

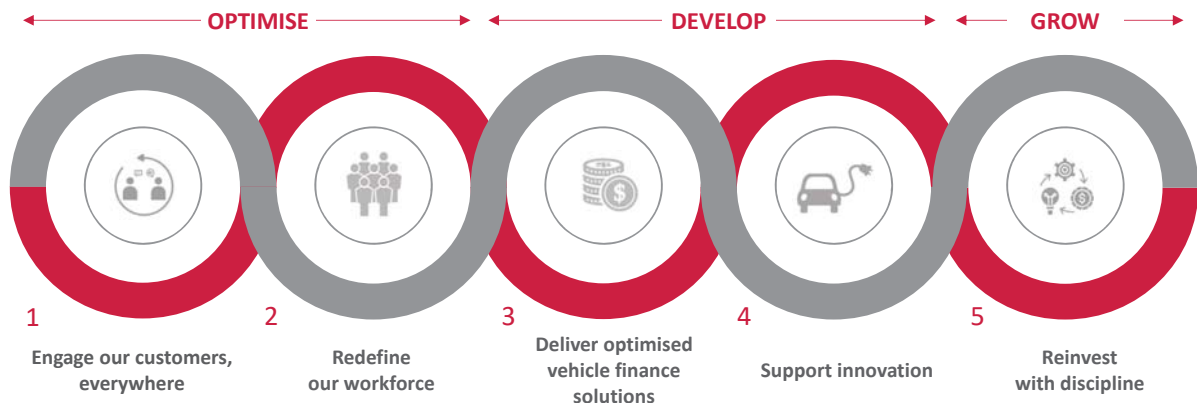
AP Eagers Limited

Investor Presentation: 3 April 2019



THE NEXT100:

Providing integrated mobility solutions for the next 100 years.



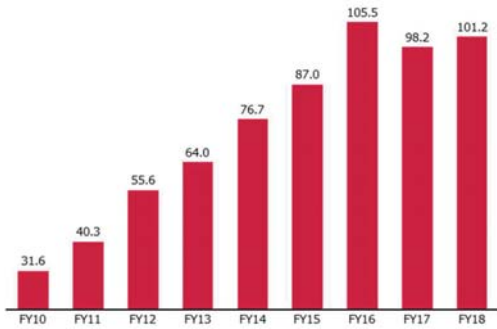
EXCEED STAKEHOLDER EXPECTATIONS
Customers. Employees. Partners. Shareholders. Community.



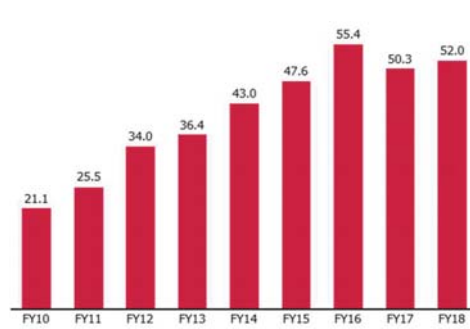
APE Credentials

Consistent record of profit, dividend and EPS growth

Net profit after tax (\$m)



Earnings per share (cents per share)



Dividends (cents per share)

