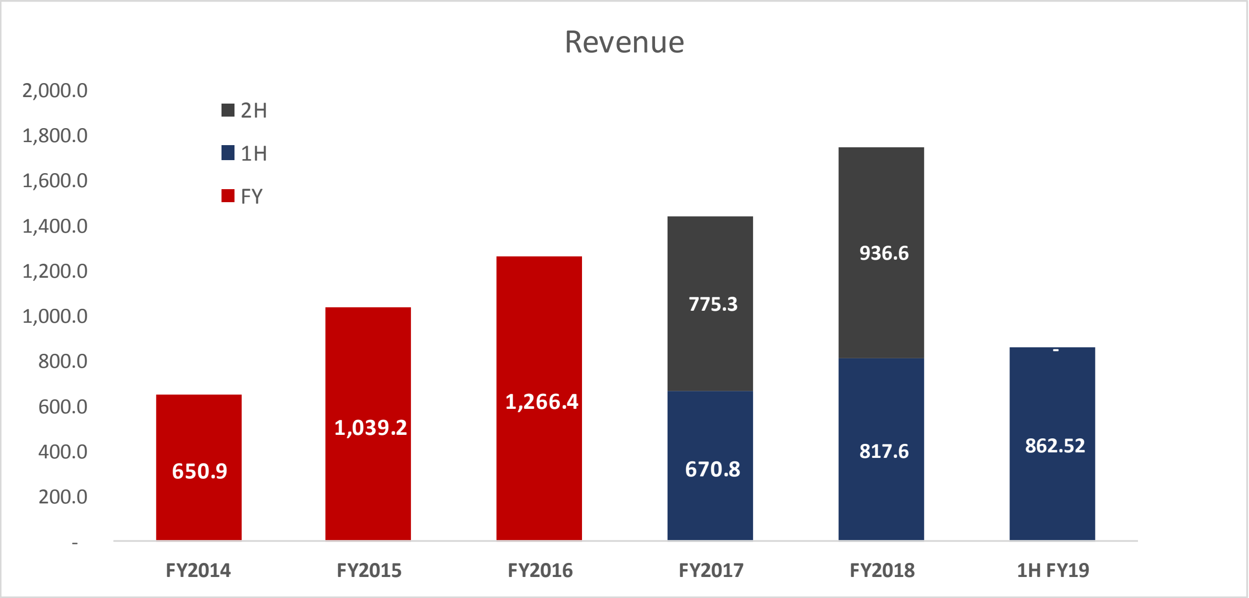
LIKE FOR LIKE

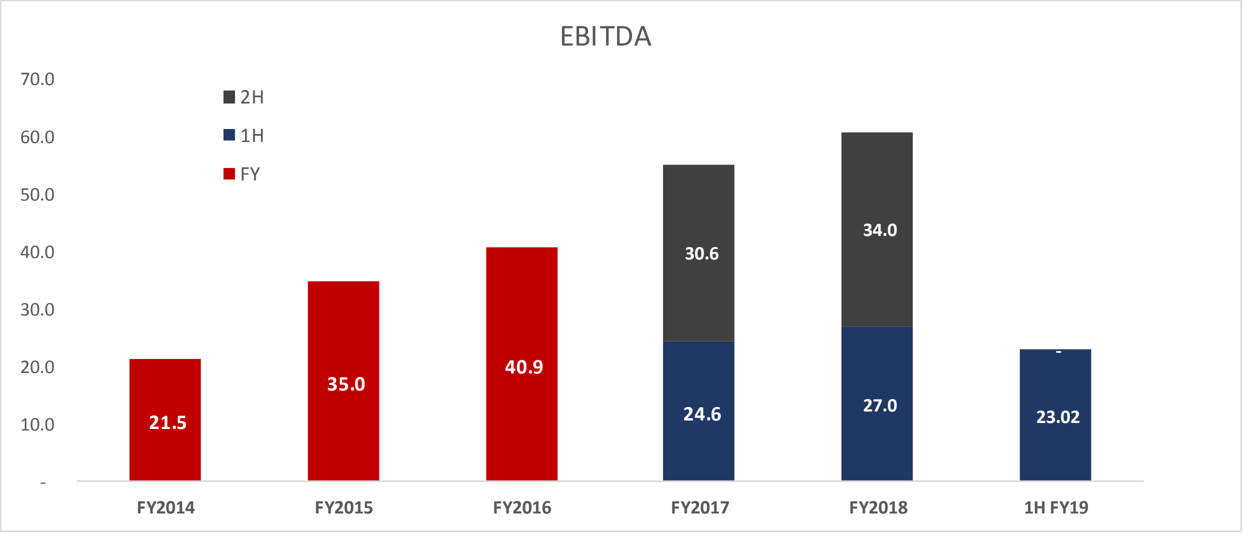
- Total Revenue declined by 6.7%
- New & Used Vehicle Revenue declined by 9.3%
- Service & Parts revenue grew by 5%
- Expenses increased by $1.0M driven by long term facility investments

OPERATING CASH/DIVIDEND

- Interim dividend of 2c per share
- Operating cash of $18.2M generated in FY2019 H1

