



## AUTOMOTIVE HOLDINGS GROUP

### AHG DELIVERS RECORD OPERATING PROFIT AND INCREASED FULL-YEAR DIVIDEND

14 August 2015

#### HIGHLIGHTS

- Record Group revenue of \$5.2 billion (up 10.8% pcp)
- IFRS Statutory Profit before tax \$130.0 million (up 20.5% pcp)
- IFRS Statutory Profit after tax \$88.1 million (up 20.8% pcp)
- Record Operating<sup>1</sup> Profit before tax \$141.7 million (up 20.5% pcp)
- Record Operating<sup>1</sup> Profit after tax \$94.2 million (up 20.0% pcp)
- Operating<sup>1</sup> EPS of 30.7 cents up 6.0% (29.0 cents pcp)
- Final dividend of 13 cents per share; full year dividend 22 cents fully franked (21 cents pcp)
- Acquisitions completed in FY2015 – Bradstreet Motor Group (Newcastle, NSW), Leo Muller CJD (Brisbane), Paceway Mitsubishi (Perth)
- Record performance by Automotive
- Improved result in Refrigerated Logistics due to full year contribution from Scott's/JAT

Automotive Holdings Group Limited (ASX: AHG) is pleased to report record revenue and profit for the 2015 Financial Year and declares a final dividend of 13.0 cents fully franked, taking the full year dividend to 22 cents fully franked (21 cents pcp).

The Group's IFRS Statutory NPAT was \$88.1 million, up 20.8% on the previous corresponding period. The Group recorded revenue of \$5.2 billion, an increase of 10.8% on the previous year.

The Company, Australia's largest automotive retailer and specialist logistics group, recorded an Operating<sup>1</sup> EBITDA of \$215.8 million, an increase of 20.8% (pcp) and Operating<sup>1</sup> NPAT of \$94.2 million, up 20.0% (pcp).

Operating<sup>1</sup> Earnings per Share were 30.7 cents (29.0 cents pcp).

AHG Managing Director Bronte Howson said, "This result underlines the strength of AHG's growth strategy with a strong contribution from the recently acquired Bradstreet Motor Group, and the continued expansion of our Refrigerated Logistics business. The automotive businesses performed particularly well across all of our operations.

"The trading result combined with the Group's strong financial position enables us to deliver a full year fully franked dividend of 22 cents and to continue to assess growth opportunities that will deliver future value for shareholders."

#### Automotive

Revenue from the Automotive Retail division was up 10.0% to \$4.271 billion (\$3.883 billion pcp).



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Operating<sup>1</sup> EBITDA margin improved to 3.8% (3.4% pcp), which delivered an Operating<sup>1</sup> EBITDA of \$161.2 million (\$132.5 million pcp), an increase of 21.7% on the prior year.

Mr Howson said the Automotive result was particularly pleasing.

“The NSW result was strengthened by the acquisition last year of the Bradstreet Motor Group,” he said.

“In addition to an outstanding result in NSW, we’ve also recorded improved performances in Queensland, Victoria and New Zealand, while the WA businesses continued to outperform the broader market in the face of the acknowledged downturn in the mining and resources sector.”

### Refrigerated Logistics

AHG’s Refrigerated Logistics division contributed revenues of \$609.1 million (\$429.7 million pcp), an increase of 41.7% and Operating<sup>1</sup> EBITDA of \$45.2 million (\$29.7 million pcp) on an improved margin of 7.4% (6.9% pcp).

The ongoing integration of Scott’s Refrigerated Freightways and JAT Refrigerated Road Services, acquired in FY2014, delivered increased revenues and opportunities to focus on cost and operating synergies within the Group.

“The result reflects weaker transport volumes across the industry and the impact of the Group’s investment cycle in acquisitions and new facilities, which is now largely complete,” said Mr Howson.

“We are pleased with the margins given the business is still in the process of a substantial transformation program to upgrade technology platforms and further leverage operational efficiencies,” he said.

### Other Logistics

The Group’s Other Logistics division saw revenues decrease by 13.3% to \$365.2 million (\$421.4 million pcp), contributing Operating<sup>1</sup> EBITDA of \$10.5 million (\$17.1 million pcp). Operating<sup>1</sup> EBITDA margin was 2.9% (4.1% pcp).

Mr Howson said a number of factors impacted the result in the Other Logistics division.

“A change by Mitsubishi in its parts distribution model in Western Australia reduced AMCAP revenues, the AUD/EUR exchange rate negatively impacted KTM and Husqvarna imports, and the downturn in the broader bus and truck market had a negative effect on the operations of GTB/VSE and WMC,” he said.



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### Outlook

The Group has a strong balance sheet, an industry-leading automotive retail management model and scale, a broad portfolio of brands, and enduring long-term relationships with manufacturers.

“The outlook for the Automotive market remains strong and AHG is well placed to continue its strategic expansion,” said Mr Howson.

“In Refrigerated Logistics our focus in FY2016 will largely be on greater integration of operations and facilities to drive further efficiencies and synergy savings,” he said.

“The Group remains focused on its core strategies, with continued investment in appropriate business acquisitions and capital assets and will continue to divest non-core assets and review underperforming businesses where appropriate.”

ENDS

**About AHG** 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 and Cova (motor parts and industrial supplies distribution), VSE (vehicle storage and engineering), Genuine Truck Bodies (body building services to the truck industry), WMC (bus and truck importation and distribution), and KTM Sportmotorcycles and HQVA (KTM and Husqvarna motorcycle importation and distribution in Australia and New Zealand).

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