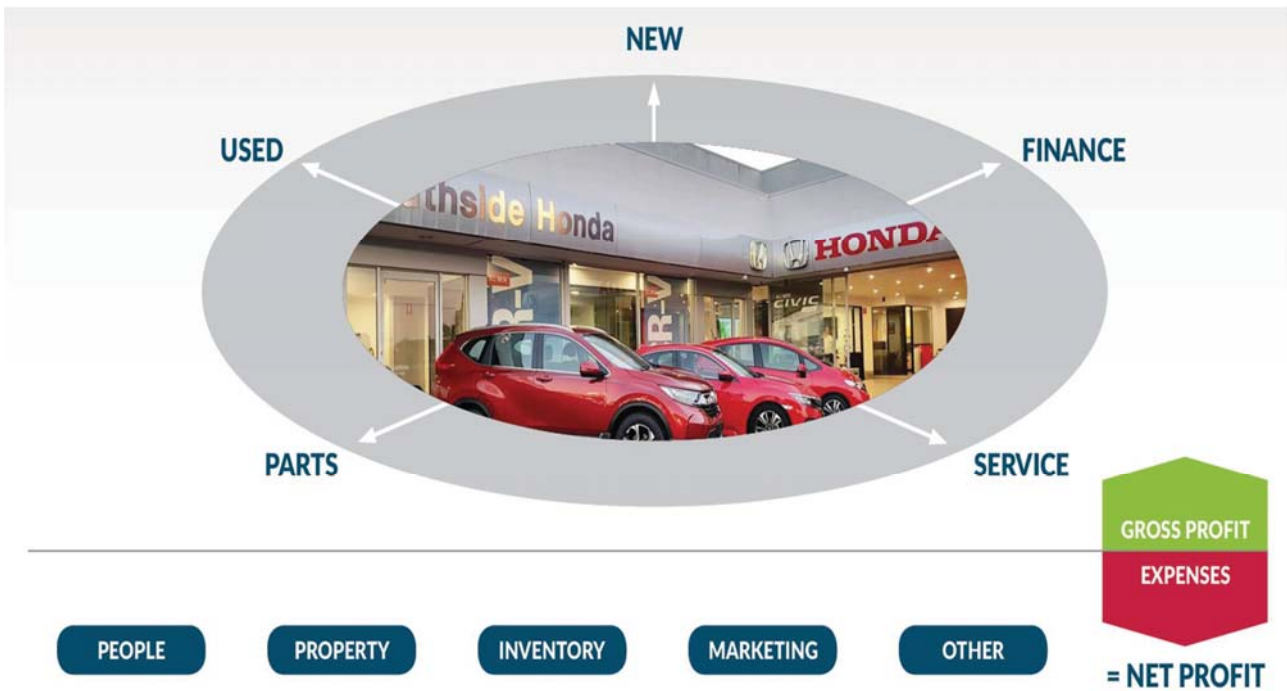


10 year total shareholder return on \$1,000 investment at 1 April 2019



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How do retail dealerships work?



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THE NEXT100:

Providing integrated mobility solutions for the next 100 years.



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Strategy Overview



- **Continue to outperform industry:** solid foundations, disciplined approach, multi-profit drivers
- Future growth strategy underpinned by:
 - **Engaging our customers, everywhere.** Leveraging our flexible property portfolio to continue development of an omni-channel retail approach via our future dealerships retailing networks;
 - **Redefine our workforce** to deliver a vastly superior customer experience on a more sustainable and productive cost base;
 - **Deliver optimised vehicle finance solutions** by executing on our five point Finance Operating Plan;
 - **Supporting innovation** as our partners introduce ACE (autonomous, connected & electric) and other emerging product and service innovations; and
 - **Reinvest with discipline**, combined with rigorous review of existing & new operations to support an unrelenting focus on long term wealth creation
- Exceed expectations and deliver balanced **long term value for our stakeholders**
- Take advantage of industry opportunities as **consolidation, restructuring, rationalisation** escalates

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Engage our customers, everywhere

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Automotive Retail of the Future

Adapting our model to support the customer and the company



8



Automotive Retail of the Future

Providing choice and convenience



9



Automotive Retail of the Future

A unique and compelling experience with unrivalled choice



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Automotive Retail of the Future

A Blended Network approach supporting Customer Centricity



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Taking Automotive Retail to our customers



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Taking Automotive Retail to our customers



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Multi-brand service hubs



Shopping Centre Service

Scheduled and Express servicing on demand to support customer's existing shopping patterns

Multi-Branded Express Service

Ex-Bunnings facility in Albion acquired to support inner-city transition to Airport as well as neighboring sales locations



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Using property to drive workforce transformation