FY2019 H1 FINANCIAL TRENDS





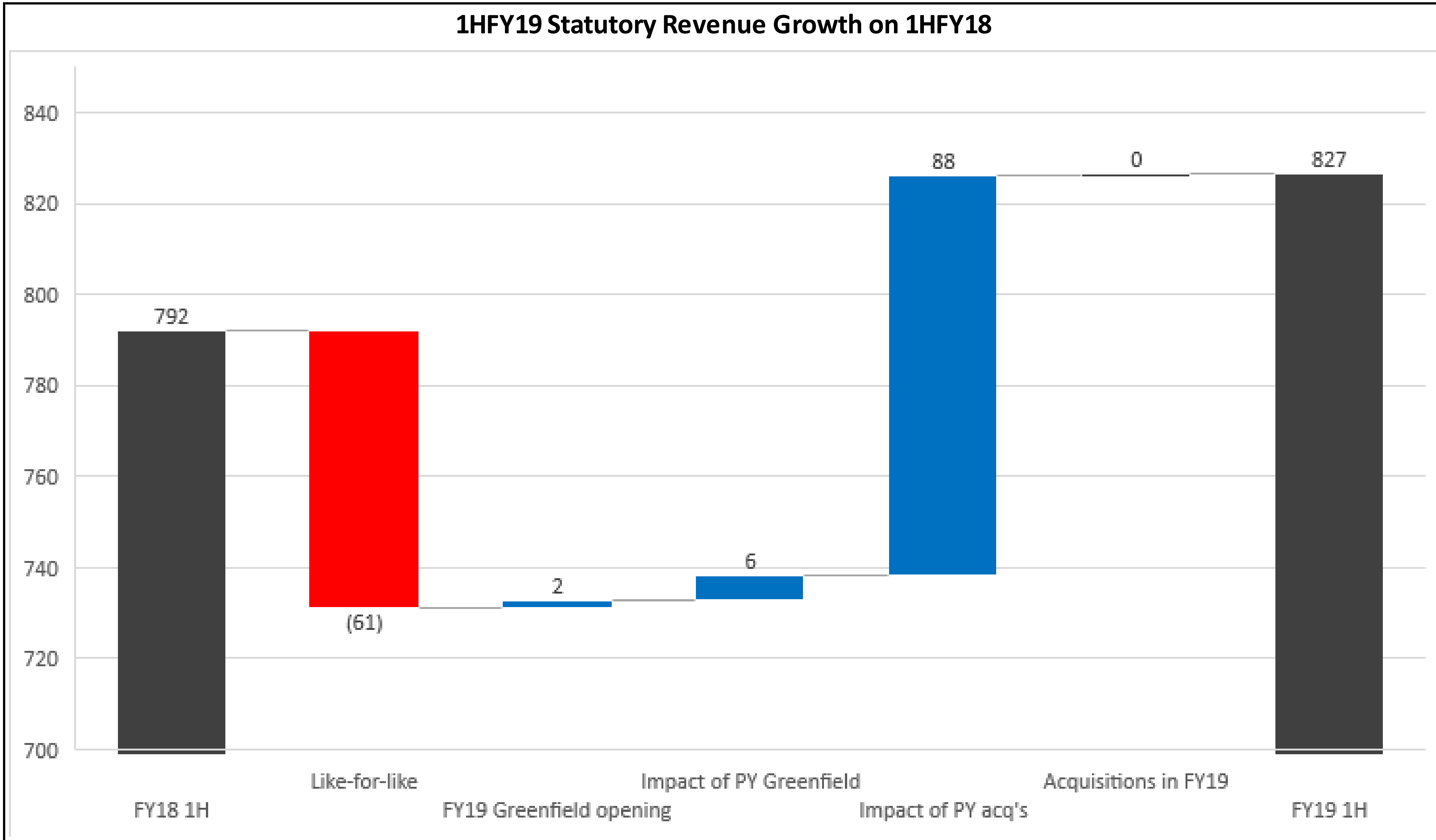
REVENUE

- Total revenue up $44.9M in H1 FY2019
- 2014-2018FY revenue growth CAGR 28%
- Back-end Service, Parts & Collision Repair revenue grew by 28% in FY2019 H1 vs FY2018 H1

