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autosports
group [€]

AUTOSPORTS GROUP LIMITED
H1 2024FY PRESENTATION
February 2024

AGENDA

HIGHLIGHTS

H1 2024FY RESULTS SUMMARY

H1 2024FY FINANCIAL METRICS

STRATEGIC UPDATE

RECAP & OUTLOOK

APPENDIX



H1 2024FY HIGHLIGHTS

REVENUE
\$1,342 million



Up 26%
on PCP

VEHICLE ORDER
WRITE



Up 11%
on PCP

STATUTORY NPAT
\$35.5 million



Up 1%
on PCP

GROSS PROFIT
\$264.8m



up 20%
on PCP

EBITDA
\$107.8m

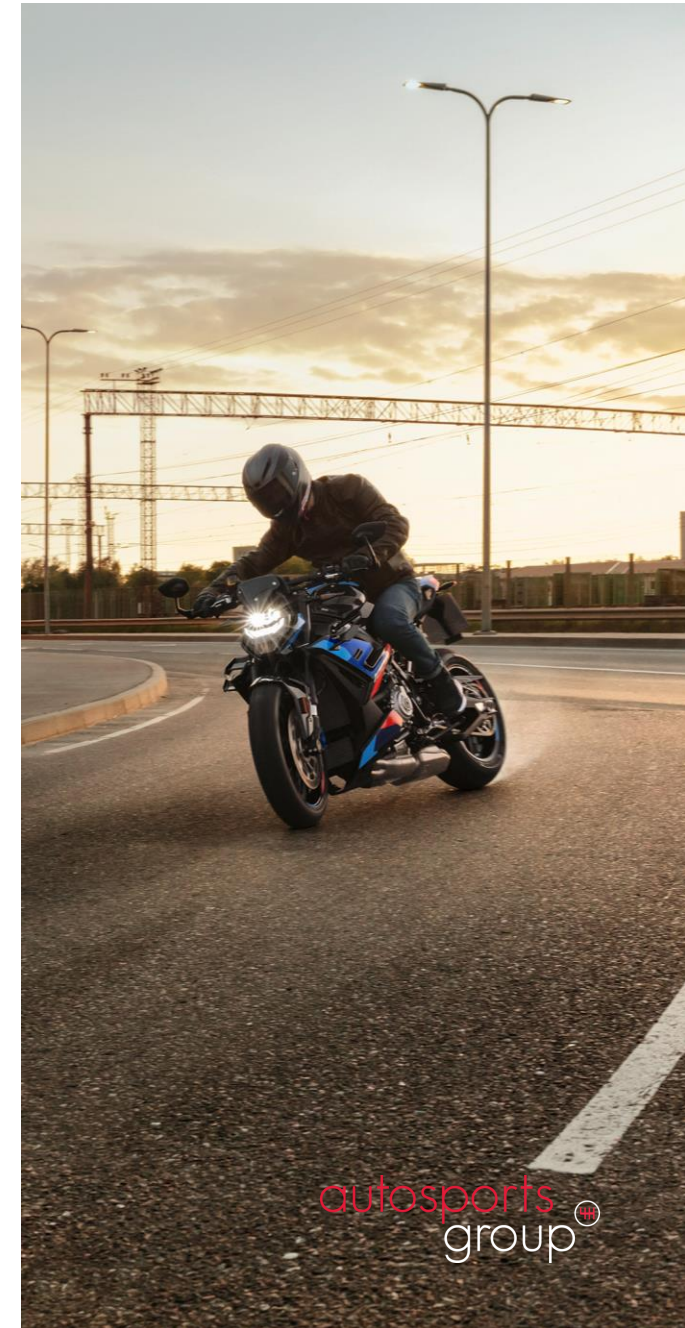


up 20.1%
on PCP

HY INTERIM DIVIDEND
10 cents per share
(fully franked)



up 11%
on PCP



STRATEGIC HIGHLIGHTS

Consistent delivery of strategic objectives creates strong platform for growth



MARKET DYNAMICS

- Orderwrite continues to grow up 11%
- Vehicle supply normalised
- New vehicle margins normalised
- Gross profit mix returning to pre-Covid levels



COST OF DOING BUSINESS

- Like for like operating cost base well managed
- Inflationary pressures reducing
- Interest costs impacting
- Op Ex ratio falls on improved revenue



GROWTH

- Led by acquisitions and supported by organic growth
- 2023FY and H1 2024FY vehicle sales and higher service customer retention drives backend revenue
- Improved line of sight on acquisitions as market consolidation accelerates
- Targeting \$250m in annual acquisition led revenue growth



CAPITAL PRIORITIES

- Operating cash generated \$51.2m
- Debt repayment \$14.4m
- Shareholder returns - H1 2024FY dividend 10 cents per share (fully franked)
- Dealership acquisitions



OUTLOOK



New vehicle supply and resilient luxury demand to deliver stable like for like revenue in H2



Service and parts should continue above trend revenue growth on improved vehicle deliveries