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Redefine our workforce

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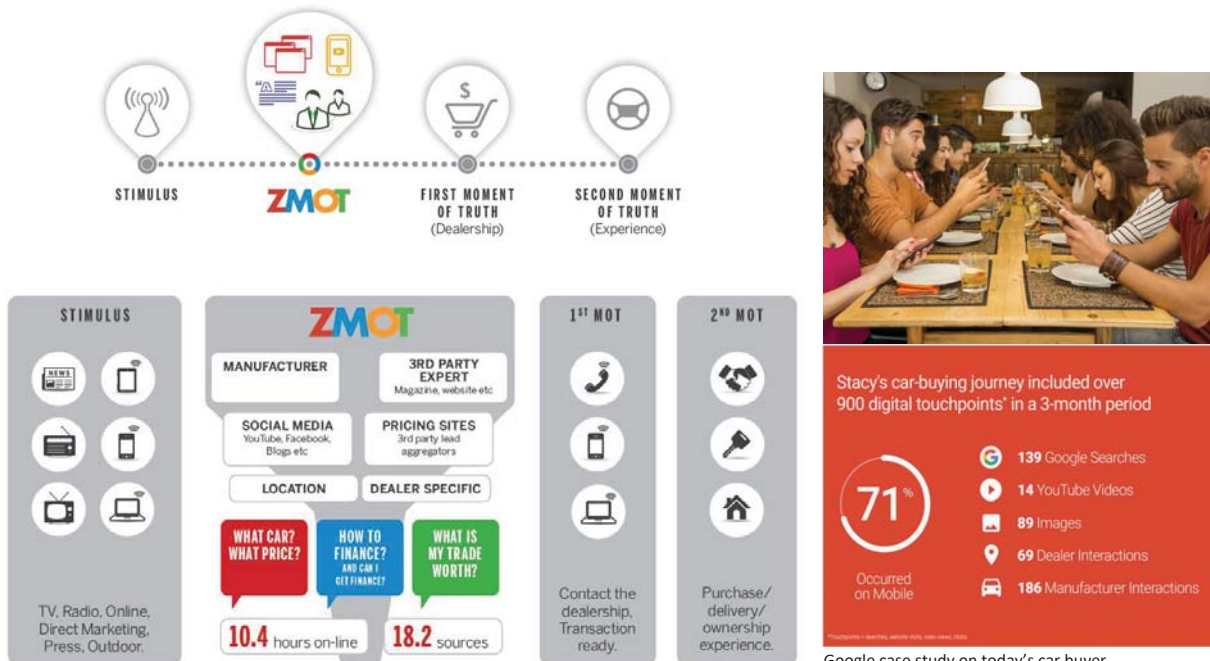
Carzoos is our proof of concept



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A workforce designed by our customers



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Carzoos feedback refined our plans...



Chris James
 26 Oct 2018

★★★★★

I was apprehensive at first... but it wasn't warranted!

I was apprehensive at first, largely because I was located in Cairns and unable to visit/view the vehicle and a little bit because things just seemed to be too easy. I had the old saying "if it's too good to be true, it probably is" running through my head. Buying a car "online" just seemed too simple, even though we do most other things online these days.

My contact at Carzoos was fantastic, responsive, and very easy to work with. They went above and beyond to help me out, especially regarding my location, working the purchase additions (warranty/service, etc) around to ensure I was able to utilise it up here.

From enquiring on the car, to having it delivered to my door in Cairns took just over a week.

I wouldn't hesitate to use Carzoos again, nor would I hesitate to recommend to a friend. No doubt you'll be feeling uneasy about buying a car "online" but let me tell you - they're on to something here and I reckon the old dealer experience is in a bit of trouble.

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★★★★★
 Published 2 hours ago
 Verified order

Finally a new way to buy a car!

Finally a new way to buy a car!
 I am a young professional woman, who has no time or desire to shop around for cars. This was the perfect solution for me: fast, no bargaining, female staff... and 7 day money back if I didn't like the car. I also loved having the full purchase history sent to me before buying - why should I have to pay for the history?? When I stacked it up against buying from a private seller - it was just as cost effective because the 1 year Allianz insurance was included. I am so glad I purchased through this new innovative way to buy.

★★★★★
 Published Tuesday, 6 June 2017
 Verified order

The ONLY way I will ever buy a car again

I visited the Carzoos shop at North Lakes last week. Everything about them is different to how I've bought a used car in the past. Was greeted by a carzoos 'buddy' (thought this was cool) who was really helpful and everything was explained and low pressure. Can't believe this hasn't happened before to be honest. Will definitely recommend. AAA+

★★★★★
 Published Wednesday, 5 April 2017
 Verified order

The best car buying experience to date...

