

**National Tyre & Wheel Limited and its controlled entities**  
**Appendix 4D**  
**Half-year report**



**1. Company details**

Name of entity:	National Tyre & Wheel Limited
ABN:	97 095 843 020
Reporting period:	For the half-year ended 31 December 2023
Previous period:	For the half-year ended 31 December 2022

**2. Results for announcement to the market**

	31 Dec 2023	31 Dec 2022	Change
	\$'000	\$'000	%
Revenues from ordinary activities	264,853	295,251	(10.3%)
Net profit/(loss) from ordinary activities attributable to shareholders	892	(1,612)	155.3%

	Cents	Cents	Change
			%
Basic earnings per share	0.67	(1.22)	154.9%
Diluted earnings per share	0.65	(1.22)	153.2%

*Dividends*

	Cents	Cents	Change
			%
Interim dividend - fully franked	-	-	-

*Comments*

An explanation of the above figures is contained within the 'Review of operations' section of the Directors' Report, which is part of the attached Interim Report.

**3. Net tangible assets**

	31 Dec 2023	31 Dec 2022
	Cents	Cents
Net tangible assets per ordinary security	52.54	47.40

**4. Control gained over entities**

Not applicable.

**5. Loss of control over entities**

Not applicable.

**6. Dividends**

No dividends have been paid or declared during the half-year ended 31 December 2023.

**7. Dividend reinvestment plans**

No interim dividend has been declared for the half-year ended 31 December 2023, therefore the dividend reinvestment plan (“DRP”) dated 6 November 2017 is not in operation. The DRP rules can be downloaded from the NTAW website: <https://www.ntaw.com.au>.

**8. Details of associates and joint venture entities**

Not applicable.

**9. Audit qualification or review**

*Details of audit/review dispute or qualification (if any):*

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

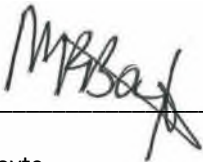
**10. Attachments**

*Details of attachments (if any):*

The Interim Report of National Tyre & Wheel Limited for the half-year ended 31 December 2023 is attached.

**11. Signed**

Signed \_\_\_\_\_



Date: 26 February 2024

Murray Boyte  
Chairman

# **National Tyre & Wheel Limited and its controlled entities**

**ABN 97 095 843 020**

**Interim Report – 31 December 2023**

# National Tyre & Wheel Limited and its controlled entities

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31 December 2023



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# National Tyre & Wheel Limited and its controlled entities

## Directors' report

31 December 2023



The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the “Group”) consisting of National Tyre & Wheel Limited (referred to hereafter as the “Company”, “NTAW”, or “parent entity”) and the entities it controlled at the end of, or during, the half-year ended 31 December 2023 (“1H24”).

### Directors

The following persons were directors of National Tyre & Wheel Limited during the whole of the half-year and up to the date of this report, unless otherwise stated:

Murray Boyte	Independent Non-Executive Chairman
Peter Ludemann	Managing Director and Chief Executive Officer
Terry Smith	Non-Executive Director
Bill Cook	Independent Non-Executive Director
Robert Kent	Executive Director (ceased 28 January 2024)
Kenneth Gunderson-Briggs	Independent Non-Executive Director (appointed 13 December 2023)
Christopher Hummer	Executive Director (appointed 13 December 2023)
Tynan Young	Independent Non-Executive Director (appointed 30 January 2024)

### Principal activities

The principal activity of the Group during the half-year ended 31 December 2023 was the distribution and marketing of motor vehicle tyres, wheels, tubes and related products throughout Australia, New Zealand and South Africa.

