



Chairman's Address
Annual General Meeting
Wednesday 15 May 2019

Shareholders

This is an exciting point in AP Eagers' long history – and I'd like to reflect on another strong year for your company.

Underpinned by an unwavering focus on our strategy, AP Eagers was able to deliver a strong operational and financial performance despite challenging external trading conditions.

Our Chief Executive Officer, Martin Ward, will take you through the performance in detail shortly but at a headline level, net profit after tax was \$101.2 million in 2018, an increase of 3.1% on the prior year, while underlying operating profit before tax was \$125.7 million, an increase of 1.9%.

The solid full year performance, coupled with the strength of our balance sheet and overall financial position, enabled the company to reward shareholders with another record year of shareholder returns.

We were pleased to pay a fully franked final dividend of 22.5 cents per share. The total dividend based on 2018 earnings was 36.5 cents fully franked, representing the 17th record full year payments in the last 18 years. As a board, we are incredibly proud of this result.

I am sure shareholders are aware the company has been very busy after the year end. Our management team is responding to the challenging external environment, and our 'Next100' strategy – which Martin will discuss in his review – will position AP Eagers to capture ongoing growth opportunities.

In April, we announced an all-scrip offer to acquire Automotive Holdings Group Limited and merge the two businesses to create Australia's leading automotive retail group.

We are delighted with the support received for the offer from our fellow AHG shareholders who recognise the combined group will be better positioned to navigate the structural challenges facing our sector and pursue growth opportunities through the cycle.

The AHG board has recommended its shareholders accept our improved offer (in the absence of a superior proposal) and the two companies are currently working together to satisfy the remaining conditions of the offer as quickly as possible.

I have no hesitation in saying we have the best automotive retail management team in the sector. I want to take this opportunity to acknowledge the tireless efforts of our CEO Martin

Ward, his senior leadership team and our entire employee base, which numbers over 4250, for their continued hard work and dedication.

I would also like to acknowledge the contribution of my fellow directors on the board. Their guidance and support and the application of their invaluable industry knowledge are absolutely critical to the company's sustained success.

Finally, on behalf of the board, I would like to thank you – our shareholders - for your continued support and investment in this company.

I would now like to hand over to Martin to provide his review on 2018.

Thank you

Tim Crommelin
Chairman