EBITDA

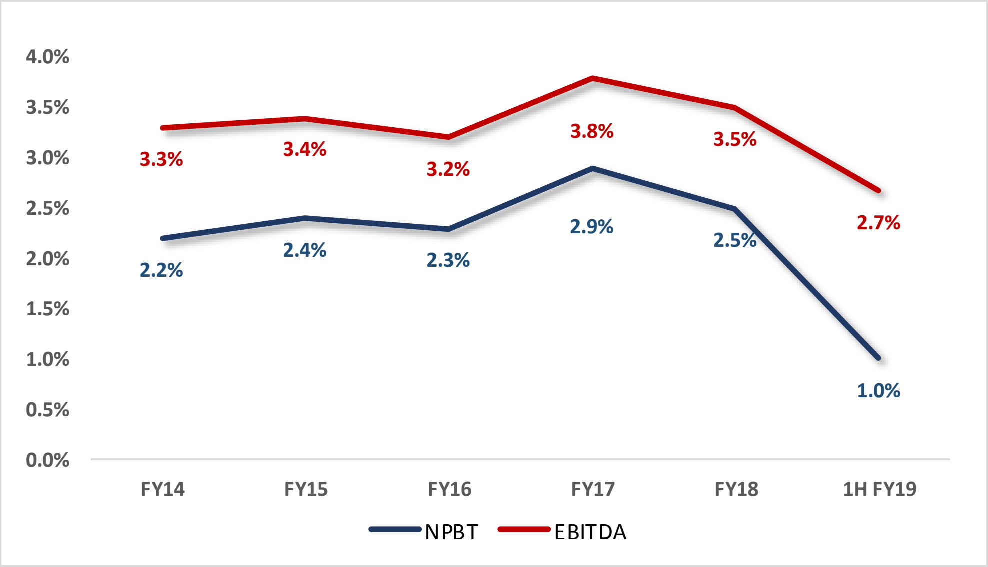
- EBITDA decline of $4M impacted by delays with WLTP, quarantine and Sydney hail storm delays
- Opex ratio of 12.9% was impacted by:
  - the acquisition of Melbourne BMW, Canterbury BMW, facility investments at the Gold Coast and back-end capacity
  - lost revenue during the period from delayed deliveries; approximately $32M
- Other revenue +26% was supported by the OEM's partially offsetting some revenue loss

