



Australian Listed Dealer Comparison

Executive Summary

December 2023 Results

This is the third edition of the Pitcher Partners Motor Industry Services – Australian Listed Dealer Comparison.

The listed groups Eagers Automotive (ASX:APE), Autosport's Group (ASX:ASG) and Peter Warren Automotive Holdings (ASX:PWR) sales have all benefitted from increased stock levels with calendar year revenues up 15.3% for APE, 30.8% for ASG and 18.4% for PWR. However, increasing macro-economic pressures, stubbornly high inflation and interest rates have squeezed group's net income margins.

New Vehicles sales calendar year 2023 (CY23) were 1,174,876 (excluding heavy commercial) or 12.7% higher in comparison to CY22 per VFacts for the Australian market. This is an increase of 132,172 vehicles year on year. It is evident that the gap between pre and post COVID volume levels has closed, in fact, CY23 was the highest volume year on record in Australia. We are forecasting unit volume to remain above the 1.1m units and climb to over 1.2m units this year as order banks clear out and fleet operators refresh their vehicle fleets.

The increased volume available in the market and strong acquisitions made throughout the period has proven a key growth factor for all group entities who have

all achieved double-digit revenue growth on a per corresponding period (pcp) basis.

However, interest rates have been on the rise to curb rising inflation, and these are expected to steady but remain high in the coming 2024 calendar year. We have seen all public dealer groups experience increases in their finance costs including interest on loans and interest on floor plan. Inflation and interest rates have also affected the consumer. We are seeing consumers making decisions to reduce discretionary spending which has negatively affected the demand for new cars going forward.

Improvement in supply chains, along with continued large order banks should result in continued growth of the top-line, however, will this be enough to combat increasing inflation, the prevailing macroeconomic environment and interest rates? Dealerships will need to continue to focus on cost management over the coming period, to protect and translate their top line revenue gains into profitability.

Results *Snapshot*

Listed Dealer Groups consolidated performance vs PCP

| | | |
|---|---|---|
| Total Revenue AUD 18.3%↑ Revenue increased to 14.78bn across all listed entities. This was primarily driven by record car sales in 2023 and dealership acquisitions. | Gross Margin 18.6%↓ Gross Margin has decreased by 0.8% YOY (19.8% to 18.6%) despite Total Gross Profit increasing by 13.3% YOY. | EBITDA AUD 15.0%↑ EBITDA increased by 113.72m YOY demonstrating efficiency in the market and high profitability. However, EBITDA margin decreased by 0.2%. |
| EBIT AUD 14.8%↑ EBIT increased by 104.67m across all listed entities combined. However, EBIT margin decreased by 0.2%. | NPAT as % of Total Rev 0.8%↓ NPAT as a % of Total Revenue decreased YOY, decreasing to 2.7% on average. This is directly attributable to increases in floor plan interest. | Average Inventory Days 67.5_{days}↑ Inventory Days increased by 11.6% YOY as a result of supply constraints easing. |
| Average Cash Conversion Cycle Days 68.3_{days}↑ Cash conversion increased by 9.6 days due increase in inventory balances translating into lower inventory turnover, increasing inventory days. | Total Debt to Equity % 178%↑ Total Debt to Equity increased by 22.2% YOY due to increases in floorplan and slight reductions in earnings. | Interest Coverage Ratio 3.7x↓ Interest coverage decreased from 5.8x on the back of increased floorplan costs and declining profitability. |
| Return on Equity 15.7%↓ Return on Equity decreased by 16.9% YOY on average mainly due to a decrease in earnings. | Total Enterprise Value to EBIT 10.8x↑ The weighted average total EV to EBIT is 10.8x compared to 10.3x at December 22. | Price to Earnings per Share 11.1x↑ The share price to earnings per share (before extraordinary items) is 11.1x compared to 8.8x at December 2022. |



2023 results and *2023/24 outlook*

What is happening with Volumes?

As already stated, Australia unit volumes were up 12.7% excluding heavy commercial which translates to over 130,000 new cars. The listed groups saw improvement in supplies in 2023 with order banks peaking in 1H CY23, with dealers noting supply of 4-6 months. These supply levels are not consistent across all brands, with some brands well over 100+ days supply. However, strong supply in 2H CY23 and weakening consumer demand has seen dealerships order banks reduce as order write is surpassed by deliveries.

Market sales volumes are still expected to remain stable in 2024, with Pitcher Partners forecasting to easily hit 1.2m+ units. Whilst we are expecting an increase to volume this year, the makeup of market segmentation is predicted to change.

Additionally, due to the vehicle shortage's experienced through COVID-19, there is visible a gap between the supply and demand which needs to be filled over the next few years. We have calculated that If supply outstripped demand by 10% (conservative approach) from now on, it would take until Q1 CY28 for the lost units from COVID-19 to enter the Australian car parc.