NTAW is the holding company for the following operating subsidiaries:

- Exclusive Tyre Distributors Pty Ltd (“ETD”);
- Exclusive Tyre Distributors (NZ) Limited (“ETDNZ”);
- Dynamic Wheel Co. Pty Limited (“Dynamic”);
- Integrated OE Pty Ltd (“IOE”);
- Statewide Tyre Distribution Pty Ltd (“Statewide”);
- Top Draw Tyres Proprietary Limited t/a Tyrelife Solutions (“TLS”);
- Tyres4U Pty Ltd (“T4UAU”);
- Tyres4U (NZ) Ltd (“T4UNZ”);
- Tyreright Operations Pty Ltd (“TRT”);
- Black Rubber Pty Ltd & Black Rubber Sydney Pty Ltd (collectively “Black Rubber”);
- Carters Tyre Service Limited, C.O. Tire & Retreading Co Limited & Tyre Distributors New Zealand Limited (collectively “Carter’s”); and
- Solid Plus Operations Pty Ltd (“Solid Plus”).

There have been no significant changes in the nature of the Group’s activities during this period.

### Dividends

	31 Dec 2023	31 Dec 2022
	\$'000	\$'000
Dividends paid during the half-year were as follows:		
Final dividend	-	1,980

## **Operating and financial review**

### ***Review of operations***

NTAW enjoyed a more favourable operating environment in 1H24 compared to 1H23 as inflationary pressures subsided, supply chains improved and labour became more available.

In addition, the following initiatives had a positive impact on operations:

- bringing an end to the sub-wholesaling business of T4UUAU;
- continuing to align price to reflect movements in the cost of goods throughout FY23;
- relaunching the “Inner Circle” loyalty program for ETD and ETDNZ;
- expanding the Black Rubber commercial tyre footprint on the eastern seaboard of Australia, as part of the new collaboration with Michelin; and
- reducing employee costs and other expenses.

The initiatives delivered the following outcomes in 1H24:

- an improvement in gross profit to \$82.3m (1H23: \$80.1m) and gross margin to 31.1% of revenue (1H23: 27.1%);
- growth in revenue from commercial tyre sales;
- a \$2.9m reduction in expenses, including a \$2.6m reduction in employee costs with a lower headcount offset to an extent by higher labour costs; and
- generating \$10.0m of cashflows from operating activities (1H23: \$1.4m cash outflow from operating activities).

1H24 revenue fell to \$264.9m (1H23: \$295.3m) as sales volume declined due to:

- the direct consequences of discontinuing the distribution of certain brands, especially sub-wholesaling brands purchased from other importers;
- continuing rationalisation of the Australian retail business; and
- some lingering poor fill rates from USA based suppliers.

Gross profit grew despite declining revenue because:

- selling prices aligned with higher cost of goods after allowing for import price rises in FY23 and some lower import prices in 1H24;
- inbound freight costs in 1H24 were substantially lower than in 1H23; and
- NTAW’s overall product mix changed as lower margin brands were discontinued.

NTAW continued to execute important structural changes to its Australian operations in 1H24, including:

- completion of the Group’s major metropolitan warehouse consolidations, with the Perth facility opening in November 2023;
- continuing rationalisation of the Tyreright network with two stores converted to Tyreright Michelin Service Centres and two stores closed or licensed;
- merging IOE with Dynamic (caravan tyre and wheel packages) and T4UUAU (truck trailer tyre and wheel packages);
- transferring Solid Plus (fork-lift tyre and wheel products and services) out of T4UUAU to become a separate legal entity; and
- migrating T4UUAU onto the same financial and administration platform as other Australian wholesale businesses.

NTAW is also creating a single Australian wholesale entity to carry on the businesses of Tyres4U<sup>®</sup>, Exclusive Tyre Distributors<sup>™</sup> and Dynamic Wheel Co<sup>™</sup> as discrete business units rather than separate legal entities.

This change seeks to preserve the goodwill associated with each business unit while also providing a platform for a better customer experience, including easier access to products, streamlined ordering and more efficient logistics solutions.

In September 2023, NTAW signed agreements to distribute Dunlop tyres in Australia (from April 2024) and New Zealand (from November 2023). The Australian single entity wholesale project is a necessary part of the Group’s preparation for this new distribution arrangement.

# National Tyre & Wheel Limited and its controlled entities

## Directors' report

31 December 2023



### Results highlights

NTAW has reported total revenue of \$264.9m (1H23: \$295.3m) for the half-year, a decrease of \$30.4m (-10.3%) on the prior comparative period.