I have bought many cars over the years from both dealers and private sellers but would suggest that this has been the best experience to date by far. I will certainly have no issue being a repeat customer.

★★★★★
 Published Tuesday, 6 June 2017
 Verified order

Straight forward and honest approach to ...

Straight forward and honest approach to buying a car, although there is still considerable paperwork the majority appears regulatory required. I appreciated their direct up-front declarations with all aspects of purchase. Will be recommending their service to people I meet.

★★★★★
 Published Monday, 20 March 2017
 Verified order

Excellent Experience, Exceeded Expectations

It is nerve racking purchasing a new car, making sure you get a good deal and being treated well, especially as a female. I had such a great experience and was treated so well by everyone that worked for carzoos. The car exceeded expectations I absolutely love it, and it is so great to have all those extras thrown in such as first year comprehensive car insurance covered for you, extra warranties, road side assist, the list goes on and on. I would recommend this company to anyone looking to buy and/or sell a car.



Carzoos
 Reviews 262 • Excellent
 ★★★★★



Business Transformation is underway

Work in harmony with business strategy and vision...

“Deliver a superior Guest Experience on a Lower Cost Base.”





BTG - Lean (3 Step)

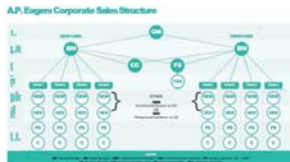
"Superior guest experience on a lower cost base."

1. Finscore



- Implement sales quoting
- Present complimentary personal credit score
- Adopt panel lender approach
- Measure results

2. Sales Model



- Design & implement a "Pilot" sales POD
- Select the best to fill the positions
- Recruit new "Product Specialist" role
- Formalise the reduced cost base
- KPI's set for the POD
- Communicate to all teams
- Support & promote the model

3. Remuneration

Balanced Commissions

BUY	Trade-ins Commissions	GUIDE
	Direct Purchase Comms	20%
FUND	Finance Commissions	35%
SELL	Selling Commissions	20%
PROTECT	Car Care Commissions	15%
RETENTION	CSI Service	10%
	Monthly Comm Pool	100%

- Balanced BFSPR remuneration payment approach
- Reward more for Buy, Fund, Protect – less on Sell
- Stress test commission model
- Income pooling for POD
- Observe notice periods for changes



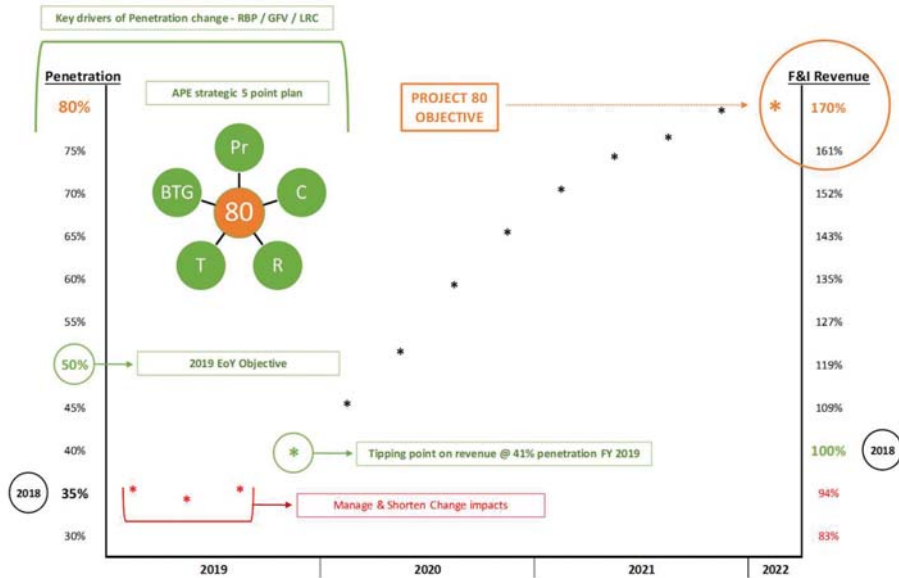
Deliver optimised vehicle finance solutions