Number of cars in the parc by age cohort, with 2023 to 2027 forecasts.

| thousands | 2016 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|-----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| New Car Sales | 1,145 | 882 | 1,007 | 1,034 | 1,197 | 1,233 | 1,257 | 1,282 | 1,308 |
| 1-3 years old | 2,172 | 2,104 | 1,878 | 1,861 | 2,010 | 2,198 | 2,393 | 2,453 | 2,502 |
| 3-5 years old | 2,110 | 2,218 | 2,186 | 2,062 | 1,841 | 1,824 | 1,970 | 2,155 | 2,346 |
| 5-10 years old | 4,518 | 4,970 | 5,121 | 5,187 | 5,193 | 5,136 | 4,908 | 4,782 | 4,676 |
| 10-15 years old | 3,736 | 4,003 | 4,041 | 4,107 | 4,219 | 4,356 | 4,453 | 4,584 | 4,643 |
| 15+ years old | 3,477 | 4,192 | 4,322 | 4,581 | 4,656 | 4,654 | 4,614 | 4,536 | 4,514 |
| Total | 17,158 | 18,370 | 18,554 | 18,832 | 19,115 | 19,401 | 19,595 | 19,791 | 19,989 |

Source: Pitcher Partners Analysis & VFACTS

Dealerships see this excess demand as an opportunity, with Eagers Automotive Group citing this in their annual report as an opportunity for them to take advantage, despite record new deliveries in 2023.

When comparing to 2022, it is evident that units are now being supplied to lower margin customers with Business (+18.7%), Rental (+10.8%) and Government (+24.3%) sales volumes increasing in 2023. Interestingly, retail is only up 8.6% as these customers were the focus when supply was short of demand, and marginality was high (VFACTS December 2023).

Although order banks peaked in 2023, Pitcher Partners believe order banks will still be strong in 2024. However, with macroeconomic issues looming, increased interest rates and a cost-of-living pressures, the deliveries will flow towards fleets (Government, Rental and Business) and retail will slow or drop in CY24.

Electric Vehicles

Electric Vehicles (EV's)

New electric vehicle offerings remain one of the key strategic priorities dealerships are focusing on, each wanting to capitalise on the growth of this market while maintaining profitability in the turbulent transition period.

Demand for EVs, which had taken the world by storm and are now starting to stabilise globally after the early adopters have taken delivery. We have already seen a shift in the Australian sales trends with 8.1% (Including PHEV) of total car sales in 2023 consisting of electric vehicles, compared to 3.1% for 2022 of total car sales. We expect the uptake of EVs to follow the global trajectory in Australia and will grow further to stabilise around 15-20% of the total Australian market in 2024 & 2025.

But what is driving this demand?

EV's are still more expensive than their ICE counterparts to initially purchase, insure and repair, however the price gap between ICE and EV's is tightening. The cost associated with batteries has been on a downward trend since 2010 mostly due to economies of scale and technology improvements, making EV's cheaper for manufacturers to produce. Servicing (scheduled) and fuel costs remain the obvious benefits to EV's over the traditional ICE powertrain.

Government incentives have also been introduced across all Australian states in the form of discounts, rebates, stamp-duty exemptions and more. However, these incentives are mismatched across all states with differences arising at state and federal levels throughout, and in some cases are being rolled back (e.g. Victoria's scrapping of a \$3,000 rebate). Government incentives move the needle considerably when it comes to EV uptake, with jurisdictions that have a considered well thought out approach to the whole ecosystem (purchase & maintenance incentives, public & private charging infrastructure, finance assistance, etc), and a desirable consumer demographic leading in EV adoption. The Australian Capital Territory leads the nation in this regard, and it is reflected in their market share.

EV's market share has grown 161% from 2022 to 2023 (3.1% to 8.1%). Australia's unique market preferences for larger and more expensive SUV's, high proportions of vehicle ownership and a stable economy; there is an opportunity for dealerships to capitalise on the growing market if a viable EV or PHEV products are made available to suit the market preferences.

| EV % to total | Q1 2023 | Q2 2023 | Q3 2023 | Q4 2023 | Total |
|------------------------------|-------------|-------------|-------------|-------------|-------------|
| AUSTRALIAN CAPITAL TERRITORY | 20.1% | 23.0% | 19.4% | 22.8% | 21.3% |
| NEW SOUTH WALES | 8.2% | 8.9% | 8.9% | 8.5% | 8.6% |
| NORTHERN TERRITORY | 2.1% | 2.4% | 3.6% | 4.3% | 3.1% |
| QUEENSLAND | 7.0% | 7.6% | 8.8% | 8.2% | 7.9% |
| SOUTH AUSTRALIA | 4.9% | 7.4% | 6.0% | 7.6% | 6.5% |
| TASMANIA | 7.1% | 10.1% | 6.2% | 6.9% | 7.6% |
| VICTORIA | 5.8% | 9.9% | 7.3% | 7.4% | 7.6% |
| WESTERN AUSTRALIA | 6.0% | 8.1% | 7.4% | 8.4% | 7.5% |
| Total | 7.0% | 8.9% | 8.2% | 8.2% | 8.1% |

Source: VFACTS

It is worth noting that EV's make up 33.9% of new car sales in China and 21.4% in the EU and 9.4% in the United States ([EV Volumes](#)) meaning there is still plenty of room for growth over the coming years in Australia.



