22 FEBRUARY 2024

Market Announcements Office – ASX Limited

Record Full Year Underlying Result & Dividend

Record Full Year Revenue

$9.9 billion
(+15.3% on prior period)

Record Underlying Operating Profit Before Tax

$433.3 million
(+6.9% on prior period)

Strong Cash Position & Balance Sheet

$620.3 million
Total available liquidity

Record Fully Franked Dividend

50.0 cps
(FY22: 49.0 cps)

Strong Position Going into FY24

- Top line growth expected via accretive acquisitions, maturing greenfield businesses and strategic partnerships
- Margins supported by reset productivity base and continued benefit from material order bank driving strong sustainable return on sales

For personal use only

Eagers Automotive Limited (ASX: APE) ("the Company"), Australia's leading automotive retail group, today announced its financial results for the twelve months ended 31 December 2023 (FY23).

The Company delivered an Underlying Operating Profit Before Tax for FY23 of $433.3 million, an increase of 6.9% on FY22. Revenue for the full year was $9.9 billion, an increase of $1.3 billion or 15.3% on FY22.

The strong growth in revenue and underlying profit was underpinned by:

- ✓ Balanced contributions from organic growth, establishing greenfield businesses and integrating scale acquisitions completed in 2022, all leveraging a record new car market
- ✓ Sustained strong margins on new car sales, embedded into the order bank
- ✓ Record profits in the independent pre-owned business easyauto123 and Carlins Auctions as well as growth in our large scale parts and service operations
- ✓ The financial services division continuing to outperform industry benchmarks for both new and used cars with margin growth achieved through ancillary products and car care
- ✓ Continued growth and momentum with existing partners and new market entrants in the high growth electric and low emission vehicle market
- ✓ Strong cost management in a high inflationary environment demonstrating execution of our Next100 strategy, which has delivered a multi-year business transformation and underpins a sustainable strong return on sales margin

The Board has approved payment of a final fully franked dividend of 50.0 cents per share, up 2.0% on FY22 (49.0 cents per share), taking the full year dividend to 74.0 cents per share, the highest in the Company's history.

For personal use only

Commenting on the full year performance CEO Keith Thornton said:

"For the third consecutive year, the company has grown the underlying profit result. This demonstrates the results of our clear growth strategy, our strong sustainable return on sales margin, continued cost discipline and genuine business transformation compared with pre pandemic levels.

Demand for new and used vehicles remained solid as new vehicle supply normalised over the second half of 2023. This, combined with growth in our independent pre-owned vehicle business, continued outperformance against the industry in New Energy Vehicle sales and a full year contribution from the business acquisitions in the ACT and South Australia, underpinned the strong full year performance."

Operational and Strategic Highlights

- Sustained strong margins on new car sales, embedded into the order bank, and the transformation of the cost base over the last three years, leveraging a record new car market.
- Successful integration of the ACT and South Australian acquisitions which provided a full year contribution to earnings, with further upside via business optimisation.
- Accretive portfolio management with the strategic divestment of property and dealerships in Castle Hill, NSW, and the acquisition of Irelands of Cairns, QLD, a long established, multi brand dealership group along with associated property.
- Expansion of geographic footprint with shareholder approval for the accretive acquisition of the large scale NGP Group business of multi-franchised dealerships in Victoria and the Peter Kittle Toyota business in Alice Springs, both expected to complete in early 2024.

Financial Position and Capital Management

Eagers Automotive is in a very strong financial position holding a substantial property portfolio and asset base, together with $620.3 million of available liquidity at 31 December 2023. This liquidity position includes available cash and undrawn commitments under corporate debt facilities.

The strong liquidity position will enable the company to pursue further disciplined capital management initiatives including investment in organic and greenfield initiatives, continuing to review accretive M&A opportunities and investing in the development and deployment of proprietary technology to further drive productivity gains.

Outlook

Eagers Automotive expects to see the following dynamics drive future business performance:

- Consistent new car market with demand for new cars underpinned by the post pandemic reversion to normal new car deliveries (skewed toward business buyers), aided by ongoing incentives for lower emission vehicles and our material order bank.
- Record 2023 new vehicle deliveries and the normalisation of vehicle supply will benefit the pre-owned vehicle business, finance and insurance performance, and service and parts, demonstrating the resilience of the automotive retail model.
- Leveraging our scale and technology enabled operating platform to perform at industry leading productivity levels, with a material operating model advantage to the industry.
- Scale, brand portfolio and geographic advantages that are complementary to our market leading national fixed price independent pre-owned business, strategic fleet partnerships, and the market leading positioning on EV and low emission vehicles.
- Strong foundation for FY24 revenue growth, which is expected to be approximately $1.0 billion supported by strategic acquisitions and organis growth from maturing greenfield businesses and strategic partnerships.

While we continue to closely monitor the external macroeconomic environment and operate the business in a disciplined manner, the strength of our balance sheet provides the Company with the capacity and flexibility to pursue accretive growth opportunities while insulating the business in the event of any material headwinds.

Commenting on the outlook CEO Keith Thornton said:

"As we move into 2024, our total new car order book continues to underwrite deliveries even as new vehicle supply normalises. Our order book remains materially above pre-pandemic levels, with a significant run off period providing embedded margin strength.

We continue to execute on our Next100 Strategy to improve our operating model, delivering better customer outcomes on a materially lower and more sustainable cost base. This focus on productivity, which has accelerated over the last three years, should not be underestimated as it will underpin our ability to outperform through whatever cycles eventuate."

Authorised for release by the Board

For personal use only

For more information:

Keith Thornton
Chief Executive Officer
(07) 3608 7110

Jon Snowball
Domestique Consulting
0477 946 068

eagers automotive

T (07) 3608 7100
F (07) 3608 7111
E corporate@eagersautomotive.com.au

Registered Office
5 Edmund Street
Newstead
QLD 4006

Postal Address
PO Box 199
Fortitude Valley
QLD 4006