REVENUE BRIDGE

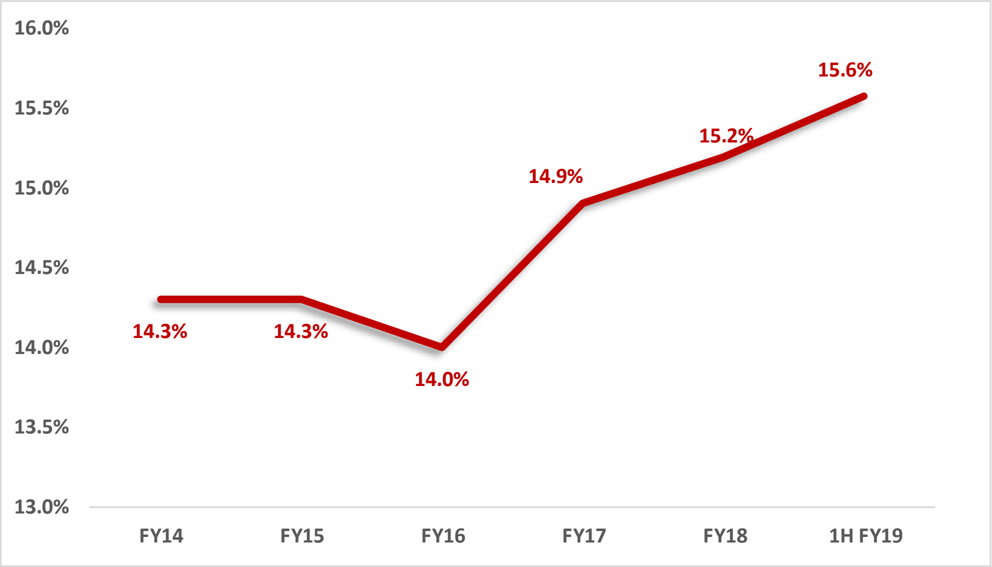


STABLE MARGINS

NORMALISED EBITDA MARGIN



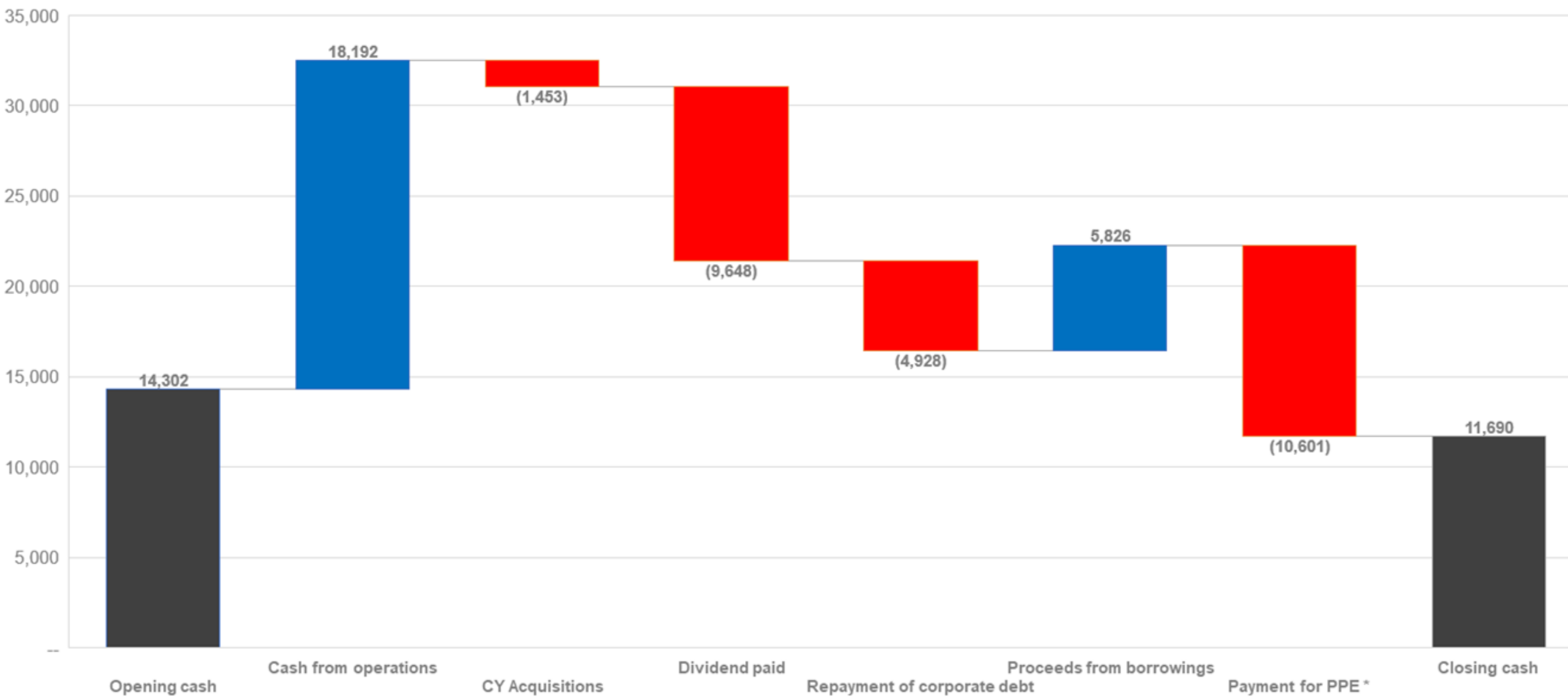
NORMALISED GP MARGIN



Margin Drivers

- **GP Margin continued to improve assisted by ASG's improving mix of back-end revenue**
- **GP Margin was also assisted by other revenue which grew by $8.2M vs FY2018 H1 predominantly driven by additional OEM support programs**
- **EBITDA margin impacted by increase in Opex ratio to 12.9%. Opex levels rose $15M vs FY2018 H1 on the acquisition of Melbourne BMW and Canterbury BMW and the additional cost of facility upgrades of existing sites**

CASH FLOW



- Strong operating cash flows of $18.2M
- $4.9M repayment of corporate debt
- $9.6M dividend paid

- PPE Expenditure
  - Macgregor land $6.4M
  - Gold Coast Bentley and Maserati fit-out $2.1M
  - Maintenance Capex $2.1M
  - H2 Capex expected $2.0M

BALANCE SHEET

Balance Sheet	Normalised 30 -Jun-18	Normalised 31-Dec-18
Total Borrowings	479,543	488,677
Cash & Cash Equivalents	(14,302)	(11,690)
Net Debt	**465,241**	**476,987**
Inventory Finance (Floorplan)	(405,094)	(412,032)
Net Debt / (Cash) - Excluding Floorplan Finance	60,147	64,955
Net Debt + Equity		
Excluding Floorplan finance	**560,829**	**561,631**

Key Ratios	30-Jun-18	30-Dec-18
Interest Cover - EBITDA (FY18 Normalised, FY19 Normalised	**4.61**	**2.54**

MAJOR MOVEMENTS SINCE 31 DEC 2018

- Net debt up $4.8M to $64.9M
  - Corporate debt increase of $2.2M. $7.1M of land and hire purchase funding, net of $4.9M repayments
  - Cash decrease $2.6M
- Floorplan finance up $7.0M to $412M
- Interest cover decreased to 2.54 times due to excess stock holding.
  - Reducing stock holding will improve interest cover in FY2019 H2
  - Target ratio of 3 – 4 times


60
160
km/h
40
180

ASG STRATEGY

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

OCT 2018
- Gold Coast Maserati & Bentley

NOV 2018
- Canterbury MINI Garage

ASG Strategic Framework

- Prestige & Luxury brands
- East Coast – major markets
- Develop diverse revenue streams
- Consolidate fragmented market
- Management with skin in the game

2018/19 Headwinds

- Ten months of falling new car market
- Luxury product releases delayed by WLTP standards release
- East Coast hail event in December
- Quarantine actions delaying shipments
- Supply pipeline drove floorplan costs up

Opportunities

- OEM target reductions will assist restoration of new car margins
- Reduced targets normalise stock pipeline allowing inventory reductions
- New vehicle market contraction has operational expense reduction in arrears
- ASG's strong back-end growth to continue
- Compressed industry returns bring well priced consolidation opportunities