New Vehicle Efficiency Standard (NVES)

Much has been said from commentators on the NVES, particularly around the stringency of targets, timeline and construction. However, when it comes to how this will impact Australian dealers, few people understand dealerships and the wider automotive market as businesses enough to have an informed opinion. With any change, there exists opportunities. For dealerships this is an opportunity to review the elements of operations which they have a greater control over, used vehicles, F&I & customer retention. Dealers need to refocus their businesses to find the opportunities to offset any downside from new EV sales, scheduled services, or parts throughput declines. Despite the move to electrification, there is a long tail when it comes to the existing car parc in Australia, which is majority ICE and will require continued servicing and parts.

Pitcher Partners welcomes the NVES as a much-needed government policy. It is very late to the game and both sides of government (past and current) can be attributed blame. We also welcomed the government decision to listen to the logical arguments the industry and make changes to the original proposition, creating a more sensible outcome for dealers. The targets remain difficult to achieve, especially if the fit for purpose products do not eventuate or are not customers' preferences. The importance of the 2026 review cannot be understated.

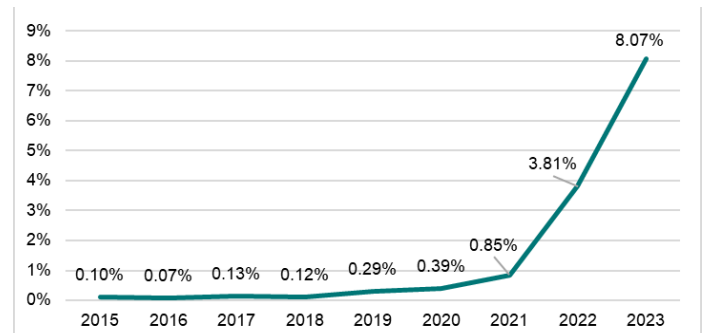
Listed Groups Strategies are well developed

Already, we see the listed dealership groups have emphasised a focus on EV's as a key strategy to capitalise revenue in this growing market. Peter Warren has increased their New Energy Vehicle (NEV) line up to 71 models across all customer discretionary spending budgets. This is complimented by the breadth of auxiliary services from point-of-sale products, investment in charging infrastructure, to fully trained technicians and repair services.

Eagers Automotive has increased its ownership stake in the BYD retail joint venture with EVDirect.com. EVDirect.com is the exclusive holder of distribution rights for BYD in Australia. Additionally, Eagers purchased a stake in McMillian Shakespeare (ASX: MMS) and entered an agreement to help tap into the novated leasing market and has flagged a strong interest and investment into the electrification of last mile delivery segment. This has assisted Eagers to capture more than 10% of the NEV market by deliveries.

Autosport's Group, which has a luxury focus, anticipates growth in the EV sector as luxury car manufacturers offer a structural advantage over volume brands. EV uptake in the luxury space is driven by luxury consumers remaining brand loyal but also importantly, financially capable of changing to EV products. Established luxury brands are already well on the electrification journey with 36% of all deliveries EV's in 2023.

Percentage of New Vehicle Sales that are EV's



Source: VFACTS (Includes PHEV Vehicles & Excludes Heavy Commercial Vehicles)

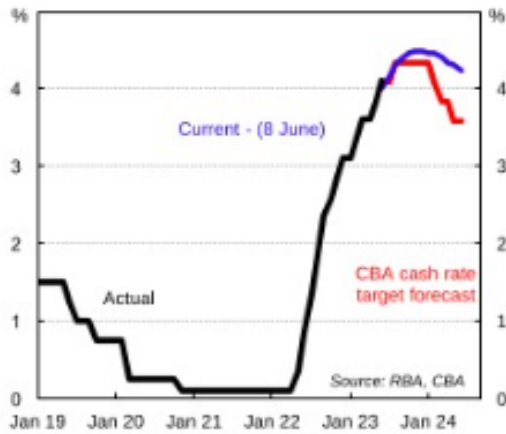


Current *market conditions*

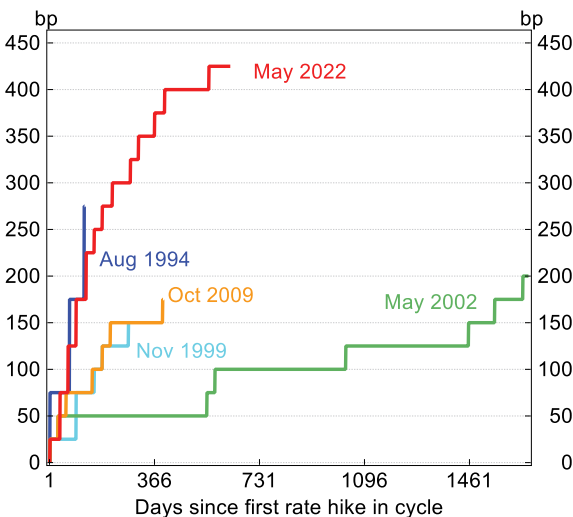
Interest rates & inflation

CBA reported an RBA call increase of 25bp increasing the current cash rate to 4.35%. However there have been no further increases since 7 June 2023. The high interest rates put downward pressure on discretionary spending and therefore demand for new vehicles. CBA have 75bp of rate cuts in their forecasts in late 2024 and a further 75bp of easing in H1 25, which would take the cash rate to 2.85%. They have monetary policy on hold in H2 25.

