

18 May 2022

Markets Announcements Office
ASX Limited

Market Update for the Half Year ending 30 June 2022

Eagers Automotive Limited (ASX: APE) provides the following update on its year-to-date trading performance and outlook for the financial results for the half year ending 30 June 2022.

The underlying performance of the business continues to benefit from a strong market where demand for new vehicles continues to materially exceed supply. This has resulted in an increase in our record new car order book of more than 25% since 31 December 2021. Supporting these conditions, our new car margins have remained in line with the very strong levels of 2021, while our finance performance remains materially above industry levels.

Despite the continuing strength of our underlying business, positive operational metrics and record order book, an anticipated reduction in the number of new vehicles delivered to customers in the first half of 2022 is expected to impact our half year financial performance. This is due to the supply of new vehicles being impacted by multiple global events, largely attributable to the on-going effects of semi-conductor shortages in the industry and compounded by the both the Ukraine conflict and China's on-going COVID lockdowns.

As a result, Eagers Automotive expects to record an Underlying Operating Profit Before Tax ⁽¹⁾ from continuing operations for the half year ending 30 June 2022 in the range of \$183 million to \$189 million, as compared to \$214.8 million for the prior corresponding period on a like for like basis ⁽²⁾. On a statutory basis, the Net Profit Before Tax from continuing operations for the half year is expected to be in the range of \$225 million to \$240 million, as compared to \$267.4 million for the prior corresponding period.

While the outlook for vehicle supply, and therefore timing of vehicle deliveries to customers, remains unclear, Eagers Automotive is well positioned to deliver a strong second half performance subject to supply constraints easing.

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As we continue to balance these changing market dynamics with the execution of our Next100 Strategy, we are actively pursuing opportunities aligned with our strategic priorities to provide accretive growth for our shareholders.

The forecast results in this update are subject to external audit review which will be conducted following completion of the half year on 30 June 2022.

-ENDS-

Authorised for release by the Board.

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- (1) Underlying Operating Profit Before Tax excludes business acquisition and divestment costs, property revaluation gains, gain or loss on sales of assets and impact of new lease accounting standard (AASB 16).
- (2) Like for like Underlying Operating Profit Before Tax excludes the operating profit contribution from Daimler Truck operations for the half year ended 30 June 2021, with the operations divested on 30 April 2021.