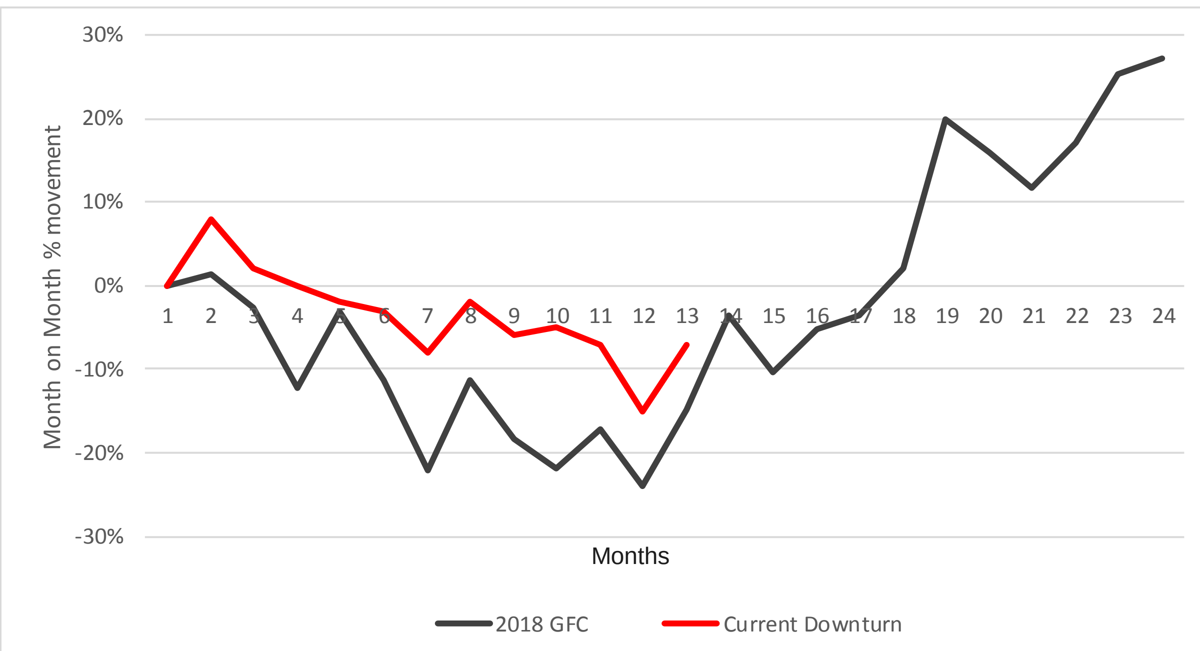
NEW VEHICLE MARKET TRENDS

Total Market

- 2018 the total market was 3% down on the record 2017 market
- December market was down 14.9% affected by quarantine issues and Sydney hailstorm
- ASG's markets of NSW (-6.6%), QLD (0.7%), VIC (1.8%) all declined during 2018
- December saw more significant falls NSW (-19.7%), VIC (-17.9%) and QLD (-9.2%)

2008/9 vs 2018/9

- The market has now experienced 10 consecutive months of decline for the first time since 2008/9
- The market downturn in 2008/9 lasted 16 months
- When the market returned to growth in 2010, growth was 10.5%
- Between 2009 and 2017 the market grew by 26.9%



Calendar Year	Year on Year movement
2007	9.1%
2008	-3.6%
2009	-7.4%
2010	10.5%
2011	-2.6%

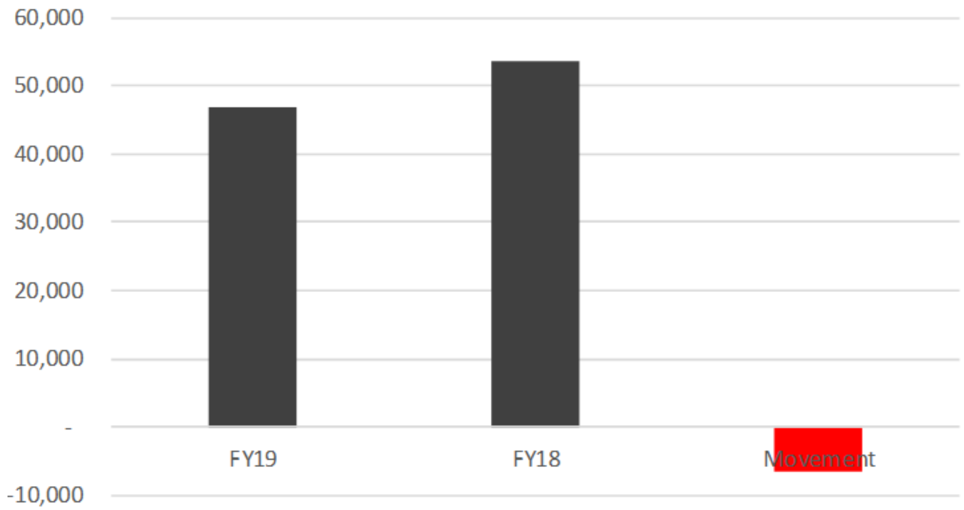
Calendar Year	Year on Year movement 2016 - Current
2016	2.0%
2017	0.9%
2018	-3.0%

