

2CheapStars Group

**ANNUAL
SHAREHOLDERS'
MEETING**

 **DRIVING
BETTER
DEALS
EVERY DAY**

27 September 2024



Board of Directors & Senior Management



Michael Stiasny
Independent Director
Chair



David (Yusuke) Sena
CEO
Executive Director
Co-Founder



Gordon Shaw
Independent Director



Angus Guerin
CFO



★ Questions

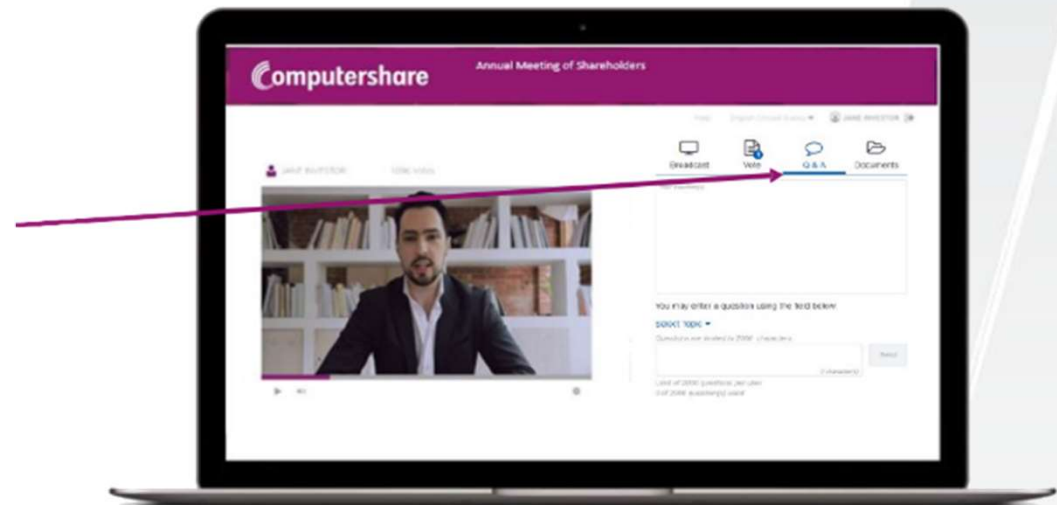
Shareholder & proxyholder Q&A participation

Written questions

Questions may be submitted ahead of the meeting. If you have a question to submit during the live meeting, please select the Q&A tab on the right half of your screen at anytime. Type your question into the field and press submit. Your question will be immediately submitted.

Help

The Q&A tab can also be used for immediate help. If you need assistance, please submit your query in the same manner as typing a question and a Computershare representative will respond to you directly.



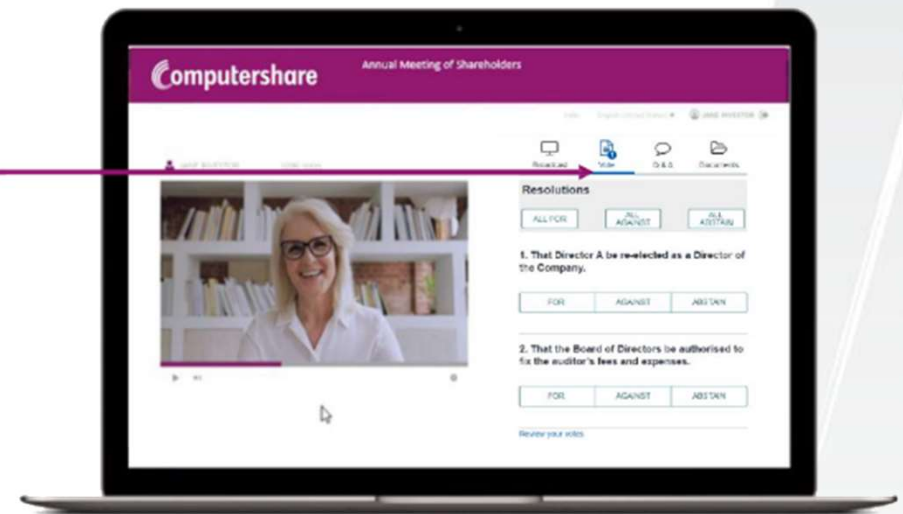
★ Voting process

Shareholder & proxyholder voting

Once the voting has been opened, the resolutions and voting options will allow voting.

To vote, simply click on the **Vote** tab, and select your voting direction from the options shown on the screen. You can vote for all resolutions at once or by each resolution.

Your vote has been cast when the tick appears. To change your vote, select **Change Your Vote**.