Inflationary cost pressures to stabilise in CY24



ASG has a clear line of sight on accretive dealership acquisition opportunities



ASG continues to target \$250m in annual growth by acquisition



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TRADING HIGHLIGHTS

\$m	H1 2024FY	H1 2023FY	Growth on PCP	H2 2023FY
New Vehicles	792.8	630.8	25.7%	804.6
Used Vehicles	327.1	250.3	30.7%	293.0
Service	89.3	73.6	21.3%	83.9
Parts	99.3	78.8	26.0%	96.3
Other Revenue	33.1	28.6	15.9%	31.4
Total Revenue	1,341.6	1,062.1	26.3%	1,309.3
<i>Gross margin</i>	<i>19.7%</i>	<i>20.8%</i>		<i>19.5%</i>
<i>EBITDA margin</i>	<i>8.0%</i>	<i>8.5%</i>		<i>7.8%</i>
<i>PBT margin</i>	<i>3.8%</i>	<i>4.8%</i>		<i>3.7%</i>

- New vehicle revenue up on normalised supply and resilient luxury market
- Orderbank reduced in volume but up 13% in gross profit on closing H1 2023FY levels
- Used vehicle revenue grew ahead of expectations on improved trade in ratios as new vehicle lead times normalised
- Service and parts tailwinds continue on growing vehicle deliveries and higher customer retention
- Gross margins remain stable as gross mix returns towards pre-Covid settings

H1 2024FY FINANCIAL RESULT

\$m	H1 2024FY	H1 2023FY	Growth on PCP
Total Revenue	1,341.6	1,062.1	26.3%
Gross Profit	264.8	220.6	20.0%
Operating Expenses	(157.0)	(130.8)	20.0%
EBITDA	107.8	89.8	20.1%
Depreciation	(27.5)	(24.1)	14.3%
Acquisition amortisation	(2.0)	(1.4)	38.9%
EBIT	78.3	64.3	21.9%
Interest expense	(27.4)	(13.0)	110.4%
NPBT	50.9	51.3	-0.6%
NPAT	35.5	35.1	1.0%
<i>EPS</i>	<i>17.50</i>	<i>17.15</i>	<i>2.0%</i>
<i>DPS</i>	<i>10.0</i>	<i>9.0</i>	<i>11.1%</i>

	H1 2024FY	H1 2023FY	Movement
Underlying PBT	54.7	52.0	5.3%
AASB 16 impacts	(1.6)	2.0	-179.9%
Normalised PBT	53.2	53.9	-1.4%
Statutory adjustments			
- Acquisition amortisation	(2.0)	(1.4)	38.9%
- Acquisition and restructure expenses	(0.2)	(1.3)	-81.6%
Statutory PBT	50.9	51.3	-0.6%

HIGHLIGHTS

- Revenue growth of \$280m led by
 - Organic revenue growth of \$114m
 - Cycling of prior year acquisitions \$153m
 - Greenfield revenue growth \$13m
- Gross profit up 20% as margins hold as trading conditions normalize
- EBIT up 21.9% as controlled operational expenses allows revenue and gross profit gains to flow through
- NPBT stable at \$50.9m (down \$0.4m on PCP) despite impacts of
 - Interest costs up \$14m vs PCP
 - AASB16 impact of \$3.6m vs PCP
- Interim dividend increased 11.1% to 10c per share fully franked on positive trading outlook

