

OUR BUSINESS PERFORMANCE/05



## Financial performance

At Toyota Australia, we recognise that our future success is dependent upon not only maintaining our market share, but ensuring a smooth transition towards a sales and distribution business. We are mindful of our wider economic impacts through community support programs, suppliers, capital and the payment of taxes.

Achieving financial targets is important for both Toyota Australia and our stakeholders. Toyota Australia posted an after tax profit of \$99 million in the 2016/17 financial year, a decrease of \$137 million on the previous period.

Increased costs attributable to the decision to stop manufacturing and consolidate corporate operations contributed to the decrease. Restructuring costs of \$131 million were incurred in 2016/17, an increase on \$81 million in 2015/16. Profits were also adversely affected by unfavourable foreign exchange rates in our key export markets compared with the previous year.

Sales across both Toyota and Lexus remained strong, with 209,995 vehicles sold locally (compared with 209,252 in 2016) and a further 55,445 vehicles exported (compared with 64,605 in 2016). Net sales fell slightly to \$8.7 billion, primarily due to reduced export revenue.



### Profit and sales

	Net profit after tax (\$ million)	Net sales (\$ billion)
<b>2016/17</b>	\$99	\$8.7
<b>2015/16</b>	\$236	\$8.8
<b>2014/15</b>	\$194	\$8.2
<b>2013/14</b>	-\$437	\$8.4
<b>2012/13</b>	\$144	\$8.9

## Market share

Maintaining and growing our market share throughout the transition away from manufacturing is key to our success. Our focus on delivering exceptional guest experience is manifested through our Franchise of the Future (FOF) strategy, underpinned by our Dealers of the Future. More information on FOF and our dealers can be found on [pages 39 and 40](#) respectively.

According to the Federal Chamber of Automotive Industries (FCAI), the 2016 calendar year was another record year for new car sales in Australia, with 1,178,133 new passenger cars, SUVs and commercial vehicles sold. This represents an increase of 2% on the 2015 record. Toyota maintained its position as the country's top-selling brand for the fourteenth consecutive year, capturing 17.8% of the market, and continued to be the best-selling brand in every state and territory.

For the first time in Australian automotive history, the top-selling vehicle in the 2016 calendar year was a commercial rather than passenger vehicle. The HiLux was named Australia's best-selling car, closely followed by the Corolla. The Camry continues to be Australia's best-selling mid-size car, a position it has held since 1994 with a market share of over 50% in the mid-size car segment.

Lexus continued to achieve record sales in 2016/17, selling over 9,000 vehicles for the first time ever. This record of 9,067 vehicles represents a small increase on the previous year.

## Vehicles manufactured

Toyota's Altona plant in Victoria manufactures the Camry, Camry Hybrid and Aurion vehicles. During 2016/17 our production levels decreased, with 87,466 vehicles manufactured at our Altona plant, compared with 95,204 vehicles in 2015/16. This was primarily due to reduced demand from countries in the Gulf Cooperation Council (GCC). Since mid-2015, GCC members have taken austerity measures in response to low oil prices.

### Number of Toyota and Lexus vehicles sold in Australia

2016 / 17	209,995
2015 / 16	216,270
2014 / 15	207,484
2013 / 14	219,045
2012 / 13	230,475

### Number of vehicles manufactured at Altona

2016 / 17	87,466
2015 / 16	95,204
2014 / 15	88,470
2013 / 14	102,590
2012 / 13	99,441

## Vehicles exported

The GCC, New Zealand, Thailand and South Pacific Islands are our primary export markets for the Camry, Camry Hybrid and Aurion vehicles manufactured in our Altona plant. During 2016/17, we exported 55,445 vehicles, compared with 64,605 vehicles last year. Our export vehicles account for approximately 70% of the total production volume at Altona.

The 'Big Minor Change' Camry – the last Camry to be built at the Altona plant – was awarded the Middle East Car of the Year award in the mid-size sedan category. The award ceremony was held in conjunction with the Abu Dhabi Motor Show, with awards presented by members of the Abu Dhabi Royal Family.

### Number of vehicles exported from Altona

2016 / 17	55,445
2015 / 16	64,605
2014 / 15	64,381
2013 / 14	67,056
2012 / 13	69,676

## Government funding

Toyota Australia continues to engage with government at all levels through our dedicated government affairs team. Toyota Australia received \$40.35 million in government funding in the 2016/17 reporting period.

Toyota Australia does not provide political contributions.

## Luxury car tax

In July 2016, Toyota Australia announced it would again pass on to guests the full benefits of a higher luxury car tax threshold. The move reflects and continues the similar position held by Toyota Australia in 2015.

Toyota Australia continues to oppose this tax, which affects thousands of new car owners. Since the tax applies only to vehicles and not to other high-end goods, we believe it is an unfair impost on motorists and the automotive industry.