NTAW's statutory profit for the Group after providing for income tax and non-controlling interests amounted to a profit of \$0.9m (1H23: loss of \$1.6m).

NTAW has a strong balance sheet with net assets of \$117.5m at 31 December 2023 (Jun-23: \$115.3m). The net debt position was \$63.1m (Jun-23: \$60.2m) and a 'net debt to equity + debt' ratio of 29.8% (Jun-23: 28.9%).

### Key operating metrics

	1H24	1H23
Gross profit margin	31.1%	27.1%
Operating costs as % of total revenue	23.7%	22.4%
Reported EBITDA <sup>1</sup> margin	7.3%	4.6%
Operating EBITDA <sup>2</sup> margin	7.4%	5.3%

1 EBITDA means earnings before interest, tax, depreciation and amortisation.

2 Refer to reconciliation between Reported EBITDA and Operating EBITDA below.

NTAW has reported a gross profit margin of 31.1% and an Operating EBITDA margin of 7.4%, with gross profit margin and Operating EBITDA margin increasing from that achieved in the prior comparative period.

### Key financial results

\$'000	1H24	1H23
Sales revenue	264,853	295,251
Gross profit	82,289	80,070
Reported EBITDA	19,387	13,720
Operating EBITDA	19,720	15,675
Reportable NPATA attributable to NTAW <sup>1</sup>	1,981	(511)
Operating NPATA attributable to NTAW <sup>1</sup>	2,314	1,444

1 NPATA excludes non-controlling interests and amortisation on a tax effected basis.

### Operating EBITDA

The Group has reported an EBITDA of \$19.4m (1H23: \$13.7m). The result for 1H24 includes non-recurring costs of \$0.5m associated with the implementation of IT projects, the consolidation of metropolitan warehouses and closure of stores (1H23: \$1.1m). Unrealised foreign exchange gain on foreign exchange contracts and foreign currency denominated suppliers of \$0.2m (1H23: \$0.8m loss) was recognised during the half-year.

After taking into account the above items, an Operating EBITDA of \$19.7m was earned in 1H24 (1H23: \$15.7m) as shown in the following table:

\$'000	1H24	1H23
<b>Net profit after tax</b>	<b>671</b>	<b>(1,772)</b>
Depreciation and amortisation	12,323	12,045
Finance costs (net)	4,946	3,698
Income tax expense	1,447	(251)
<b>Reported EBITDA</b>	<b>19,387</b>	<b>13,720</b>
IT project implementation costs	493	762
Warehouse consolidation costs	30	-
Store disposals and redundancy costs	-	368
Unrealised foreign exchange (gains)/losses	(190)	825
<b>Operating EBITDA</b>	<b>19,720</b>	<b>15,675</b>

**Financial Position**

Key financial information in relation to the Group's financial position at half-year end is shown below:

	<b>31 December 2023</b>	<b>30 June 2023</b>
Total assets (\$'000)	375,188	374,238
Net assets (\$'000)	117,468	115,340
Net debt (\$'000)	63,082	60,205
Shares on issue ('000)	134,136	133,271

Significant balance sheet movements during the financial half-year were as follows:

- Net debt has increased by \$2.9m;
- Net assets increased by \$2.1m; and
- Employee share options were redeemed for 0.9m ordinary shares.

**Outlook**

NTAW expects benefits from various strategic initiatives, structural changes and the distribution of Dunlop products will mostly accrue in FY25.

Changes to the organisation of the Australian wholesale business units are substantial and will be in the early stages of implementation in 4Q24. In addition, the benefits from discontinuing some brands depend on customers switching brand and supplier preferences and these changes tend to happen over time.

NTAW's go-to-market strategy for Dunlop involves reinforcing Dunlop's historical status as a premium brand and less price discounting. As this strategy differs from the recent approach, the impact on sales volume and margins will take some time to come into clear sight.

Better customer experiences, easier access to the Group's products and services, together with new customers coming from the Dunlop distribution, are expected to present opportunities to grow revenue from new "whole of NTAW" incentives and loyalty programs that will be offered in FY25.