RBA cash rate forecast

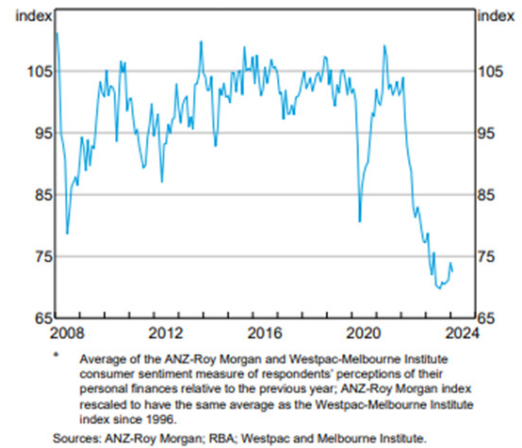


RBA rate hike cycles



CBA reports a lagged impact to mortgage holders will weigh more heavily on the consumer in 2024. Income growth is reported to lift to 4.2% in Q4 23, however this will not be enough to offset the drag on consumer from rising mortgage repayments. This will negatively affect the purchasing power of the consumer, and many will likely be holding off or unable to afford purchasing a new vehicle.

Consumer Sentiment*
Average since 1980=100

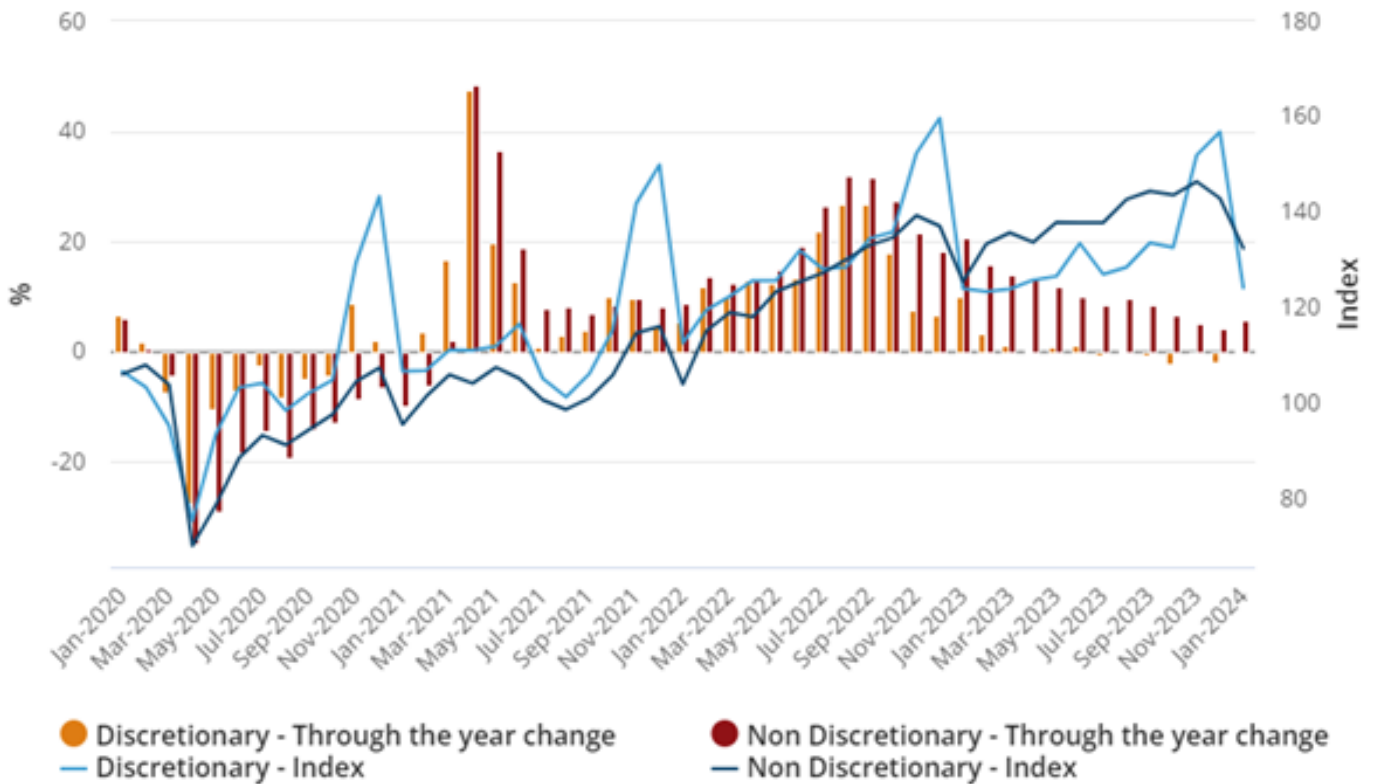


Australian consumer sentiment has begun to gradually recover from its all-time low in 2023 caused by a combination of rising interest rates and high inflation levels. Sentiment is a lead indicator of market headwinds as consumers are unsure or negative on the economic outlook. However, consumer sentiment is still well below the average of 100 since 1980, currently sitting below 75, lower than the GFC and COVID periods.