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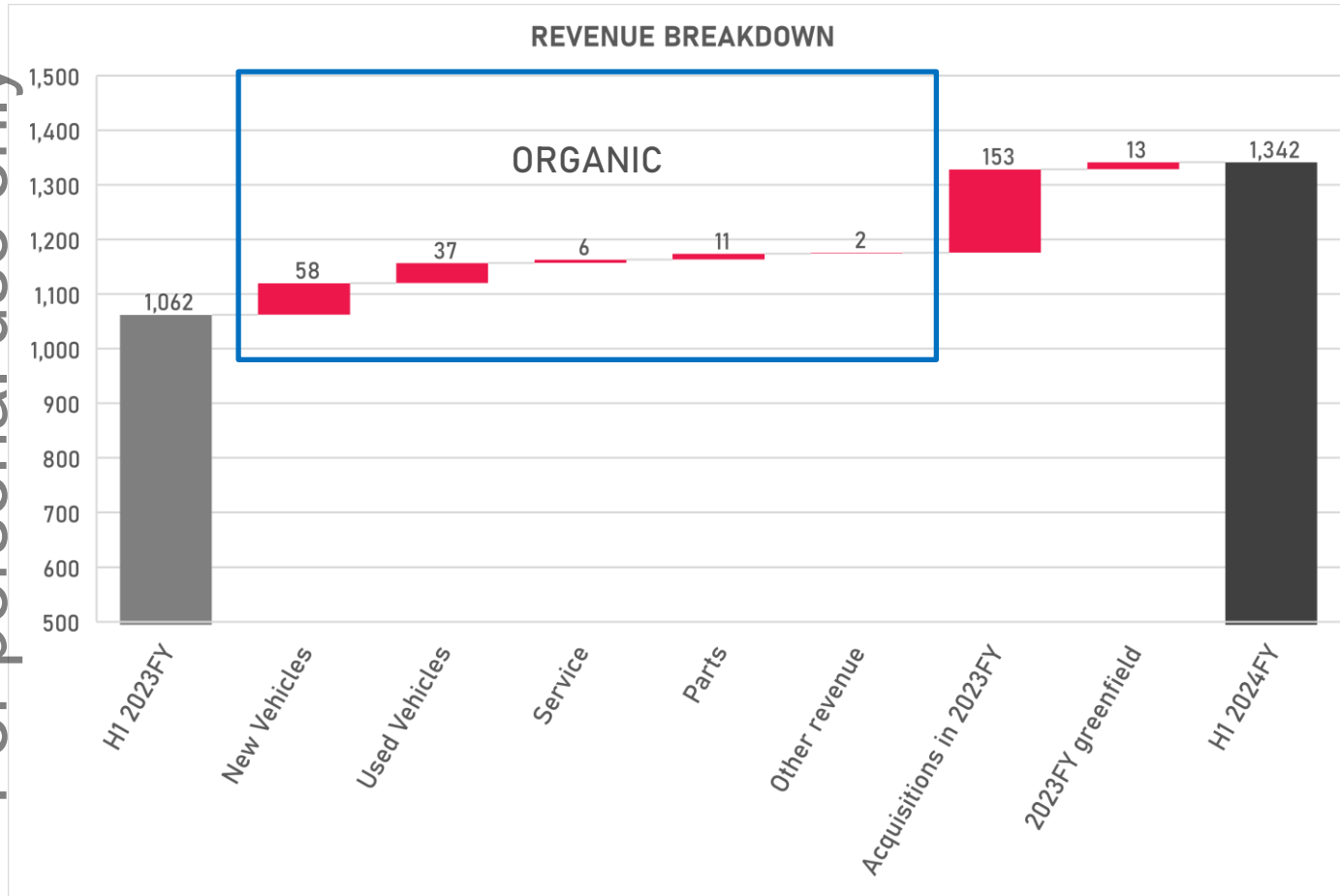
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H1 2024FY REVENUE DRIVERS

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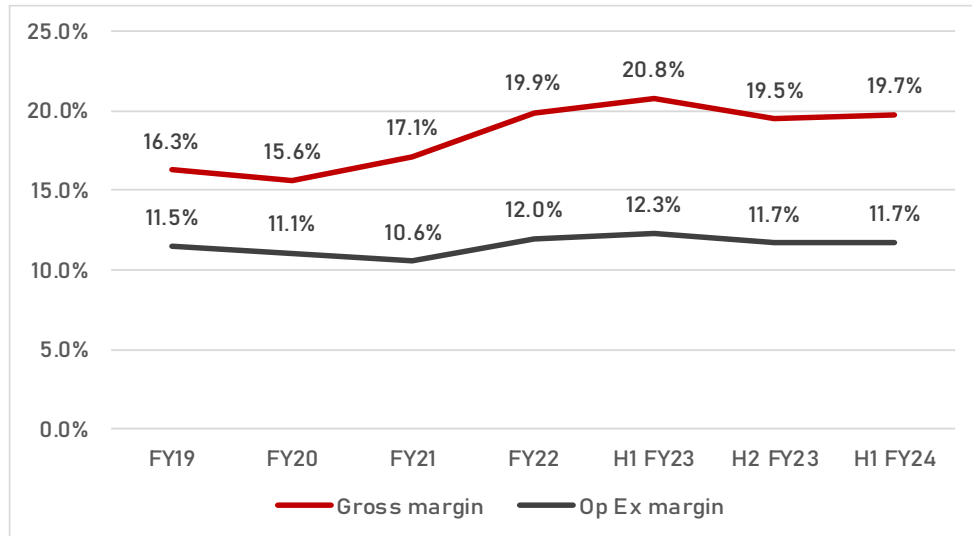


- ### REVENUE BREAKDOWN H1 2024FY
- Strong underlying market saw ASG's like for like new vehicle revenue grow 9.2%
 - Used vehicle like for like revenue growth of 14.7% supported by increased trade in opportunities
 - Service and parts revenue like for like growth of 11%

- ### H2 2024FY REVENUE DRIVERS
- 2023FY and H1 2024FY vehicle sales and higher service customer retention drives backend revenue
 - Consistent OEM luxury vehicle supply