The Group's commercial retail operations in Australia and New Zealand, along with the New Zealand wholesale operations, are expected to continue recent growth in revenue and profitability, with further cost savings accruing from the sale or closure of the remaining non-commercial Tyreright stores owned by the Group. The network of licensed Tyreright stores will continue to be managed by T4UAU.

In 1H24, Goodyear announced its intention to cease carrying on its wholesale distribution business and to sell or close its remaining retail stores and retread factories. NTAW's appointment as the Dunlop distributor reflected this decision and other opportunities are likely to arise from the open space left in the industry by Goodyear's departure. NTAW believes it is well placed to participate in such opportunities.



**Significant changes in the state of affairs**

There were no significant changes in the state of affairs of the Group during the half-year.

**Matters subsequent to the end of the half-year**

No matters or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

**Rounding of amounts**

The Company is of a kind referred to in *Corporations Instrument 2016/191*, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of *the Corporations Act 2001* is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the *Corporations Act 2001*.

On behalf of the directors

A handwritten signature in black ink, appearing to read 'Murray Boyte', written over a horizontal line.

Murray Boyte  
Chairman

26 February 2024  
Brisbane

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The Directors  
National Tyre & Wheel Limited  
Level 2, 385 MacArthur Avenue  
HAMILTON QLD 4007

### **Auditor's Independence Declaration**

In relation to the independent auditor's review for the half year ended 31 December 2023, to the best of my knowledge and belief there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

This declaration is in respect of National Tyre & Wheel Limited and its controlled entities during the period.

*Pitcher Partners*

**PITCHER PARTNERS**



**ANDREW ROBIN**

Partner

Brisbane, Queensland  
26 February 2024

Brisbane Sydney Newcastle Melbourne Adelaide Perth

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**National Tyre & Wheel Limited and its controlled entities**  
**Consolidated statement of profit or loss and other comprehensive income**  
**For the half-year ended 31 December 2023**



	Note	31 Dec 2023 \$'000	31 Dec 2022 \$'000
<b>Revenue from contracts with customers</b>	4	264,853	295,251
Other income	5	883	150
<b>Expenses</b>			
Cost of goods sold		(182,564)	(215,181)
Employee benefits and other related costs		(41,522)	(44,167)
Depreciation and amortisation	6	(12,323)	(12,045)
Occupancy		(4,111)	(3,695)
Computer and software costs		(3,805)	(3,295)
Professional fees and insurance		(3,142)	(3,039)
Motor vehicle expenses		(2,909)	(3,486)
Marketing		(2,673)	(2,682)
Other		(5,444)	(6,126)
Finance costs	6	(5,125)	(3,708)
Profit/(loss) before income tax expense		2,118	(2,023)
Income tax (expense)/benefit		(1,447)	251
<b>Profit/(loss) after income tax expense</b>		<b>671</b>	<b>(1,772)</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		795	1,827
Other comprehensive income for the half-year		795	1,827
<b>Total comprehensive income for the half-year</b>		<b>1,466</b>	<b>55</b>
Profit/(loss) for the half-year is attributable to:			
Non-controlling interest		(221)	(160)
Owners of National Tyre & Wheel Limited		892	(1,612)
		<b>671</b>	<b>(1,772)</b>
Total comprehensive income for the half-year is attributable to:			
Non-controlling interest		(221)	(160)
Owners of National Tyre & Wheel Limited		1,687	215
		<b>1,466</b>	<b>55</b>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	9	0.67	(1.22)
Diluted earnings per share	9	0.65	(1.22)

*The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**National Tyre & Wheel Limited and its controlled entities**  
**Consolidated statement of financial position**  
**As at 31 December 2023**