The Australian Bureau Statistics has reported that non-discretionary spending has rose by 5.6% while discretionary spending rose by 0.2% as increased spending on recreation and culture offset a fall in spending on furnishings and household equipment. This continued pressures of cost of living on customers may result in consumers delaying the purchase of new vehicles or halt the purchase completely.



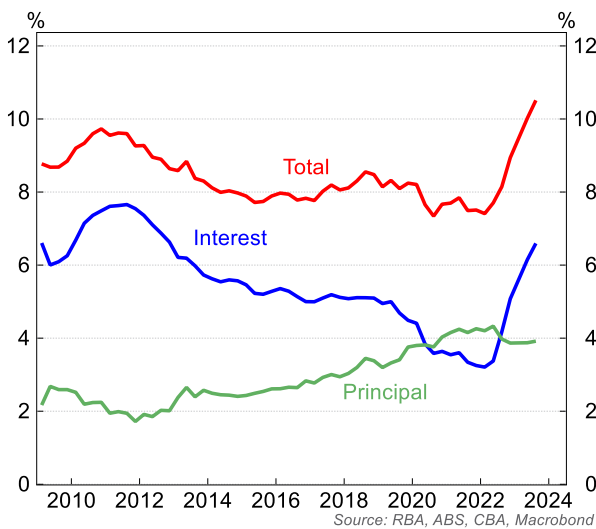
Household discretionary and non-discretionary spending, current price, calendar adjusted



Source: ABS

Dealerships may however look to push more used cars throughout this period. CBA is also expecting rate relief to begin in Q3 2024, which should free up cash for mortgage holders and increase discretionary spending.

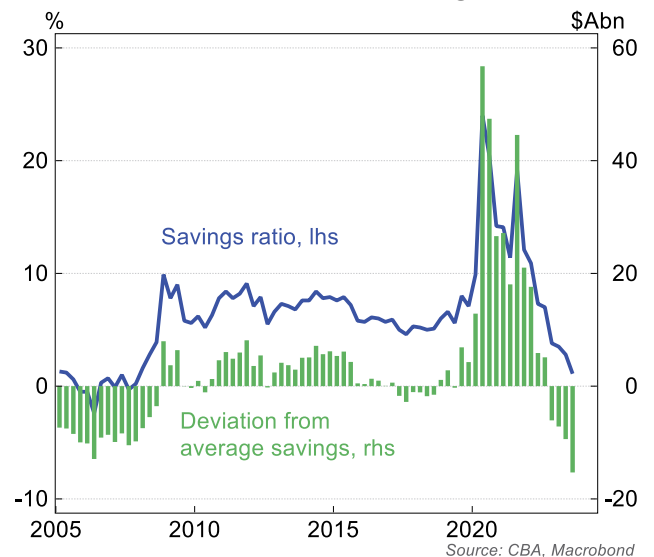
Housing debt-servicing costs (share of household disposable income)



Savings

Whilst household savings during COVID 19 increased, the level of excess savings still seems extraordinarily high. However, CBA estimate that around half of the excess savings are sitting in offset or redraw facilities and doubt this money is viewed by those households as windfall cash. Saving rates increased from 1.9% in Q3 23 to 3.2% in Q4 23, however it is expected to fall to 2% in H1 of 24. It is unlikely consumers will use any saving they have to purchase any new vehicles, but rather will use their savings to weather any potential economic headwinds ahead.

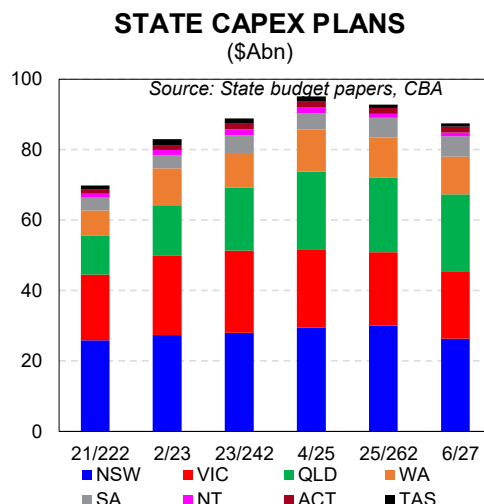
Savings (rate & deviation from average)



Infrastructure

Federal and State Governments are still committed to large Infrastructure spending. This spending is an insight into the economy and provide a baseline of activity.

The public sector, largely driven by the states, continues to lift infrastructure pipelines over the next couple of years. This comes despite the Federal Government's infrastructure investment review, changing funding deals as well as budget challenges for some state governments. NSW, WA, Qld and Vic lifted infrastructure investment as part of the mid-year budget cycle released in December. Overall, CBA expect public investment to rise by ~2.5% in real terms in 2024, after a large 10% gain in 2023. Dealerships may be able to negate some of the damage they may experience in decreased consumer spending with fleet and rental customers.