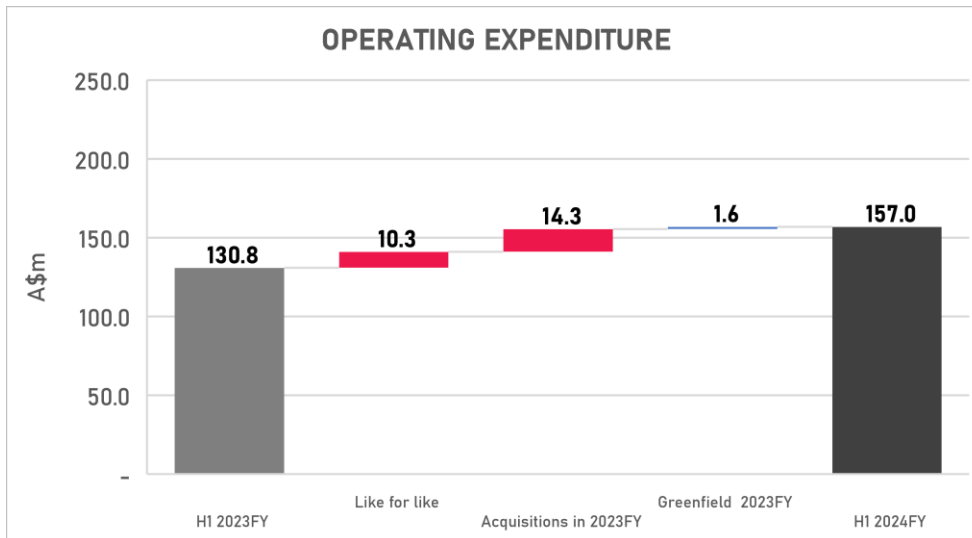
UNLOCKING IMPROVED OPERATING LEVERAGE

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DISCIPLINED EXPENSE MANAGEMENT

- Like for like Op Ex increased \$10.3m (8%) on PCP
 - Like for like employee costs increased \$5.4m, 6%
 - Like for like occupancy costs increased \$1.1m 39%, AASB16 movement amounts to \$3.7m
 - Like for Like other expenses increased \$4.8m, 12%. Coming from increased IT spend and advertising spend
 - Like for like acquisitions and restructure expenses decreased \$1m

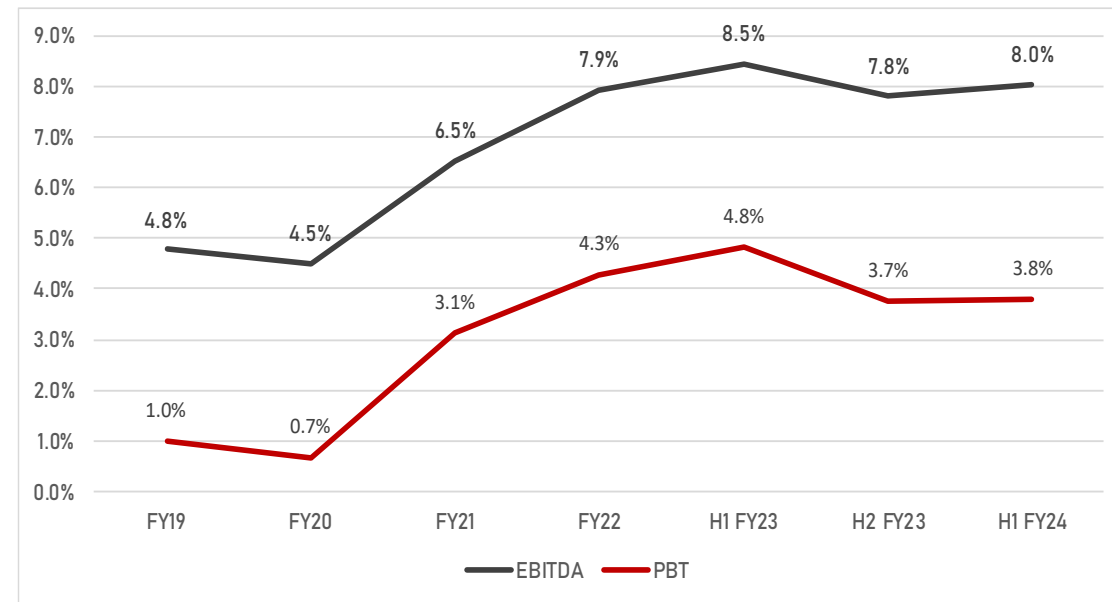
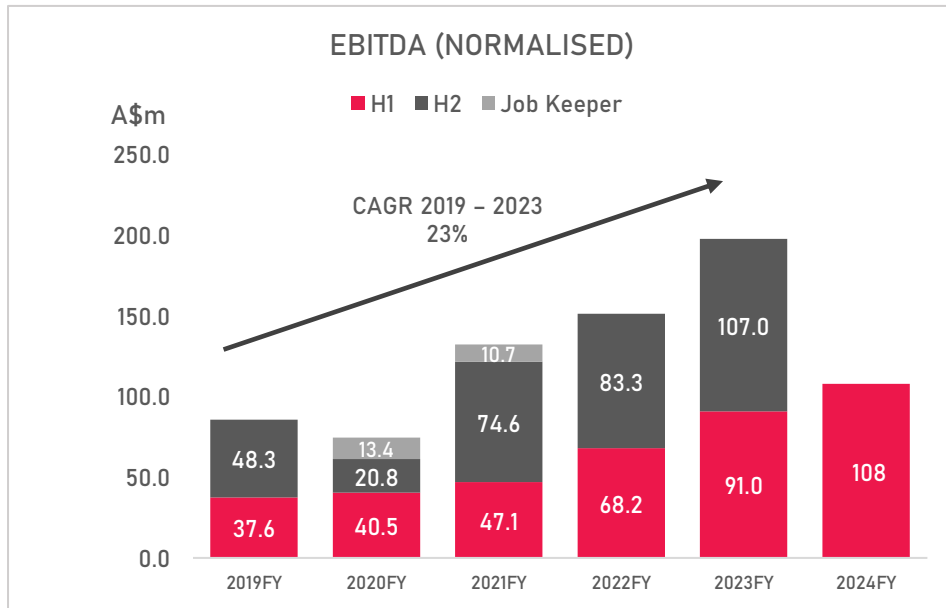