	Note	31 Dec 2023 \$'000	30 June 2023 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		31,202	33,040
Trade and other receivables		66,169	74,593
Inventories		132,650	130,128
Other financial assets		1,511	1,550
Other current assets		6,615	4,112
Current tax asset		705	-
Total current assets		238,852	243,423
<b>Non-current assets</b>			
Property, plant and equipment		16,248	16,791
Right-of-use assets		68,564	61,216
Intangible assets		50,028	51,265
Other financial assets		1,496	1,543
Total non-current assets		136,336	130,815
Total assets		375,188	374,238
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		70,599	81,247
Borrowings	7	5,621	4,960
Lease liabilities		17,387	15,902
Provisions		11,293	11,654
Other financial liabilities		1,516	-
Current tax liabilities		-	129
Total current liabilities		106,416	113,892
<b>Non-current liabilities</b>			
Borrowings	7	88,663	88,285
Lease liabilities		57,389	51,000
Provisions		2,216	1,935
Deferred tax		3,036	3,786
Total non-current liabilities		151,304	145,006
Total liabilities		257,720	258,898
<b>Net assets</b>		<b>117,468</b>	<b>115,340</b>
<b>Equity</b>			
Issued capital	8	94,569	94,068
Reserves		(137)	(1,093)
Retained earnings		20,183	19,291
Equity attributable to the owners of National Tyre & Wheel Limited		114,615	112,266
Non-controlling interest		2,853	3,074
<b>Total equity</b>		<b>117,468</b>	<b>115,340</b>

*The above consolidated statement of financial position should be read in conjunction with the accompanying notes*

**National Tyre & Wheel Limited and its controlled entities**  
**Consolidated statement of changes in equity**  
**For the half-year ended 31 December 2023**



	Issued capital \$'000	Foreign currency translation reserve \$'000	Share-based payments reserve \$'000	Retained earnings \$'000	Non- controlling interest \$'000	Total equity \$'000
Balance at 1 July 2022	93,122	(3,027)	920	17,941	3,510	112,466
Loss after income tax expense for the half-year	-	-	-	(1,612)	(160)	(1,772)
Other comprehensive income for the half-year	-	1,827	-	-	-	1,827
Total comprehensive income for the half-year	-	1,827	-	(1,612)	(160)	55
<i>Transactions with owners in their capacity as owners:</i>						
Redemption of share options	10	-	(10)	-	-	-
Share-based payments	-	-	392	-	-	392
Dividends paid	926	-	-	(1,980)	-	(1,054)
<b>Balance at 31 December 2022</b>	<b>94,058</b>	<b>(1,200)</b>	<b>1,302</b>	<b>14,349</b>	<b>3,350</b>	<b>111,859</b>
Balance at 1 July 2023	94,068	(2,722)	1,629	19,291	3,074	115,340
Profit/(loss) after income tax expense for the half-year	-	-	-	892	(221)	671
Other comprehensive income for the half-year	-	795	-	-	-	795
Total comprehensive income for the half-year	-	795	-	892	(221)	1,466
<i>Transactions with owners in their capacity as owners:</i>						
Redemption of share options	501	-	(267)	-	-	234
Share-based payments	-	-	428	-	-	428
<b>Balance at 31 December 2023</b>	<b>94,569</b>	<b>(1,927)</b>	<b>1,790</b>	<b>20,183</b>	<b>2,853</b>	<b>117,468</b>

*The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes*

**National Tyre & Wheel Limited and its controlled entities**  
**Consolidated statement of cash flows**  
**For the half-year ended 31 December 2023**



	31 Dec 2023 \$'000	31 Dec 2022 \$'000
<b>Cash flows from operating activities</b>		
Receipts from customers	303,140	345,988
Payments to suppliers and employees	(285,433)	(342,635)
	17,707	3,353
Interest received	179	10
Interest and other finance costs paid	(5,000)	(3,708)
Income taxes paid	(2,917)	(1,094)
	9,969	(1,439)
<b>Net cash from/(used in) operating activities</b>	<b>9,969</b>	<b>(1,439)</b>
<b>Cash flows from investing activities</b>		
Payment of deferred consideration	(2,600)	(2,600)
Payments for property, plant and equipment	(991)	(956)
Proceeds from disposal of property, plant and equipment	32	41
Transfers to term deposits	(84)	(352)
	(3,643)	(3,867)
<b>Net cash used in investing activities</b>	<b>(3,643)</b>	<b>(3,867)</b>
<b>Cash flows from financing activities</b>		
Proceeds from redemption of share options	234	-
Proceeds from borrowings	253	42
Repayment of lease liabilities	(9,180)	(8,048)
Dividends paid	-	(1,054)
	(8,693)	(9,060)
<b>Net cash used in financing activities</b>	<b>(8,693)</b>	<b>(9,060)</b>
Net decrease in cash and cash equivalents	(2,367)	(14,366)
Cash and cash equivalents at the beginning of the half-year	32,579	32,774
Effects of exchange rate changes on cash and cash equivalents	(131)	(135)
	<b>30,081</b>	<b>18,273</b>
<b>Cash and cash equivalents at the end of the half-year</b>	<b>30,081</b>	<b>18,273</b>
<i>Reconciliation to statement of financial position</i>		
Cash and cash equivalents	31,202	19,289
Bank overdrafts	(1,121)	(1,016)
	<b>30,081</b>	<b>18,273</b>
<b>Balance as per statement of cash flows</b>	<b>30,081</b>	<b>18,273</b>

