



AHG DELIVERS RECORD OPERATING PROFIT AND INCREASED FULL-YEAR DIVIDEND

16 August 2013

HIGHLIGHTS

- Group revenue of \$4.278 billion (up 9.1% pcp)
- IFRS Statutory Profit after tax \$66.8 million (up 31.9%)
- Record Operating¹ NPAT of \$72.7 million (up 13.4% pcp)
- Operating¹ EPS of 27.9 cents (up 13.4% pcp)
- Final dividend of 12 cents per share; full year dividend 20 cents fully franked (18 cents pcp)
- Acquisitions completed in FY2013 – Toll Refrigerated, Coffey Ford, Newcastle and Brisbane Trucks, Bayside and Peninsula Motor Groups, and McMillan Toyota dealerships
- Strong focus on sustained organic growth and Greenfield development in Automotive
- Toll Refrigerated acquisition drives scale and synergies in Rand

Automotive Holdings Group Limited (ASX: AHE) reports record revenue and profit for the 2013 Financial Year and declares a full year 20-cent fully franked dividend.

The Group's IFRS Statutory NPAT was \$66.8 million, up \$16.4 million on the previous corresponding period on revenue of \$4.278 billion, an increase of 9.1% on the previous year.

The Company, Australia's largest automotive retailer and specialist logistics group, recorded an Operating¹ EBITDA of \$165.3 million, an increase of 7.7% (pcp) and Operating¹ NPAT of \$72.7 million, up 13.4% (pcp).

Operating¹ Earnings per Share were 27.9 cents (24.6 cents pcp) and the directors have declared a final dividend of 12 cents per share, taking the full year dividend to 20 cents fully franked (18 cents pcp).

AHG Managing Director Bronte Howson said the result provided a solid base for sustainable growth in shareholder returns in future years.

"In Automotive, we've had strong performances from our established dealerships while developing additional Greenfield sites and integrating recent acquisitions, all of which provide significant future upside," said Mr Howson.

"The focus of our Logistics division in FY2013 was on the acquisition and integration of Toll Refrigerated, the closure of the Coopers Plains (Queensland) parts operation and completing the integration of Covs, with the opening of their new state-of-the-art distribution centre."

Operating¹ – excludes costs and fees in relation to integration and acquisition-related activities, asset divestments, impairment and sale of properties.



Mr Howson said, “The trading result combined with the Group’s strong financial position enables us to deliver a full year fully franked dividend of 20 cents and continue to assess growth opportunities that will deliver future value for shareholders.”

Automotive

Revenue from the Automotive Retail division was up 10.4% to \$3.541 billion (\$3.207 billion pcp) while the Operating¹ EBITDA margin improved to 3.4% (3.3% pcp), which delivered an Operating¹ EBITDA of \$118.8 million (\$106.3 million pcp), an increase of 11.7% on the prior year.

The Group continues to focus on consolidating acquisitions and Greenfield investments made in FY2012 and FY2013 in the knowledge that, under our operating model, the dealerships will provide sustained strong contributions to AHG’s future performance.

The contribution from the Group’s truck businesses was especially pleasing and reinforces the value of the investments the Company has made in strengthening its brand presence to create greater exposure to the broader transport market.

Logistics

AHG’s Logistics division contributed revenues of \$735.6 million (\$712.1 million pcp), an increase of 3.3% and Operating¹ EBITDA rose by 4.6% to \$48.4 million (\$46.3 million pcp).

During the year the division acquired Toll Refrigerated and completed the integration of Covs and Harris, delivering significant increased revenues and synergies to the Group.

Despite challenges in the second half of FY13 caused by severe flooding in south-east Queensland and northern NSW, Rand performed strongly, increasing Operating¹ profit before tax by 10.3% to \$16.1 million (\$14.6 million pcp).

KTM also continued to perform strongly, delivering record revenue and profit based on strong demand for its product range.

Operating¹ – excludes costs and fees in relation to integration and acquisition-related activities, asset divestments, impairment and sale of properties.



Outlook

AHG is well placed to continue to deliver strong returns from its strategic investments in Automotive and Logistics.

“The automotive industry remains strong, with record levels of new vehicle sales, buoyed by manufacturer incentives of low interest rates and service offerings,” Mr Howson said.

“Our platform for automotive growth is further strengthened by recent acquisitions of established dealerships in Western Australia, Victoria and New Zealand, and our Greenfield developments in Castle Hill (NSW) and South Melbourne,” he said.

“In Logistics, demand from Rand’s clients for fully integrated service offerings in temperature controlled transport and storage has provided us with the confidence to invest in new facilities in Perth, Sydney and Adelaide, which will provide growth opportunities and significant economies of scale.

“AMCAP, Cova and KTM are all expected to continue to perform strongly in FY14.

“In the past twelve months we have used the strength of our balance sheet to support significant growth in our Automotive and Logistics divisions to create sustainable long-term value for our shareholders,” Mr Howson said.

ENDS

About AHG Automotive Holdings Group Limited (ASX: AHE) 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 and Harris Refrigerated Transport (transport and cold storage), AMCAP and Cova (motor parts and industrial supplies distribution), VSE (vehicle storage and engineering), Genuine Truck Bodies (body building services to the truck industry), and KTM Sportmotorcycles (motorcycle importation and distribution in Australia and New Zealand).

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