Risk Based Pricing will drive penetration

Achieving 80% penetration will significantly increase finance income on 2018 LFL vehicle sales...will be achieved subject to planning and execution strategy

- Penetration rates driven by a combination of RBP arrangements; Guaranteed Future Value (GFV) product development; and continued low rate finance campaigns (LRC)
- Implementing strategic plan to achieve long term objective of 80% that will significantly increase finance income on 2018 comparable vehicle sales
- Targeting 50% penetration rate by end of 2019



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Support innovation

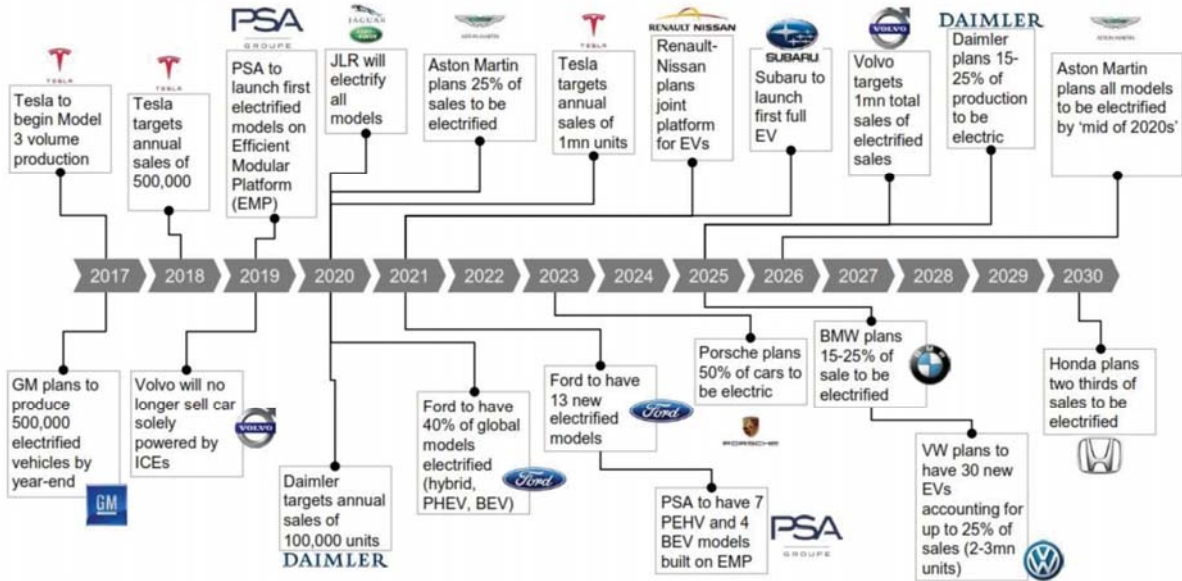
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OEMs pile into BEV

Battery Electric Vehicles

OEM ANNOUNCEMENT REGARDING ELECTRIFICATION



Source: BMI Research, FEV

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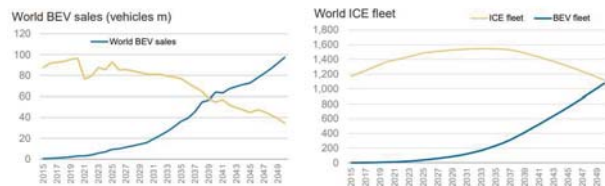
Quantifying the likely rate of change