*The above consolidated statement of cash flows should be read in conjunction with the accompanying notes*

## **Note 1. General information**

The financial statements cover National Tyre & Wheel Limited as a Group consisting of National Tyre & Wheel Limited ("Company" or "parent entity") and the entities it controlled at the end of, or during, the half-year ("Group" or "NTAW"). The financial statements are presented in Australian Dollars ("AUD"), which is National Tyre & Wheel Limited's functional and presentation currency.

National Tyre & Wheel Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:  
Level 2, 385 MacArthur Avenue  
Hamilton QLD 4007

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 26 February 2024. The directors have the power to amend and reissue the financial statements.

## **Note 2. Material accounting policies**

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### **Basis of preparation**

These general-purpose financial statements for the interim half-year reporting period 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

### *Historical cost convention*

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss and derivative financial instruments.

### *Rounding of amounts*

The Company is of a kind referred to in *Corporations Instrument 2016/191*, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

### **New or amended Accounting Standards and Interpretations adopted**

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period.

**Note 3. Operating segments**

*Identification of reportable operating segments*

The Group's operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ("CODM")) in assessing performance and in determining the allocation of resources.

The Directors are of the opinion that there is one reportable segment in the Group as the CODM reviews results, assesses performance and allocates resources at a Group level.

The information reported to the CODM is the consolidated results of the Group.

**Note 4. Revenue from contracts with customers**

	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Sale of goods and services revenue	264,853	295,251
	<b>264,853</b>	<b>295,251</b>

*Disaggregation of revenue*

Revenue from contracts with customers by geographic region is as follows:

Australia	193,630	224,444
New Zealand	65,467	65,970
South Africa	5,756	4,837
	<b>264,853</b>	<b>295,251</b>

During the half-years ended 31 December 2023 and 31 December 2022, all revenue from sale of goods was recognised at a point in time as the goods were transferred and revenue from services was recognised as the service was rendered over time.

**Note 5. Other income**

Interest income	106	10
Finance income on the net investment in leases	73	-
Gain on sale of assets	274	74
Other income	430	66
	<b>883</b>	<b>150</b>



**Note 6. Expenses**

	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Profit/(loss) before income tax includes the following specific expenses:		
Depreciation		
Plant and equipment	1,868	1,874
Right-of-use assets	9,014	8,713
	<hr/>	<hr/>
Total depreciation	10,882	10,587
	<hr/>	<hr/>
Amortisation		
Customer relationships	1,174	1,191
Importation rights	267	267
	<hr/>	<hr/>
Total amortisation	1,441	1,458
	<hr/>	<hr/>
Total depreciation and amortisation	12,323	12,045
	<hr/>	<hr/>
Finance costs		
Interest and finance charges paid/payable for financial liabilities	3,544	2,667
Interest and finance charges paid/payable for lease liabilities	1,581	1,041
	<hr/>	<hr/>
Finance costs expensed	5,125	3,708
	<hr/>	<hr/>
Net foreign exchange (gain)/loss	(144)	2,231
	<hr/>	<hr/>

**Note 7. Borrowings**

The bank facility has an expiry date of 30 September 2027.