COST OPTIMISATION

- Like for like Op Ex well maintained through
 - Site optimisation
 - Using scale to leverage supplier agreements
 - Revenue increases driving operating leverage

NORMALISED MARGIN OVERVIEW

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PROFIT MARGIN DRIVERS

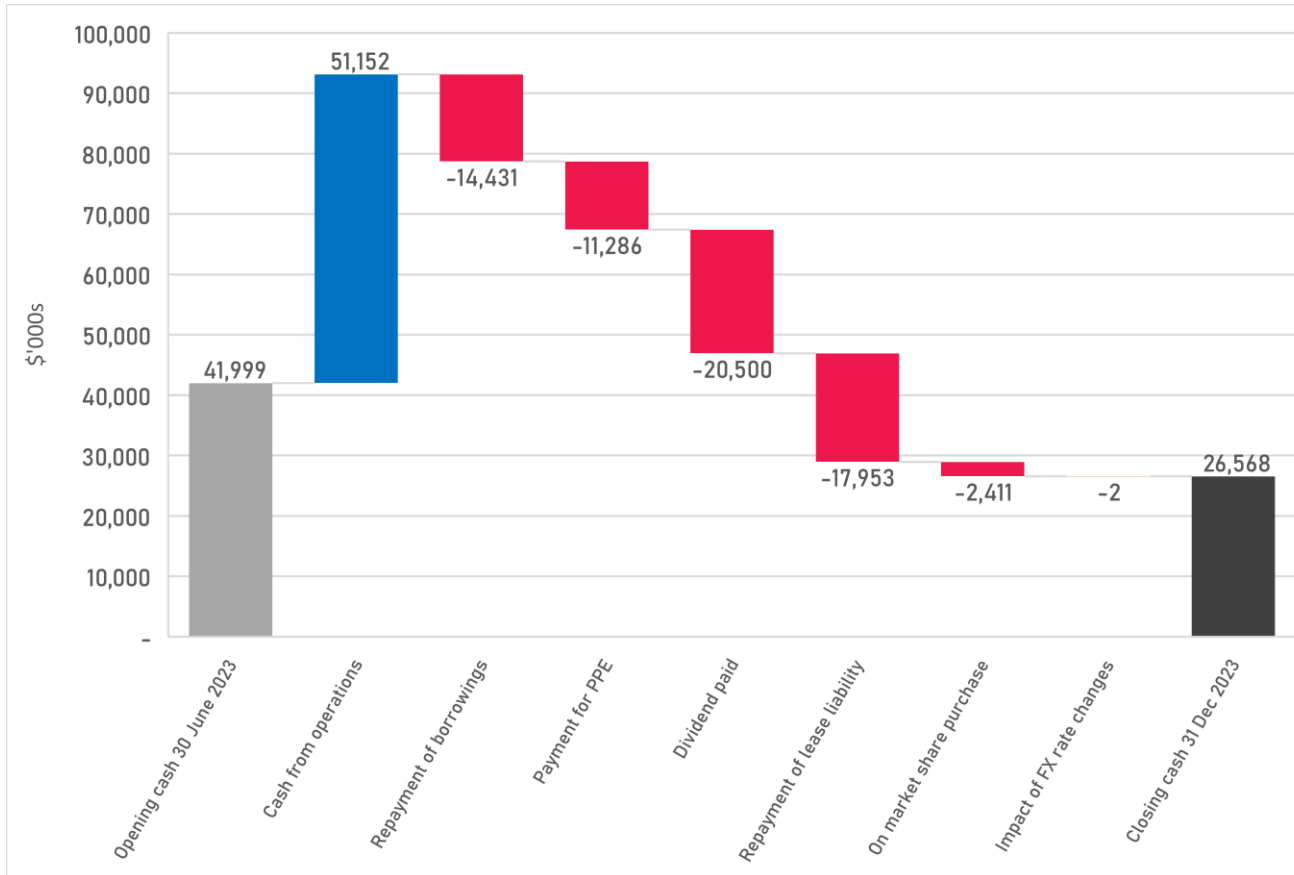
- 2019FY - 2023FY EBITDA GROWTH DRIVEN BY:
 - Increased scale and maturity supporting underlying profit
 - Strong Op Ex management
 - Continued realignment of high Op Ex in acquired businesses
 - Improved site utilisation
- 2019FY - 2023FY PBT MARGIN GROWTH DRIVEN BY
 - Improvement in property portfolio driving low occupancy costs
 - Continuation of H2 2023FY margins through H1 2024FY