At a glance

Australia Listed Dealer Groups Comparison – 12 months to 31 December 2023

| Financial Performance | ASX:APE | | ASX:ASG | | ASX:PWR | | CY23 Weighted Average |
|--------------------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | |
| Total Revenue | 9,860.1 | 8,552.9 | 2,650.7 | 2,027.3 | 2,270.4 | 1,918.1 | 4,927.1 |
| Total Revenue Growth YOY | 15.28% | | 30.76% | | 18.36% | | 21.47% |
| Gross Profit | 1,834.3 | 1,637.2 | 519.7 | 419.8 | 401.4 | 375.8 | 918.4 |
| Margin % | 18.60% | 19.14% | 19.60% | 20.71% | 17.68% | 19.59% | 18.64% |
| EBITDA | 584.1 | 511.8 | 179.3 | 136.1 | 110.8 | 112.5 | 291.4 |
| Margin % | 5.92% | 5.98% | 6.76% | 6.72% | 4.88% | 5.86% | 5.91% |
| EBIT | 551.5 | 480.8 | 158.8 | 122.9 | 100.1 | 102.0 | 270.1 |
| Margin % | 5.59% | 5.62% | 5.99% | 6.06% | 4.41% | 5.32% | 5.48% |
| Net Income | 281.1 | 308.2 | 66.1 | 67.8 | 47.6 | 63.0 | 131.6 |
| Margin % | 2.85% | 3.60% | 2.50% | 3.34% | 2.10% | 3.28% | 2.67% |
| Return on equity | 23.48% | 27.85% | 13.99% | 15.47% | 9.56% | 13.31% | 15.68% |



| Capital Structure and Funding Ratios | ASX:APE | | ASX:ASG | | ASX:PWR | | CY23 Weighted Average |
|--------------------------------------|----------------|----------------|----------------|----------------|----------------|--------------|-----------------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | |
| Total Debt | 2,674.3 | 2,339.0 | 960.6 | 641.6 | 704.2 | 539.5 | 1,446.4 |
| Total Equity | 1,305.4 | 1,241.6 | 492.8 | 465.3 | 525.0 | 487.1 | 774.4 |
| Total Debt/Equity | 204.86% | 188.38% | 194.95% | 137.88% | 134.14% | 110.77% | 177.98% |
| Total Assets | 4,720.7 | 4,120.2 | 1,681.3 | 1,310.7 | 1,342.4 | 1,126.5 | 2,581.5 |
| LT Debt/Equity | 91.47% | 99.19% | 78.84% | 58.85% | 52.22% | 53.87% | 74.17% |
| Total Liabilities/Total Assets | 72.35% | 69.87% | 70.69% | 64.50% | 60.89% | 56.76% | 67.98% |
| EBIT / Interest Exp | 5.11 | 6.74 | 3.31 | 5.90 | 2.80 | 4.83 | 3.74 |
| Interest Expense | -108.0 | -71.3 | -48.0 | -20.8 | -35.7 | -21.1 | -63.9 |
| Common Dividends Paid | -186.8 | -165.7 | -38.2 | -32.2 | -37.8 | -37.8 | -87.6 |
| Total Funding Costs | -4.04% | -3.05% | -5.00% | -3.25% | -5.07% | -3.91% | -4.70% |
| Market Capitalization | 3,719.9 | 2,771.1 | 470.3 | 408.0 | 419.7 | 463.5 | 1,536.7 |
| - Cash & Short-Term Investments | -222.2 | -190.4 | -26.6 | -47.0 | -23.9 | -20.7 | -90.9 |
| + Total Debt | 2,674.3 | 2,339.0 | 960.6 | 641.6 | 704.2 | 539.5 | 1,446.4 |
| + Pref. Equity | - | - | - | - | - | - | - |
| + Total Minority Interest | 35.3 | 37.4 | 5.8 | 5.8 | 7.9 | 0.0 | 16.3 |
| Total Enterprise Value (TEV) | 6,207.3 | 4,957.0 | 1,410.2 | 1,008.4 | 1,107.9 | 982.3 | 2,908.5 |
| Management Efficiency Ratios | | | | | | | |
| Inventory Turnover | 6.0x | 7.2x | 5.6x | 6.2x | 4.8x | 5.1x | 5.5x |
| Accounts Receivable Turnover | 29.2x | 29.6x | 41.2x | 42.2x | 33.7x | 39.8x | 34.7x |
| Average Inventory Days' Supply | 60.9x | 51.0x | 65.1x | 59.0x | 76.5x | 71.4x | 67.5x |
| Avg. Days Sales Out. | 12.5x | 12.4x | 8.9x | 8.6x | 10.8x | 9.2x | 10.7x |
| Avg. Days Payable Out. | 10.3x | 6.7x | 15.5x | 18.3x | 4.1x | 10.7x | 10.0x |
| Average Cash Conversion Cycle | 63.2x | 56.7x | 58.5x | 49.4x | 83.2x | 69.9x | 68.3x |
| Liquidity Ratios | | | | | | | |
| Working Capital | 51.7 | -31.0 | -197.3 | -143.3 | 35.3 | 54.8 | -39.8 |
| Current Ratio | 1.0x | 1.0x | 0.8x | 0.7x | 1.1x | 1.1x | 1.0x |
| Quick Ratio | 0.3x | 0.3x | 0.1x | 0.2x | 0.2x | 0.2x | 0.2x |
| Cash from Ops. to Curr. Liab. | 0.2x | 0.3x | 0.2x | 0.3x | 0.2x | 0.2x | 0.2x |