**Note 8. Issued capital**

	<b>31 Dec 2023</b> <b>Shares</b>	<b>30 June 2023</b> <b>Shares</b>	<b>31 Dec 2023</b> <b>\$'000</b>	<b>30 June 2023</b> <b>\$'000</b>
Ordinary shares - fully paid	134,136,094	133,271,318	94,569	94,068

*Movements in ordinary share capital*

<b>Details</b>	<b>Date</b>	<b>Shares</b>	<b>Issue price</b>	<b>\$'000</b>
Balance	1 Jul 2022	131,936,002		73,122
Shares issued per Dividend Reinvestment Plan	7 Oct 2022	1,286,312	\$0.7200	926
Redemption of share options	14 Oct 2022	29,752	\$0.3735	10
Redemption of share options	22 June 2023	19,252	\$0.3735	10
Balance	30 June 2023	133,271,318		94,068
Redemption of share options	21 Sep 2023	37,113	\$0.3735	10
Redemption of share options	22 Sep 2023	177,506	\$0.3735	62
Redemption of share options	3 Oct 2023	183,960	\$0.3735	48
Redemption of share options	10 Oct 2023	21,197	\$0.5745	45
Redemption of share options	11 Oct 2023	445,000	\$0.5745/\$0.3735	336
<b>Balance</b>	<b>31 Dec 2023</b>	<b>134,136,094</b>		<b>94,569</b>

*Ordinary shares*

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

By way of a poll each share shall have one vote at a meeting.

*Share buy-back*

There is no current on-market share buy-back.

*Capital risk management*

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment..

The capital risk management policy remains unchanged from the 30 June 2023 Annual Report.

<b>Note 9. Earnings per share</b>	<b>31 Dec 2023</b>	<b>31 Dec 2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Profit/(loss) after income tax	671	(1,772)
Non-controlling interest	221	160
	<b>892</b>	<b>(1,612)</b>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	133,141,959	132,549,987
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares <sup>(a)</sup>	4,351,824	-
	<b>137,493,783</b>	<b>132,549,987</b>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	0.67	(1.22)
Diluted earnings per share <sup>(a)</sup>	0.65	(1.22)

<sup>(a)</sup> The calculation of diluted earnings per share does not assume conversion, exercise, or other issue of potential ordinary shares that would have an antidilutive effect on earnings per share. At 31 December 2022, there were 4,580,254 options over ordinary shares which were not included in the calculation of diluted earnings per share for the half-year ended 31 December 2022 as they are considered antidilutive as their conversion would decrease the loss per share for that period.

#### **Note 10. Related party transactions**

During the half-year, the Group leased premises from a KMP member. The lease expires on 28 February 2025 with no renewal options. Rent payments for the half-year totalled \$183,148 (1H23: \$138,138), with a lease liability of \$615,901 outstanding at 31 December 2023 (30 June 2023: \$443,789).

The Group also engaged in consulting services of \$126,000 from a KMP member (1H23: \$nil).

#### **Note 11. Events after the reporting period**

No matters or circumstances has arisen since 31 December 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

**National Tyre & Wheel Limited and its controlled entities**  
**Directors' Declaration**  
**31 December 2023**



In the directors' opinion:

the attached financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;

the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and

there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the directors

A handwritten signature in black ink, appearing to read "Murray Boyte", written over a horizontal line.

Murray Boyte  
Chairman

26 February 2024  
Brisbane

**INDEPENDENT AUDITOR'S REVIEW REPORT****To the Shareholders of National Tyre & Wheel Limited****Report on the Half-Year Financial Report****Conclusion**

We have reviewed the half-year financial report of National Tyre & Wheel Limited (the "Company") and its controlled entities (the "Group") which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of National Tyre & Wheel Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's consolidated financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

**Basis for Conclusion**

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

**Responsibility of the Directors for the Financial Report**

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

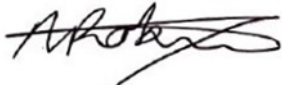
### **Auditor's Responsibility for the Review of the Financial Report**

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*Pitcher Partners*

**PITCHER PARTNERS**



**ANDREW ROBIN**

Partner

Brisbane, Queensland  
26 February 2024