

ASX/MEDIA STATEMENT

14 May 2018

TRADING UPDATE

- Automotive retail margins are challenging and continue to be impacted by regulatory changes
- Western Australian private buyer recovery slower than expected
- Refrigerated Logistics sale completion timing affecting trading
- Full-year Operating¹ NPAT forecast to be circa \$75 million
- Focus remains on cost control

Automotive Holdings Group Limited (ASX: AHG) today provides an update on the expected impact on its 2018 financial year performance of challenging automotive retail conditions and the timing of the sale of its Refrigerated Logistics division.

The Company now expects full-year Operating NPAT to be circa \$75 million.

Automotive

AHG managing director John McConnell said the anticipated second-half uplift in margins from the Group's franchised dealerships and used car businesses has been below the Company's expectations as has the recovery in private sales in the Western Australian market.

"Our retail automotive business is adjusting to the changes to finance and insurance sales more slowly than we would have liked and that's apparent across the sector," said Mr McConnell.

The performance of the Company's Truck division remains strong.

Management remains focused on margin improvement, revenue growth and cost control.

Refrigerated Logistics

In November 2017 the Company announced the sale of the Refrigerated Logistics business to HNA International for an enterprise value of \$400million² with completion scheduled to occur on or before 30 June 2018.

"The business performed ahead of the previous corresponding period in the first half however second-half trading has been impacted by the sale process and the relatively long lead time to completion," said Mr McConnell.

"The sale process and associated due diligence has been a major undertaking for the refrigerated logistics management team over an extended period and at a time when the business is going through a significant transformation program and IT systems upgrade. We have discussed this with HNA and both parties are working towards completion, as previously advised, by 30 June 2018."

The sale remains subject to approval from Australia's Foreign Investment Review Board, and satisfaction of other customary conditions precedent³.

ENDS

¹ Operating – excludes unusual items

² Purchase price is subject to various adjustments, including movement in working capital and capital expenditure until completion

³ Including the consent of AHG's syndicated facility lenders and the consent of certain landlords

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

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