

ASX/MEDIA STATEMENT
24 February 2017

AHG DELIVERS HALF-YEAR PROFIT IN LINE WITH EXPECTATIONS

Highlights

- Record Group revenue of \$2.96 billion (\$2.75b pcp)
- Statutory NPAT of \$38.7 million (\$48.2m pcp)
- Statutory EPS 12.0 cents (15.7 cents pcp)
- Operating¹ EBITDA of \$108.1 million (\$112.4m pcp)
- Operating¹ EBITDA margin 3.7% (4.1% pcp)
- Operating¹ NPAT of \$43.9 million (\$49.4m pcp)
- Previous HY included approx. \$4.2m (Operating¹ NPAT) on profit from sale of property and securities
- Maintains interim dividend of 9.5 cents per share fully franked (9.5 cents pcp)

Automotive Holdings Group Limited (ASX: AHG), Australia's largest automotive retailing and logistics group, has announced Operating¹ NPAT for the six months to 31 December 2016 of \$43.9 million (down 11.3% pcp) in line with the Company's trading update at its Annual General Meeting in November. Statutory NPAT was \$38.7 million (down 19.8% pcp).

AHG managing director John McConnell said the Group's Automotive division had seen strong broad-based growth across its diversified portfolio of brands and locations, which had allowed it to mitigate the widely acknowledged downturn in the Western Australian economy.

"We've seen strong Automotive revenue and earnings growth in NSW and New Zealand, and above-budget results in Queensland and Victoria which, with the contribution of recent acquisitions, has increased Automotive Operating¹ EBITDA to \$88.6 million, up 10.3% (pcp)," said AHG managing director John McConnell.

"As expected, the first half result in Refrigerated Logistics was in line with the trend we saw in H2 of FY2016. The transformation program is expected to deliver stronger earnings in the second half."

Mr McConnell said the Company remains focused on growth and cost control and would continue to monitor underperforming businesses with a view to turnaround or divest as required.

Outlook

The Company expects the Automotive division to continue to deliver a strong performance in the second half.

The second half of the year will also see the further expansion of the **easyauto123** warehouse model.

"The current ASIC and ACCC reviews of finance and insurance commissions, once finalised, will most likely lead to industry-wide changes to the revenue mix and cost base at dealership groups and the relative shares of vehicle sales margins, finance and insurance sales, aftermarket and vehicle servicing. We expect these changes to commence across the industry after the current financial year with an extended transition period," he said.

"What we do not expect to change is AHG's position as Australia's largest automotive retailer, and one of the best places for consumers to buy a new or used vehicle, along with convenient complementary products and strong after-sales support."

¹ Operating – excludes revenue, costs and fees in relation to integration and acquisition-related activities, CEO-MD transition, profit/loss on sale of assets and operations, and asset impairment.

“In Refrigerated Logistics we expect to see significant savings and margin improvement from the transformation program and there are strong prospects for increased revenues from new contracts,” said Mr McConnell.

“We also anticipate a solid finish to the financial year from the Other Logistics division.”

As announced in November, the Company continues to expect to deliver a full year Operating¹ NPAT outcome ahead of FY2016.

ENDS

Automotive Holdings Group Limited (ASX: AHG) is a diversified automotive retailing and logistics group with operations in every Australian mainland state and in New Zealand. The Company is Australia's largest automotive retailer, with operations in Western Australia, New South Wales, Queensland and Victoria.

AHG's logistics businesses operate throughout Australia via subsidiaries Rand Transport, Harris Refrigerated Transport, Scott's Refrigerated Freightways and JAT Refrigerated Road Services (transport and cold storage), AMCAP (motor parts and industrial supplies distribution), VSE (vehicle storage and engineering), Genuine Truck Bodies (body building services to the truck industry), Higer Bus (bus and truck importation and distribution), and KTM Sportmotorcycles and HQVA (KTM and Husqvarna motorcycle importation and distribution in Australia and New Zealand).

Enquiries

Corporate
David Rowland
Company Secretary
Mobile: 0421 661 613
Email: drowland@ahg.com.au

Media
David Christison
Group Executive Corporate Communications
Mobile: 0418 959 817
Email: dchristison@ahg.com.au

Diary note

Investors and analysts are invited to participate in a briefing with AHG's managing director John McConnell and chief financial officer Philip Mirams to discuss the results and answer questions.

Conference Call Details:

Date: Friday, 24 February 2017, 11:00am AEDT / Sydney time (8:00am AWST / Perth time)

Participants are requested to dial in 5-10 minutes prior to the start time. Conference ID: 6701 3060

Dial-in Details:

Domestic participants can dial either of the numbers below to join the call. They will need to quote the ID provided above.

Toll-free: 1800 123 296 or Toll: +61 2 8038 5221

International toll-free numbers are also available for each country listed below. For countries not identified below, the Australian Toll number listed above can be dialled.

Hong Kong	800 908 865	United Kingdom	0808 234 0757
New Zealand	0800 452 782	United States	1855 293 1544
Singapore	800 616 2288	Canada	1855 5616 766

Internet Live Stream and Archive Facility:

A live stream of the call will be available at: <http://www.openbriefing.com/OB/2449.aspx>

Please note that participants listening via the live stream will not be able to ask questions during the call. An archived copy of the call will be available shortly after the conclusion of the call.

Operating¹ – excludes revenue, costs and fees in relation to integration and acquisition-related activities, CEO-MD transition, profit/loss on sale of assets and operations, and asset impairment.