Source: VFacts

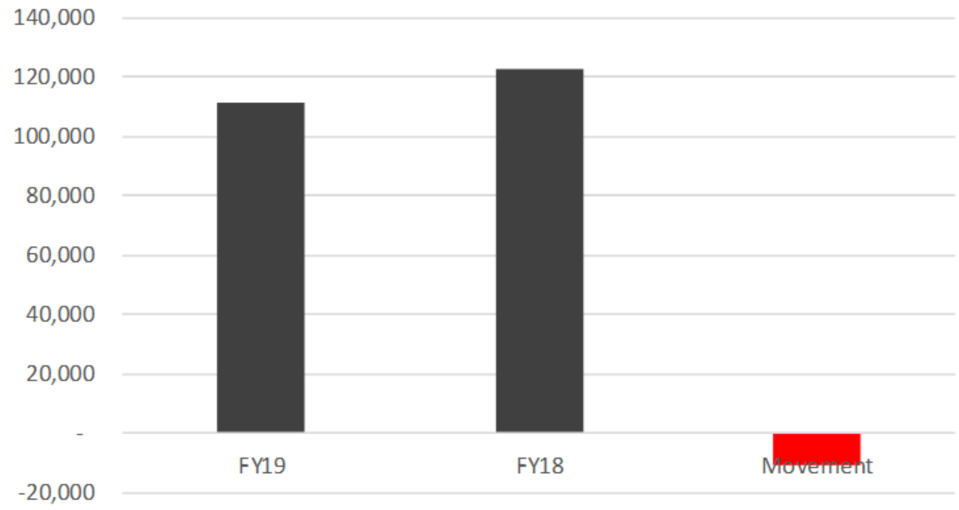
EAST COAST LUXURY & PRESTIGE | FY2019 H1

East Cast luxury and prestige segments under volume pressure in H1 FY2019.

NSW / VIC / QLD LUXURY



NSW / VIC / QLD PRESTIGE



- The luxury market in NSW / QLD / VIC declined by 12% in the period July – December 2018 following the modest 0.8% decline in the January – June 2018 period
- Volvo and Mercedes-Benz Vans grew counter to the market at 59.4% and 37.8%. However Audi (-22.9%), BMW (-5.9%), MINI (-19.3%) and Mercedes-Benz Cars (-21.1%) all suffered declines
- ASG outperformed the market with Audi, BMW, MINI and Mercedes-Benz
- ASG underperformed the market in Volvo

- The prestige segment of the market declined by 9% in the period July – December with the Japanese brands unaffected by WLTP delays
- Mazda (-6.0%), Honda (-10.8%), Volkswagen (-6.3%) all experienced declines
- ASG outperformed the market in Mazda and Honda
- ASG underperformed in Volkswagen

Source: VFacts

WLTP | BUGS | HAIL

ASG's half year result was impacted by a number of non-recurring factors

WLTP

- The implementation of new global emission testing procedures in Europe (WLTP) has caused delays during the period in new model introductions
- Delays impacted the brands including Audi, Mercedes-Benz and Volkswagen
- Delays will continue through the March quarter of 2019
- ASG has carried $9.7M in stock unavailable for delivery during this period

BUGS

- Heightened surveillance by the Department of Agriculture and Water Resources (DAWR) has resulted in the discovery of brown marmorated stink bugs on transport vessels
- The resulting delays from quarantine and treatment has delayed vehicle arrivals through late November and December
- These delays continue through January and February

HAIL

- Sydney was affected by a severe hail storm on 20th December 2018
- The storm damaged approximately 220 ASG vehicles
- ASG was unable to repair or deliver these vehicles during December

- In December, ASG anticipated impact of the market, hail, quarantine and WLTP issues was expected to be approximately $3M at EBITDA
- The impact was approximately $4.6M in EBITDA and approximately $32M in revenue
- As a result of these factors, total ASG new vehicle revenue was down 24.7% vs pcp in December 2018

NSW HAIL & QUARANTINE IMPACT

Vfacts NSW	Jun - Nov 18	Dec-18
Audi	-28%	-41%
Benz	-24%	-39%
BMW	-4%	17%
Volvo	64%	2%
Honda	-10%	-11%
Mazda	-10%	-16%

Source: VFacts

MATURING BACK-END

ASG's strategy to grow back-end revenue streams is on track and driving both revenue and improved gross margins for the business. Back-end revenue growth continues to improve ASG's strength, flexibility and endurance.

"FRONT-END"

- New car sales
- Used car sales
- Motorcycles
- Finance & Insurance
- Aftermarket

"BACK-END"

- Service
- Parts
- Collision Repair

GROSS PROFIT SHIFT

	Front-End	Back-End
2014	65%	35%
2016	62%	38%
2018	56%	44%

BACK-END STRATEGY

- The fall in the new car market saw back-end revenue streams contribute 49% of the gross profit for ASG in FY2019 H1
- Back-end revenue streams are predictable and maintainable
- Back-end revenue streams are more insulated from new car market fluctuations
- Back-end revenue has a materially superior margin profile. ASG's shift to back-end gross continues to lift the margin profile of the total business, up from 15.2% to 15.6%
- Collision repair is under represented by franchised Dealer Groups offering ASG deeper revenue streams

BACK-END GROWTH

- Service revenue continues to outperform 18% up on pcp
- Parts revenue benefited from collision repair expansion, delivering growth of 36% on pcp
- Importantly like for like growth was 5%, showing the maturation process even in a declining vehicle market
- ASG added Mosman Smash Repairs (Volvo and Volkswagen approved) during the period
- Further growth is expected in Sydney in collision repair