Source: Capital IQ

The good

- Revenue has increased across the board, with dealerships having increased supply and market demand increasing overall in 2023.
- Parts and Services divisions have improved across all groups over the period.
- Increasing supply has not made significant dents in the order banks as all groups having only minor decreases with order write continuing to be strong. However, Pitcher Partners expect this to drop further in 2024.
- Strong growth from acquisitions for all three groups with a view to continue an acquisitive phase to further consolidate the market.

The not so good:

- Gross margins have decreased across all three groups. APE decreased by 0.5%, ASG by 1.1% and PWR by 1.9% as supply returns and COVID-19 margins roll back toward historical averages.
- Net Income margin have decreased across all three groups. However, the EBIT margin remained largely consistent for APE and ASG highlighting the impact of the interest rate increases.
- Inventory levels are increasing impacting turnover and days outstanding as dealers struggle with significant discrepancies in supply between brands.

The Interesting:

The groups are utilising their strong balance sheet position and large cash pools to take advantage of prevailing market conditions and further consolidate the retail motor industry. The consolidation trend is looking to find avenues to gain cost efficiencies in an industry that will continue to experience margin compression post COVID. Many of the groups this year have given up some of their leases and purchased property to build their property portfolios as a hedge against external economic factors.





At a glance

Australia Listed Dealer Groups Comparison – 12 months to 31 December 2023

| Income Statement ('000s) | APE | | ASG | | PWR | |
|---------------------------------------|----------------------------|--|----------------------------|--|----------------------------|--|
| For the Fiscal Period Ending | LTM 31 December 2023 | % of sales (expenses shown % of GP) | LTM 31 December 2023 | % of sales (expenses shown % of GP) | LTM 31 December 2023 | % of sales (expenses shown % of GP) |
| Currency | AUD | | AUD | | AUD | |
| Revenue | 9,851.7 | | 2,650.7 | | 2,269.9 | |
| Interest And Invest. Income (Rev) | 8.4 | | - | | - | |
| Other Revenue | - | | - | | 0.5 | |
| Total Revenue | 9,860.1 | | 2,650.7 | | 2,270.4 | |
| Cost Of Goods Sold | 8,008.3 | | 2,131.1 | | 1,869.0 | |
| Gross Profit | 1,851.7 | 18.8% | 519.7 | 19.6% | 401.4 | 17.7% |
| Selling General & Admin Exp. | 728.3 | 39.3% | 214.6 | 41.3% | 224.8 | 56.0% |
| Depreciation & Amort. | 121.3 | 6.6% | 56.0 | 10.8% | 32.3 | 8.1% |
| Other Operating Expense | 431.3 | 23.3% | 90.2 | 17.4% | 44.2 | 11.0% |
| Stock-based Compensation | 1.8 | 0.1% | | | | |
| Other Operating Exp., Total | 1,282.8 | 69.3% | 360.8 | 69.4% | 301.3 | 75.1% |
| Operating Income | 568.9 | 5.8% | 158.8 | 6.0% | 100.1 | 4.4% |
| Interest Expense | (108.0) | -5.8% | (48.0) | -9.2% | (35.7) | -8.9% |
| Interest and Invest. Income | - | 0.0% | 0.2 | 0.0% | 0.7 | 0.2% |
| Net Interest Exp. | (108.0) | -5.8% | (47.9) | -9.2% | (35.0) | -8.7% |
| Income/(Loss) from Affiliates | 1.277 | | - | | - | |
| Other Non-Operating Inc. (Exp.) | (40.2) | | - | | 2.7 | |
| EBT Excl. Unusual Items | 422.0 | 4.3% | 111.0 | 4.2% | 67.7 | 3.0% |
| Merger & Related Restruct. Charges | (2.3) | | (5.0) | | (1.4) | |
| Gain (Loss) On Sale of Assets | 7.6 | | - | | - | |
| Asset Writedown | - | | (6.0) | | 0.0 | |
| Other Unusual Items | | | | | 3.4 | |
| EBT Incl. Unusual Items | 427.3 | 23.1% | 100.0 | 19.2% | 69.7 | 17.4% |
| Income Tax Expense | 128.3 | 30.4% | 33.0 | 29.7% | 21.3 | 31.5% |
| Earnings from Cont. Ops. | 299.1 | 3.0% | 67.0 | 2.5% | 48.4 | 2.1% |
| Earnings of Discontinued Ops. | - | | - | | - | |
| Net Income to Company | 299.1 | 3.0% | 67.0 | 2.5% | 48.4 | 2.1% |
| Minority Int. in Earnings | (18.0) | | (0.9) | | (0.76) | |
| Net Income | 281.1 | 2.9% | 66.1 | 2.5% | 47.66 | 2.1% |