(1) Normalised EBITDA excludes acquisition and restructure costs as set out on page 8

H1 2024FY CASH FLOW

ASG's strong cash flow positions the Group well to unlock future growth potential

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STRONG OPERATING CASH:

- Strong cash from operations in 2023FY of \$51.2m has enabled ASG to:
 - Payout a dividend of \$20.5m with DPS up 11% on PCP
 - Investment of \$11.3m in dealership improvements creating greater customer experience and improved productivity
 - Corporate debt reduced \$14.4m, to \$208m, with no new debt drawn down

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LUXURY MARKET – EV MARKET

ASG's strategy of partnering with the best luxury brands in the market has the Group well placed for EV market growth

LUXURY BRANDS

- Traditional luxury brands (Mercedes-Benz, BMW, Audi, Volvo) products are
 - Leading technology
 - High revenue and gross generating
 - Growing in share
 - Resilient in Service and Parts revenue streams
- The luxury consumer remains brand loyal but financially capable of changing to EV products
- In 2023 36% of the luxury market deliveries were EV's
- Traditional luxury brands have rapid EV product roll outs underway
- Mercedes-Benz, BMW and Audi are targeting Tesla's market share



BRAND	2023 SALES
Tesla	46,116
BYD	12,438
MG	5,928
Volvo	3,949
Mercedes-Benz	3,188
Kia	3,039
BMW	2,990
Polestar	2,463
Hyundai	2,417
Cupra	887
MINI	551
Audi	539
Porsche	535

Source: Evcentral.com.au

■ Represents ASG brand representation

ACQUISITION STRATEGY

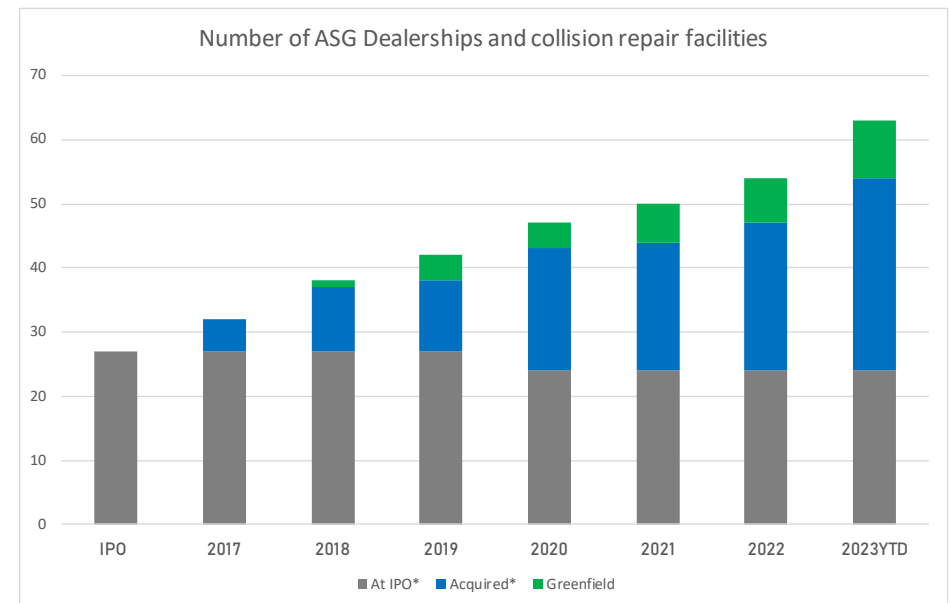
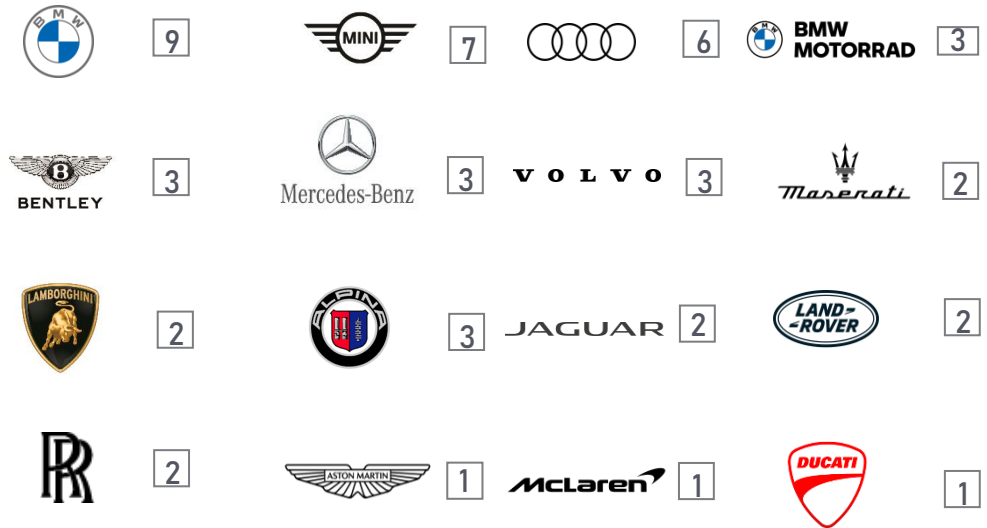
ASG is focused on growth in prestige and luxury brands acquisition opportunities

WHY LUXURY BRANDS?

