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## ASX Announcement

### Autosports Group announces expected goodwill impairment

Autosports Group Limited (ASX: ASG) announces that following completion of its impairment testing process, it expects to recognise a non-cash goodwill impairment charge of \$53.7 million for the half-year ended 31 December 2019.

The impairment is a non-cash accounting adjustment and will have no impact on Autosports Group's normalised earnings or on determination of its half-year dividend. The impairment relates to an independent external determination of an increase in WACC rates (weighted average cost of capital) reflecting lower consumer confidence, lower discretionary spending and a challenging overall new vehicle market.

By contrast, the luxury segment (according to VFACTS) has shown an increase during the last seven months. Coupled with improvements in used vehicle, service, parts, finance and aftermarket revenue streams, Autosports Group confirms its January 2020 guidance for the half-year FY2020 with total revenue and net profit before tax (NPBT) approximately in line with H1 2019FY (H1 2019FY Revenue \$862.5M, H1 2019FY NPBT \$10.9M). NPBT (above) excludes the impact of the expected impairment, acquisition amortisation, one-off costs associated with acquisitions, the closure of discontinued businesses and the impact of the changes to AASB16 accounting standards.

The final impairment outcome is subject to review and the finalisation of the half-year results which will be released on Friday, 28 February 2020.

This announcement was approved by the Board of Directors of Autosports Group Limited.

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