



# Automotive Holdings Group Limited

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Institutional Briefing  
September 2006

# Highlights full year

- Implementation of Australasian growth strategy
  - Major logistics expansion go-ahead for Sydney
  - Major automotive retailing acquisition in Victoria
  - KTM distributorship for New Zealand
  - Proposed acquisition of McGrath Lander Group
  - Acquisition of Auckland Auto Alliance
- Strong results for 1<sup>st</sup> year as a publicly listed company
  - NPAT \$20.2 million, 19.5% increase on Prospectus forecast
  - Revenue of \$1.619 billion, 2.1% increase on Prospectus forecast
  - EBITDA of \$52.7 million, 11.2% increase on Prospectus forecast
- Fully franked dividend of 10 cents per share, 17.6% above Prospectus forecast



# Highlights Earnings Performance

	Prospectus Forecast	FY06 Actual	% Increase
Revenue	\$1.587b	\$1.619b	2.1
EBITDA	\$47.4m	\$52.7m	11.2
NPAT	\$16.9m	\$20.2m	19.5
EPS (based on 140m shares)	12.1 cents	14.4 cents	16.0
Dividend (fully franked)	8.5 cents	10.0 cents	17.6
Yield (based on current price) <sup>1</sup>	8.5%	4.8%	
Price Earnings Ratio (PE Ratio)	8.2 times	14.58 times	
Interest cover (times)	3.1	3.62	

<sup>1</sup> As at close of market 8 September 2006



# Snapshot

• Market Capitalisation - AHE	\$294.0 million
– AP Eagers	\$ 197.3 million
– Adtrans	\$ 72.4 million
• Shares on issue	\$140.0 million
• Share price <sup>1</sup>	\$2.10
• FY06 Dividend (fully franked)	
– Half Year (paid 31 March)	4.0 cents
– Full Year (payable 13 October)	6.0 cents
• Full year dividend yield <sup>2</sup>	4.8%

<sup>1</sup> As at close of market 8 September 2006

<sup>2</sup> Based on Share price at close of market 8 September 2006



# Divisional Breakdown

	Forecast <sup>1</sup>	Actual
\$'000	Year Ending 30 June 2006	Year Ending 30 June 2006
<b>Automotive Retail</b>		
Sales	1,404,000	1,416,000
EBITDA	38,100	43,000
EBITDA margin	2.7%	3.04%
<b>Logistics</b>		
Sales	182,350	202,600
EBITDA	9,266	9,700
EBITDA margin	5.1%	4.8%
<b>AHG Group</b>		
Sales	1,586,966	1,619,262
EBITDA	47,379	52,700
PBT	28,102	33,506
EBITDA margin	3.0%	3.25%

<sup>1</sup> As per Prospectus dated August 2005



# Consolidated Balance Sheet 30 June 2006

## Consolidated Balance Sheet – as at 30 June 2006 (\$'000)

Cash	42,781	
Receivables	81,445	
Inventory	245,897	
Available for sale financial assets	12,482	
Net P,P&E	27,440	
Intangibles	71,434	
Deferred tax assets	8,663	
Other	5,342	
<b>Total Assets</b>		<b>495,484</b>
Payables	76,473	
Interest Bearing Liabilities (Current)	228,625	
Other Current Liabilities	17,048	
Interest Bearing Liabilities (Non-Current)	25,266	
Other Non-Current Liabilities	10,354	
<b>Total Liabilities</b>		<b><u>357,766</u></b>
<b>Net Assets</b>		<b><u>137,718</u></b>
Equity	110,407	
Retained profits	15,781	
Outside Equity Interests	11,530	
<b>Total Equity</b>		<b><u>137,718</u></b>



# Growth Strategy

- Public ownership allows AHG greater flexibility in seeking new growth opportunities
- Pursue selective acquisitions across Australasia that create long-term value for shareholders
- Continue to establish new dealerships on greenfield sites
- Add new franchise brands to AHG's automotive retailing portfolio
- Expand the logistics business through broadening the service offering to customers



# The Investment Case

- Diversified automotive retail and logistics group
- Australia's largest automotive retailer with revenue from new and used cars, parts, service and finance
- Multiple earning streams in logistics: refrigerated transport, cold storage, warehousing and distribution
- Long-term history of stable earnings
- Experienced Board and strong management team
- Demonstrated capability of growing businesses
- Significant exposure to the strong WA economy (up 11.7%\*)
- Opportunities in eastern Australia providing platform for implementation of Australasia wide growth strategy

\* Source: ABS 5206.0 State Final Demand June 05 – June 06





# McGrath Lander Group

- One of the largest automotive retailers in NSW
- 15 motor vehicle dealerships well located to benefit from planned population growth
- 10 motor vehicle manufacturers encompassing 7 out of top 10 (*Holden, Kia, Mazda, Mitsubishi, Nissan, Subaru, Toyota*)
- Heads of Agreement executed 29 June 2006
- Due Diligence being completed with final terms currently being negotiated.
- Purchase price up to \$69 million – dependant on final structure of deal
- Earnings accretive in year 1



# McGrath Lander Group



# Auckland Auto Collection Limited

- Formed in 1999 as a Retail Joint Venture between Ford Motor Company of NZ and Mazda Motor Corporation;
- Turnover of >\$NZ 200m;
- 2 Ford and 2 Mazda dealerships with 4 satellite service centres in central and northern Auckland (only 1 other Ford/Mazda dealer in Auckland);
- AHG's 1<sup>st</sup> Mazda dealership;
- Central flagship site, John Andrews Ford being redeveloped to ensure long term success;
- Provides future growth opportunities in NZ for AHG



# The Year Ahead

- Strong focus on profit growth and protecting margins in competitive markets
- Growth push in both automotive retailing and logistics
- Target acquisitive growth in automotive retailing
- Pursue further organic growth opportunities in existing operations
- Continue to leverage strong activity in the WA economy
- Divestment of dealerships in Perth Auto Alliance to enable 100% ownership of remaining dealerships
- Completion of construction of new facilities for Prestige Hino Dandenong (November 2006) and Rand Homebush Cold Store (March 2007)



# Perth Auto Alliance

- 60.3% holding in PAA with balance held by Ford;
- Range/Park Ford, Midway Ford and Centre Ford being divested to allow AHG to exercise its option to purchase the Ford shareholding resulting in 100% ownership of Challenger Ford, Titan Ford and Lynford dealerships.
- Finalisation of the divestment expected during October 2006;
- Minimal financial impact on divestment.



# About AHG

- Automotive retail and logistics group founded in 1952
- Largest automotive retailer in Australia currently expanding to eastern Australia and New Zealand
  - High profile passenger and commercial vehicle dealerships throughout Perth metropolitan area
  - Franchises covering 9 of the top 10 selling automotive brands
  - Proposed acquisition of McGrath Lander Group, NSW
  - Acquisition of Auckland Auto Collection, New Zealand
- Diversified income in new and used cars, service, parts, finance and insurance
- Other revenue streams from refrigerated transport, cold storage, warehousing and distribution
  - AMCAP Distribution Centre
  - Rand Transport
  - KTM Sportmotorcycles



# AHG Structure

