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ASX Announcement

22 January 2021

Trading Update for half-year ended 31 December 2020

National Tyre & Wheel Limited (“NTD” and the “Group”) (ASX: NTD) provides the following update on trading results for the half-year ended 31 December 2020 (“1H21”).

Trading in 1H21 has exceeded expectations with all business units performing better than predicted. During the period, NTD achieved record sales of Agricultural tyres and 4WD wheels. Margins have also improved with less discounting and the AUD/USD exchange rate being more favourable than expected.

Subject to finalising the interim financial report and audit review, NTD now expects 1H21 Operating EBITDA to be between \$15.0 million and \$15.5 million, noting that Operating EBITDA in the period:

- excludes \$1.4 million of non-recurring and abnormal costs related to the Tyres4U acquisition;
- excludes adjustments for AASB16 Leases, which will increase reported EBITDA;
- includes five months ownership of Tyres4U because that business was acquired in August 2020; and
- does not include any material contribution from synergies arising from the acquisition of Tyres4U.

The Group’s Balance Sheet remains strong, with cash on hand at 31 December 2020 of \$22.4 million and net debt of \$18.0 million.

On 12 November 2020, NTD provided 1H21 EBITDA guidance of \$11.5 million to \$12.5 million and stated that it expected to maintain that trajectory in H2 of FY21. Given prevailing market and economic uncertainty as well as the likelihood of restructuring costs (to be offset by future synergies from the Tyres4U acquisition), it is too difficult to say that the upgraded 1H21 EBITDA guidance will be a better indicator to performance in H2 of FY21 than previous guidance.

The Board intends to announce the interim results and its intention in relation to any interim dividend on or about 24 February 2021.

NTD again acknowledges the contribution all employees, customers and suppliers have made to growing business in a very challenging environment.

This announcement was approved, and authorised for release, by NTD’s Board of Directors.

ENDS

For further information, please contact:

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Important Information and Disclaimer

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