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FY2019 H2 FOCUS AREAS

FY2019 H2 Focus Areas

- Continue to expand our gross profit mix in service, parts and collision repair
- Drive growth in used vehicles via used car hubs
- Maintain new vehicle market share in a challenging new car market
- Reduce new vehicle inventory levels and interest costs to improve NPBT margin
- Reduce new vehicle semi-fixed and variable operational expenses in line with the market

Back-End and Acquisition Growth

- Integrate Mosman Smash Repairs (Volvo / Volkswagen) approved repair business (settled December 2018)
- Establish an additional OEM approved collision repair facility in Silverwater in NSW
- Continue to focus on targeted and well priced acquisition opportunities in prestige and luxury brands

FY2019 H1 RESULTS RECAP

- REVENUE **CONTINUES TO GROW** VIA ACQUISITION
- GROSS MARGINS **GROW** ON IMPROVED REVENUE MIX
- OPEX HIGHER DUE TO **ACQUISITIONS** AND **FACILITY INVESTMENTS**
- ASG'S LIKE FOR LIKE REVENUE **AHEAD OF MARKET TREND**
- DIVIDEND **MAINTAINED**

FY2019 H2 OUTLOOK

- DIFFICULT LUXURY VEHICLE MARKET CONDITIONS EXPECTED TO CONTINUE INTO FY2019 H2
- CANTERBURY BMW ACQUISITION (APRIL 2018) WILL SUPPORT FULL YEAR REVENUE
- WLTP, QUARANTINE AND HAIL IMPACT SHOULD DECREASE IN FY2019 H2
- GROSS PROFIT MIX WILL CONTINUE TO MOVE TO BACK-END REVENUE STREAMS
- EBITDA SEASONALISATION TO BE SIMILAR TO FY2018 AFTER ADJUSTING FOR THE IMPACT OF WLTP, HAIL & QUARANTINE IN FY2019 H1

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km/h
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FY2019 H1 FINANCIAL RESULT & HIGHLIGHTS

ASG STRATEGY & MARKET REVIEW

FY2019 H2 FOCUS AREAS & OUTLOOK

Q & A

ADDITIONAL INFORMATION

ASG BRAND PORTFOLIO

LUXURY (27)

- Audi – 6
- VOLVO – 5
- Mercedes-Benz – 2 Passenger, 1 Vans
- LAMBORGHINI – 2
- MASERATI – 1
- BENTLEY – 1
- BMW – 4
- 1
- MINI – 2
- BMW Motorrad – 2

PRESTIGE(7)

- 4
- mazda – 1
- HONDA – 1
- ALFA ROMEO / FIAT – 1

USED CAR DEALERSHIPS (2)

- PRESTIGE AUTO TRADERS – 2

Sydney & Brisbane sites

COLLISION REPAIR FACILITIES (4)

- Audi / LAMBORGHINI – 1
- Mercedes-Benz – 1
- BMW – 2

ACQUISITIONS GREENFIELDS FY18

- BENTLEY Gold Coast – 1
- MASERATI Gold Coast – 1
- MINI Canterbury – 1
- VOLVO / Mosman Smash Repairs – 1

FY2019 H1 STATUTORY FINANCIALS

Statutory History			
Aggregated accounts (statutory)			
$m	FY17 H1	FY18 H1	FY19 H1
Total Revenue	165.4	792.7	**826.6**
Gross Profit	29.0	123.3	**134.4**
EBITDA	(0.3)	26.4	**22.5**
EBIT	(1.3)	22.3	**17.2**
NPBT	(2.3)	16.9	**8.1**
NPAT	(3.1)	12.2	**5.4**
NPATA	(2.8)	13.6	**7.0**

Statutory Highlights

- FY17 Statutory Accounts were for the period 18 November 2016 to 30 June 2017
- Interim dividend of 2.0c fully franked
- Net cash flow from operating activities is $18.2M
- Revenue up 4.2%

CAPITAL STRUCTURE

Normalised 31 December 2018 Capital Structure

Facility	$m FY 2018	$m H1 FY 2019
Capital Loans	70.1	71.8
Other Loans & Hire Purchase facilities	4.3	4.9
Cash	(14.3)	(11.7)
Net debt / (cash) (Excluding floorplan finance)	**60.1**	**65.0**
Net Debt (Cash) / EBITDA (adjusted)*	1.2	4.2
Floorplan Finance	405.1	412.0
Total Net Debt	**465.2**	**477.0**

*.EBITDA Adjusted to include floorplan finance interest

Capital Loans as at 31 December 2018

Finance company	Total '000	Total Term
BMW Finance	40,386	5-7 Years
Macquarie	2,001	4-7 Years
Mercedes Benz Finance	18,280	5-20 Years
Volkswagen Financial Services	10,302	2-9 Years
Westpac Bank	891	2-9 Years
Total	**71,860**	

- ASG's strong cash generation results in a capital light business
- Additional $1.7M of capital loans net of capital repayments to fund second Macgregor property. Additional customer loan cars and plant and equipment
- At 31 December 2018, 85.5% of floorplan facilities are with OEM financiers

