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ASX announcement

Autosports Group delivers record net profit

- **Statutory net profit after tax up 29% to $54.6 million**
- **Normalised net profit before tax[1] up 23% to $92.8m**
- **Normalised gross margin 19.9%**
- **Full year dividend up 78% to 16 cents per share (fully franked)**
- **Customer new vehicle orders up 66% since December 2021**

Autosports Group Limited (ASX: ASG) today announced its financial results for the year ended 30 June 2022 (**FY22**).

The Company delivered a record normalised net profit before tax[1] of $92.8 million, up 23% on the prior year.

Normalised gross margin continued to increase to 19.9% for FY22.

Statutory net profit increased by 29% to $54.6 million.

Commenting on the result, Autosports Group, CEO, Nick Pagent said: "Despite various continued challenges during the year, including lockdowns and supply chain disruptions, the increasing diversity and scale of our business, together with the excellent operational leadership of the Autosports Group team ensured we were able to deliver a record profit result in FY22.

"We retain a diverse revenue stream across our three divisions which provides growth and resilience. In particular Service and Parts revenue grew strongly, up 9% on the prior year, despite lockdowns experienced in the first quarter.

"We experienced gross margin increase as our customer new vehicle orders continue to grow and higher margin back-end revenue from Service and Parts recovered during the year.

"Gross margin improvement was also assisted by our ongoing focus on operational expenditure, and continued realignment of operational expenditure in acquired businesses, together with improved site utilisation.

Dividend and Capital Position

The Board declared a final dividend of 9 cents per share, fully franked, bringing the full year dividend to 16 cents per share fully franked, up 78% on the prior year. The record date for the final dividend is 1 November 2022 with scheduled payment on 15 November 2022.

The increase in dividend reflects the Company's strong financial position and the Board's confidence in the strength of Autosports Group cashflow generation and continued margin accretion.

Autosports Group remains in a strong financial position. Cash at hand as at 30 June was $90.8m with net debt of $21.7m backed by the company's $98.8m property portfolio.

[1] Normalised PBT excludes AASB16 adjustments, acquisition and restructure costs and acquisition amortisation

Acquisitions create strong platform for future growth

Autosports Group remains focused on acquiring strategically aligned brands in geographic locations where the Company can unlock margin improvements.

During the year Autosports Group acquired the Subaru and Kia Rosebery businesses from Suttons Motor Group.

These businesses were subsequently relocated to Autosports Group's acquired property at 98 O'Riordan Street, Alexandria, NSW, which is adjacent to the Company's Mazda Alexandria business and opposite its super-luxury and Jaguar Land Rover dealerships.

On 1 August 2022 Autosports Group settled the acquisition of Auckland City BMW Limited in New Zealand. This transaction provides immediate scale into the NZ luxury auto brands market and enhances the geographic diversity and reach of Autosports Group beyond Australia.

Outlook – margins expected to continue to increase

Nick Pagent, CEO of Autosports Group said: "Autosports Group is expected to continue its growth momentum into FY23 which includes improved margins.

"While structural supply issues mean new car demand continues to be greater than supply in the short term, we maintain a diverse revenue model for continued growth. New car sales should benefit from any improvement in supply chain issues, while used car sales are expected to continue their recovery from lockdowns in the first half of FY22. Our Service and Parts business is a higher margin business returning to strong growth post lockdowns.

"Our organic growth will be boosted by accretive earnings from acquisitions made in FY22 and the acquisition of Auckland City BMW Group at the start of FY23.

"Meanwhile our strong balance sheet supports further acquisitions and potential consolidation opportunities to further enhance our growth platform."

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This announcement has been approved for release by the Board of Directors.