EVs MOST IMPORTANT MARKETS JAN-SEP/17

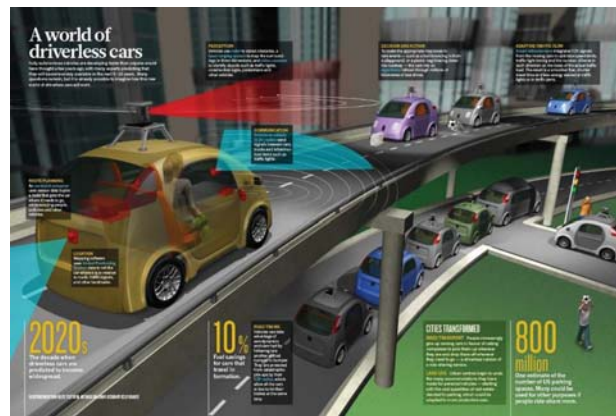
By Volume (k)	By Market Share
China 227	Norway 16.6%
USA 61	Netherlands 1.4%
Norway 24	Austria 1.3%
France 22	China 1.3%
Germany 17	Sweden 1.2%
UK 12	France 1.2%
Japan 10	Switzerland 1.1%
Korea 8	Korea 0.6%
Netherlands 5	Germany 0.6%
Canada 5	UK 0.5%

Global fleet model to 2050

BEV sales grow strongly – at expense of ICE sales by 2030. BEV fleet catches up with ICE fleet by 2050?



The Australian car parc was **19.2m** registered cars as at 31 January 2018



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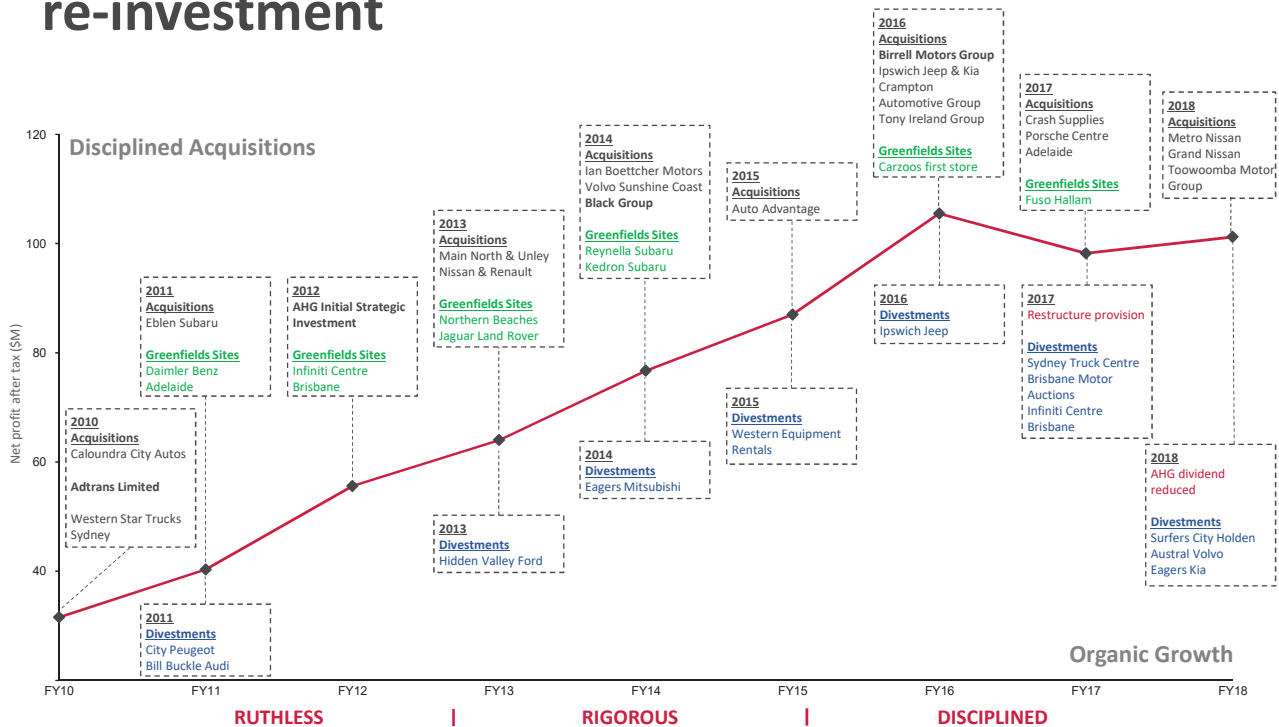


Reinvest with discipline

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Active portfolio management and disciplined re-investment



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Appendix



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