Agenda




1.
**Chairman's
Address**

Michael Stiasny
Chair

2.
**Operational
Update**

Angus Guerin
CFO



3.
Resolutions

4.
**General
Business
+ Q&A**

2CheapStars Group

CHAIRMAN'S ADDRESS



2CheapCars Group

OPERATIONAL UPDATE



★ FY24 summary

Revenue and income

\$86.8M

▲ up 5% from \$82.7m

NPAT

\$6.2M

▲ up 383% from \$1.3m*

*(includes \$1.0m restructuring & non-recurring costs)

FY23 Underlying NPAT

\$6.2M

▲ up 213% from \$2.0m

Dividend

11.56 CPS

▲ up from 0.0 cps

Underlying EPS

14 CPS

▲ up from 4.4 cps

Operating cash flow
ex. lending

\$6.9M

▼ down \$6.3m from \$13.3m

Contribution margin

\$20.7M

▲ up 40% from \$14.8m

Gross margin

24%

▲ up 6% from 18%

★ Focused strategy

Winning by leveraging strengths

➤ PROGRESS MADE
+ NEXT STEPS



1. SUPPLY CHAIN LEADERSHIP



2. RETAIL FOOTPRINT



3. GROSS MARGIN EXPANSION



4. CUSTOMER EXPERIENCE



5. OUR PEOPLE

How to grow

- Expand hub capabilities for value
- Lead supply of affordable EV & HEVs.
- Leverage scale for efficiencies
- Broader shipping strategy

- National footprint for wider reach
- Clear “win urban” property strategy
- Win Auckland
- + Refurbish dealerships
- + Extend brand programme

- Increase Finance & Insurance
- Accelerate digital application and fulfilment
- Right value proposition
- Manage costs & pricing

Where to win

- Deepen connection with 140k+ followers on social
- Invest in customer care team
- Customer satisfaction everyday
- Deliver customer value through partnerships
- Digital platform to make it easy

- Health & safety
- Develop inclusive leaders
- Unlock a high-performance culture
- Capability investment for frontline staff
- + Talent bench

★ Market dynamics



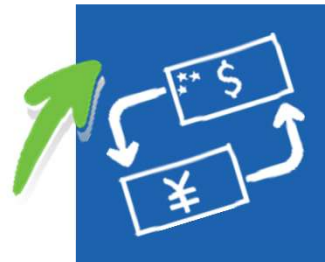
Cost of living



Interest rates



Immigration



Foreign exchange



Imports



Dealers

★ Retail footprint strategy



New & better branches driving profitable growth

- 13 branches: Auckland x 8 plus Hamilton, Tauranga, Palmerston North, Wellington & Christchurch
- Strong where it matters most – Auckland
- 98 Wairau Road opened July 2024
- 620 Great South Road under development
- Mt Wellington mega site opening 2025
- Christchurch doubled in size
- Two-tiered site strategy – mega & satellite
- Low overheads to run additional sites

★ Footprint expansion

Wairau Rd
Opened July 2024



1,748 m²
60 cars on yard
ADT 28,029

Greenlane
Opening late 2024



2,222 m²
70 cars on yard
ADT 21,308

Mt Wellington
Opening 2025

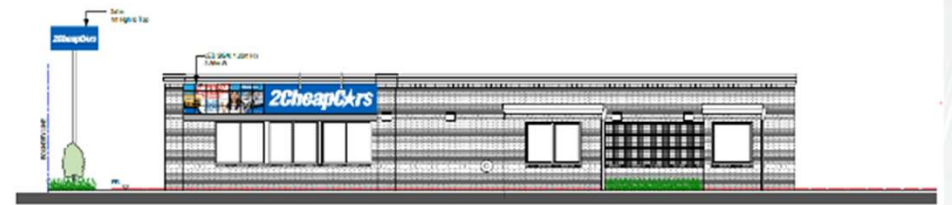
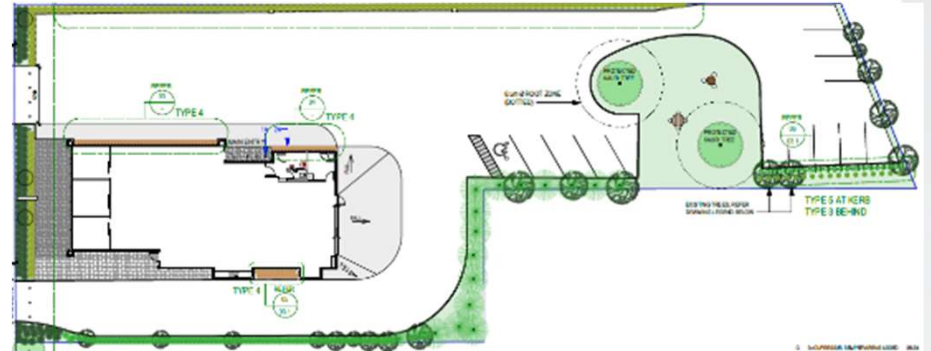


4,952 m²
150 cars on yard
ADT TBC

WINNING AUCKLAND

★ Greenlane

- 2,222m
- Iconic car district
- High traffic zone ADT 21,308
- 70 cars on yard
- Brand flagship
- Cost effective investment incl digital signage

