

11 December 2020

Markets Announcements Office
ASX Limited

Market Guidance – 12 months ending 31 December 2020

Eagers Automotive Limited (ASX: APE) is pleased to provide the following trading update including guidance for the twelve months ending 31 December 2020.

The company expects to deliver an Underlying Operating Profit Before Tax¹ from continuing operations in the range of \$195 to \$205 million for 2020, compared to \$100.4 million² for the prior corresponding period. The guidance reflects the first full year of trading for the enlarged company following the transformative merger with Automotive Holdings Group (AHG).

Vehicle sales have continued to rebound strongly from the historical lows experienced during April and May 2020 when nation-wide COVID-19 restrictions were in place. Customer orders have continued on their strong trajectory and supply constraints caused by global manufacturer factory closures during the June quarter have started to ease as demonstrated by the 12% uptick in national vehicle deliveries recorded during November by VFACTS³.

The industry's tight inventory position, combined with the company's cost reduction initiatives implemented following the merger with AHG and in response to COVID-19, have driven Eagers Automotive's strong underlying trading performance.

The company's 2020 results remain subject to external audit review which will be conducted following the completion of the financial year ending 31 December 2020.

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Authorised for release by the Board.

- (1) Underlying Operating Profit Before Tax excludes business acquisition and integration costs, property revaluations losses, impairments, COVID-19 wage subsidies and rent waivers, restructuring activities, gain on sales of assets, income from equity accounted share of AHG, employee underpayment costs and impact of new lease accounting standard (AASB 16).
- (2) Comparative underlying financial information has been adjusted to remove the contribution of Kloster Motor Group, divested in October 2019.
- (3) National sales figures are based on Federal Chamber of Automotive Industry statistics sourced through VFACTS.