- High revenue per transaction
- A resilient customer base
- EV ready brands
- Meaningful market share opportunity

ACQUISITIONS ARE WELL PRICED

- Acquisition multiples between 4 – 6x NPBT plus assets
- Capital allocation delivers strong ROI, ROCE, and EPS accretion
- In FY23 acquisitions delivered \$272m in revenue growth for ASG
- ASG has a clear pipeline to deliver our target range of \$250m per annum in acquisition led revenue



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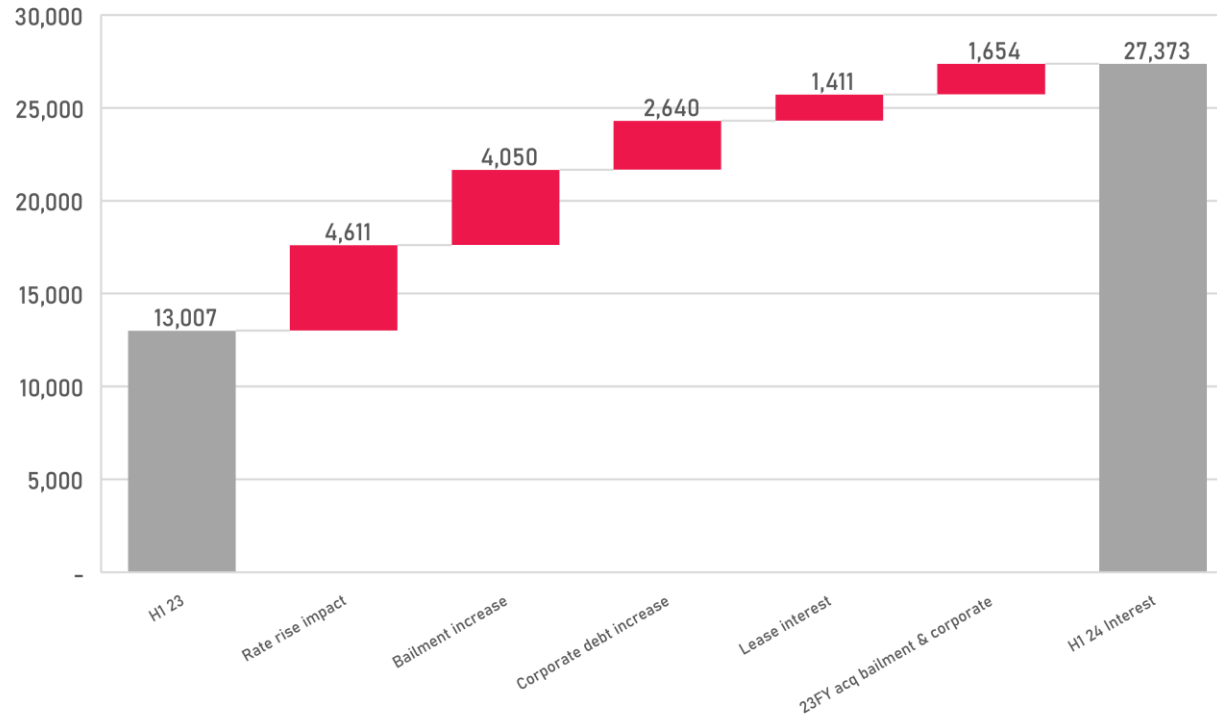
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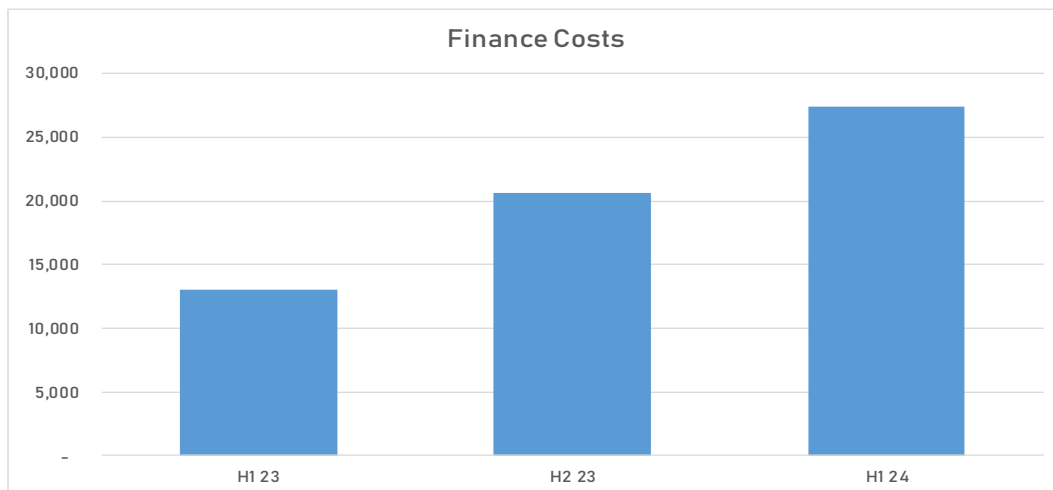
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FINANCE COSTS BRIDGE H1 2024FY