In Millions of AUD, except per share items
Source: Capital IQ

At a glance

Australia Listed Dealer Groups Comparison – 12 months to 31 December 2022

| Income Statement ('000s) | APE | | ASG | | PWR | |
|---------------------------------------|----------------------------|--|----------------------------|--|----------------------------|--|
| For the Fiscal Period Ending | LTM 31 December 2022 | % of sales (expenses shown % of GP) | LTM 31 December 2022 | % of sales (expenses shown % of GP) | LTM 31 December 2022 | % of sales (expenses shown % of GP) |
| Currency | AUD | | AUD | | AUD | |
| Revenue | 8,541.5 | | 2,027.3 | | 1,917.3 | |
| Interest And Invest. Income (Rev) | 11.4 | | - | | - | |
| Other Revenue | - | | - | | 0.8 | |
| Total Revenue | 8,552.9 | | 2,027.3 | | 1,918.1 | |
| Cost Of Goods Sold | 6,900.7 | | 1,607.4 | | 1,542.3 | |
| Gross Profit | 1,652.2 | 19.30% | 419.8 | 20.70% | 375.8 | 19.60% |
| Selling General & Admin Exp. | 678.5 | 7.90% | 171.0 | 8.40% | 204.0 | 10.60% |
| Provision for Bad Debts | 15.0 | 0.20% | - | 0.00% | - | 0.00% |
| Depreciation & Amort. | 116.6 | 1.40% | 51.4 | 2.50% | 30.4 | 1.60% |
| Other Operating Expense | 366.2 | 4.30% | 74.5 | 0.037 | 39.4 | 0.021 |
| Other Operating Exp., Total | 1,176.2 | 13.80% | 296.9 | 14.60% | 273.8 | 14.30% |
| Operating Income | 475.9 | 5.60% | 122.9 | 6.10% | 102.0 | 5.30% |
| Interest Expense | (71.3) | -0.80% | (20.8) | -1.00% | (21.1) | -1.10% |
| Interest and Invest. Income | - | 0.00% | 0.0 | 0.00% | 0.4 | 0.00% |
| Net Interest Exp. | (71.3) | -0.80% | (20.8) | -1.00% | (20.7) | -1.10% |
| Income from Affiliates | 1.1 | | - | | - | |
| Other Non-Operating Inc. (Exp.) | (16.9) | | - | | 13.9 | |
| EBT Excl. Unusual Items | 388.8 | 4.50% | 102.1 | 5.00% | 95.2 | 5.00% |
| Merger & Related Restruct. Charges | - | | (1.8) | | (0.1) | |
| Gain (Loss) On Sale of Assets | 55.2 | | - | | - | |
| Asset Writedown | (1.7) | | - | | - | |
| Other Unusual Items | - | | - | | (5.1) | |
| EBT Incl. Unusual Items | 442.2 | 5.20% | 100.3 | 4.90% | 90.0 | 4.70% |
| Income Tax Expense | 117.9 | 1.40% | 31.1 | 1.50% | 27.0 | 1.40% |
| Earnings from Cont. Ops. | 324.3 | 3.80% | 69.2 | 3.40% | 63.0 | 3.30% |
| Earnings of Discontinued Ops. | - | | - | | - | |
| Net Income to Company | 324.3 | 3.80% | 69.2 | 3.40% | 63.0 | 3.30% |
| Minority Int. in Earnings | (16.2) | | (1.4) | | - | |
| Net Income | 308.2 | 3.60% | 67.8 | 3.30% | 63.0 | 3.30% |

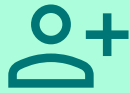
In Millions of AUD, except per share items
Source: Capital IQ

About *Pitcher Partners*



130+

partners



1,400+

people



6

independent
member firms



9th

largest network
of accounting and
advisory firms

We're ready to *help you thrive*

Since day one we've been helping businesses, families and individuals intelligently frame their goals and make the most of their potential.

Today, we're one of the largest accounting, audit and business advisory firms in Australia. We work with middle market businesses, from family-run companies to renowned industry leaders and iconic brands. And help families and individuals manage their wealth across generations.

If you've got ambition, we're the team you want on your side.

Local knowledge, national footprint

Pitcher Partners is a national association of six independent accounting, audit and business advisory practices. You'll find our firms in Adelaide, Brisbane, Melbourne, Newcastle and Hunter, Perth and Sydney. Each firm has a unique character, with a strong connection to the local community. Supported by our combined resources, we deliver Australia's most personalised and responsive assurance and advisory services.

And if you're thinking beyond the border, we can support your global operations and ambitions through the Baker Tilly International network.

We'll always make it personal

At the heart of Pitcher Partners is the idea that business is never just business. We're known for the dedication we give to building great relationships, and it's been that way from the start. People first.

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