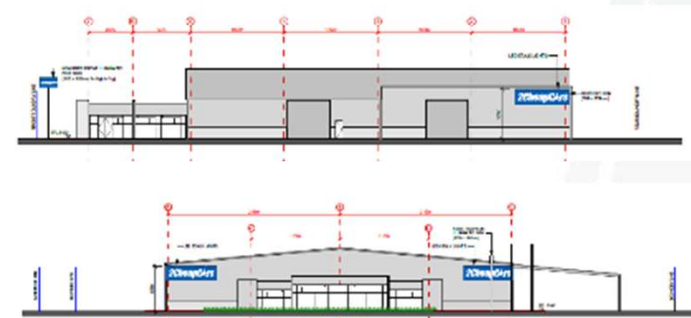


★ Mt Wellington

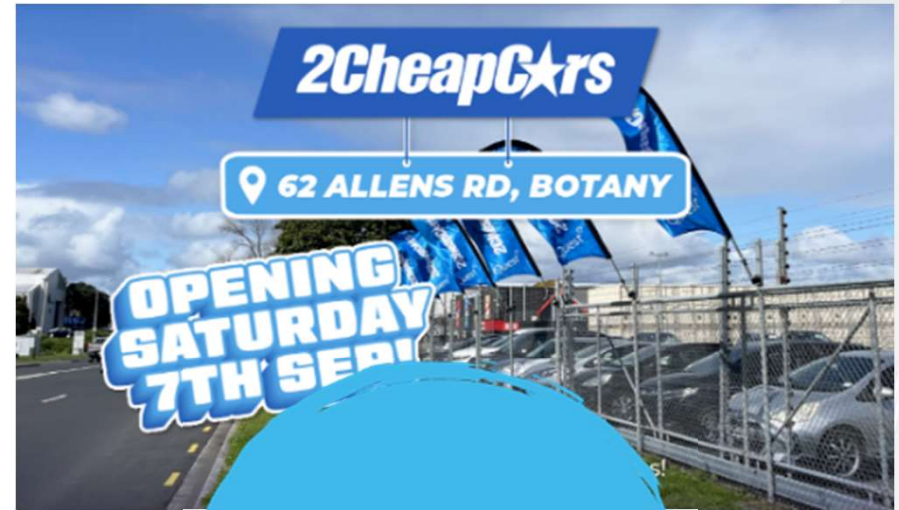
- Lease signed – commencing August 2025
- Resource consent pending
- 2CC's largest yard – almost 5,000m
- Minimal capital investment required
- Benefits from IKEA-adjacent location
- High traffic zone ADT 28,029



2 CHEAP CARS GROUP LIMITED | 2024 ASM PRESENTATION



★ Botany relocation



New yard opened
3 weeks after
forced closure due
to health and
safety risk

★ FY25 YTD (August) update

NPAT

\$1.5M

▼ down \$0.9m from \$2.4m

Gross margin

21%

▼ down 3% from 24%

Vehicles sold

3,475

▲ up 14% from 3,047

Revenue

\$35.2M

▲ up 3% from \$34.1m

Finance penetration

27%

▼ down 3% from 30%

Operating cashflow

\$1.0M

▼ down \$3.0m from \$4.0m

FY25 outlook



Lower interest rates easing pressure on finance



Pricing recovery driven by lower national stock levels



Increased inhouse panel & paint and compliance driving lower COGS



New **Botany** site ramped up and **Greenlane** site opening



NZD strength expected to continue to deliver lower COGS



Cost of living crisis continues to impact customers



Lower net immigration as compared to FY24

2CheapC★rs Group

RESOLUTIONS



★ Shareholder resolutions

1.



That the Board be authorised to fix the Auditor's fees and expenses

2.

That David (Yuseke) Sena be re-elected as a Director of 2 Cheap Cars Group Limited.



★ Proxy voting results

| Resolution | For | Against | Discretionary | Abstain* |
|---|------------|---------|---------------|----------|
| That the Board be authorised to fix the Auditor's fees and expenses. | 38,512,592 | 8,830 | 210,501 | 14,280 |
| That David (Yuseke) Sena be re-elected as a Director of 2 Cheap Cars Group Limited. | 38,511,681 | 19,981 | 210,501 | 4,040 |

*Votes cast by a shareholder who abstains on an item are not counted in the calculation of the required majority.

2CheapC★rs Group

**GENERAL ★
BUSINESS
Q&A**



2CheapCars Group

THANK YOU

**★ DRIVING
BETTER
DEALS
EVERY DAY**



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The presentation should be read in conjunction with, and is subject to, 2CC's latest set of financial statements for the period ended 31 March 2024, and other market releases and information released on the NZX.

The presentation includes forward looking statements about 2CC and the environment that it operates in, which are subject to uncertainties outside of 2CC's control. 2CC's results or performance may vary from these statements. Also included are statements relating to past performance, which should not be regarded as a reliable indicator of future performance.

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Non-GAAP and non-IFRS measures do not have a standardised meaning prescribed by GAAP and should not be viewed in isolation or be considered substitutes for measures reported in accordance with NZ IFRS. Further, they may not be comparable to similar financial information presented by other entities. These measures have not been independently audited or reviewed.

- **Numbers related to FY25 to 31 August 2024 are unaudited.**
- **All currency amounts are presented in NZ dollars, unless otherwise stated.**
- **Authorised for release by the Board of Directors.**