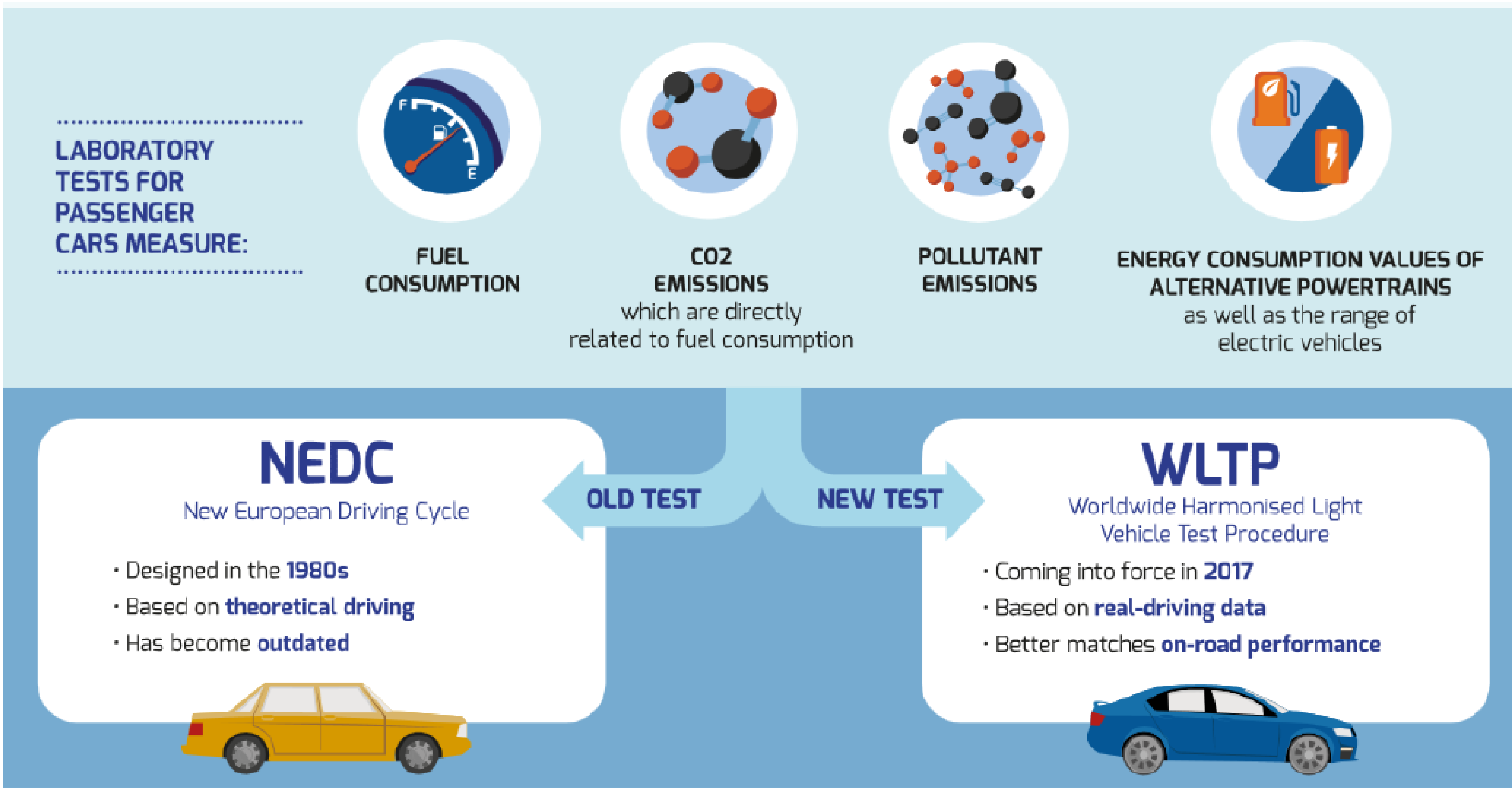
FY2019 H1 NORMALISED FINANCIAL RESULT

$m	1H FY18	1H FY19	Growth on PCP
New Vehicles	462.1	478.5	3.5%
Used Vehicles	212.8	208.9	-1.8%
Finance & Insurance	12.1	10.7	-11.7%
Aftermarket	6.2	5.9	-4.3%
Service	45.6	54.2	18.9%
Parts	47.2	64.5	36.7%
Other Revenue	31.7	39.9	26.0%
Total Revenue	**817.6**	**862.5**	**5.5%**
Cost of Goods Sold	(694.3)	(728.1)	4.9%
Gross Profit	**123.3**	**134.4**	**9.0%**
Operating Expenses	(96.3)	(111.4)	15.6%
EBITDA	**27.0**	**23.0**	**-14.8%**
Depreciation	(2.1)	(3.0)	48.1%
EBITA	**25.0**	**20.0**	**-20.0%**
Floorplan & Corporate Interest	(5.5)	(9.1)	66.5%
NPBT	**19.5**	**10.9**	**-44.1%**
Income Tax	(4.7)	(2.6)	-44.7%
NPAT	**14.8**	**8.3**	**-43.9%**

BASIS OF PREPARATION

- Acquisition amortisation of intangibles of $2.24M excluded from data
- Normalisations of $0.6M relating to acquisition and restructuring costs

WHAT IS WLTP & HOW DOES IT WORK?



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