- At 31 December 2023 Inventory levels each 0.25% interest rate movement impacts interest costs by \$1.3m
- Corporate debt repayment \$14m in H1 2024FY



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ABOUT ASG

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

KEY FACTS

HISTORY	<ul style="list-style-type: none"> Established 18 years ago by founders and major shareholders, Ian Pagent and Nick Pagent Listed in November 2016
OPERATIONS	<ul style="list-style-type: none"> 54 new car dealerships 3 used car outlets 4 motorcycle dealerships 8 specialist prestige vehicle collision repair facilities Strategically located in high growth Sydney, Melbourne, Brisbane, Gold Coast and Auckland
# UNITS SOLD (FY2023)	<ul style="list-style-type: none"> ~21,000 new cars ~16,000 used cars
ASG BRANDS	<ul style="list-style-type: none"> Represents 20 luxury and prestige brands
EMPLOYEES (June 2023)	<ul style="list-style-type: none"> ~1,800
FINANCIAL SCALE (FY2023)	<ul style="list-style-type: none"> Revenue >\$2.3 billion
PERFORMANCE SINCE LISTING	<ul style="list-style-type: none"> Dividend per share CAGR 27% 2017FY – 2023FY Earnings per share CAGR 16% 2017FY – 2023FY

ASG'S BRANDS

	9		6		3
	3		2		2
	3		2		1
	2		3		1
	2		7		2
	4		3		1
	1		1		

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TRACK RECORD OF DELIVERING GROWTH AND SHAREHOLDER RETURNS

Since listing ASG has maintained a track record of delivering both growth and shareholder returns

	2017FY**	2023FY	Movement	
Financial Metrics				
Revenue \$'millions	1,446.2	2,371.4	↑	64%
NPBT normalised* \$'millions	38.7	112.2	↑	190%
Gross margin	15%	20%	↑	35%
NPBT normalised* margin	2.7%	4.7%	↑	75%
EBITDA normalised margin	3.8%	6.3%	↑	66%
SHAREHOLDER RETURNS				
EPS (cents) statutory	6.07	32.55	↑	436%
DPS (cents) declared	4.6	19.0	↑	313%

*Normalised NPBT excludes AASB16 adjustments, acquisition and restructure costs, acquisition amortisation and impairment. AASB16 impacts excluded for like for like comparison with historical period as AASB16 came into effect in 2019.

** pro forma 2017FY results

AASB16 LEASES IMPACT

A\$m	H1 2024FY Statutory			A\$m	H1 2023FY Statutory		
	Pre AASB16	AASB16	After AASB16		Pre AASB16	AASB16	After AASB16
Total Revenue	1,341.61		1,341.61	Total Revenue	1,062.1		1,062.1
Gross Profit	264.82		264.82	Gross Profit	220.6		220.6
Opex	(180.1)	23.3	(157.0)	Opex	(155.0)	24.1	(130.8)
EBITDA	84.47	23.3	107.82	EBITDA	65.6	24.1	89.8
Depreciation	(8.1)	(19.4)	(27.5)	Depreciation	(6.0)	(18.0)	(24.1)
Acquisition amortisation	(2.0)		(2.0)	Acquisition amortisation	(1.4)		(1.4)
Impairment of goodwill				Impairment of goodwill			
EBIT	78.31		78.31	EBIT	58.1		64.3
Interest Expense	(21.8)	(5.6)	(27.4)	Interest Expense	(8.9)	(4.1)	(13.0)
PBT	52.51	(1.6)	50.94	PBT	49.3	2.0	51.3

H2 2024FY AASB 16 is estimated to have a similar PBT impact to H1 2024FY this estimate is subject to change based on lease renewals, CPI increases, foreign exchange rate movements, new leases or disposal of leases.



PROPERTY STRATEGY

ASG's property strategy is set to support our dealership growth strategy

LOCATION	DATE ACQUIRED
Macgregor, QLD	May 2018
Macgregor, QLD – vacant land	Dec 2018
Hornsby, NSW	Sep 2019
Brighton, VIC	Feb 2021
Bundoora, VIC	Nov 2021
Alexandria, NSW	Feb 2022
Fortitude Valley, QLD	Jun 2023



2024FY CARRYING VALUE

- Historical acquisition cost \$203.1m
- Current book value* \$192.7m
- Total corporate debt \$208m

PROPERTY STRATEGY

- Control strategically important retail sites
- Further improves tangible asset base
- Gradually reduce lease costs
- Property debt provided by OEM financiers
- Property portfolio increases ASG's access to OEM funding

* Property cost less accumulated depreciation and impairment



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QUESTIONS

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DRIVE ENDLESS POSSIBILITIES