

ASX Announcement  
26 August 2022

## Peter Warren Automotive Holdings Limited

### FY22 Financial Result

**Peter Warren Automotive Holdings Limited** (ASX: PWR) (“Peter Warren” or “the Group”) today announces its financial result for the year ended 30 June 2022, delivering a strong result in a challenging environment.

#### Highlights

- Revenue of \$1.711 billion, up 5.6%
- Underlying <sup>(1)</sup> Profit Before Tax (PBT) of \$88.2 million, up 16.5%
- Underlying <sup>(1)</sup> Net Profit After Tax (NPAT) of \$61.7 million, up 18.2%
- Demand continues to outstrip supply as reflected in record order book, up 55% in 2H
- Successful acquisition and integration of the Penfold Motor Group (Penfold), which has performed ahead of expectations
- Strong financial position, with a capital structure that supports Peter Warren's growth plans
- Statutory Earnings Per Share (EPS) of 33.3 cents
- Final dividend declared of 13.0 cents per share, fully franked, taking the total annual dividend to 22.0 cents per share

<sup>(1)</sup> FY22 underlying result excludes flood recovery costs (\$5.1 million) and acquisition related expenses (\$2.3 million)

**Mark Weaver, Chief Executive Officer of Peter Warren said:** “Through diligent execution of our strategy, our ongoing commitment to customer service and the development of our people, we have delivered a strong result despite facing numerous challenges. These included the impact of COVID-19 lockdowns, the flood events which affected our operations in Northern New South Wales and supply constraints across our OEM partners, and I want to thank our teams for the way they have adapted and responded to these challenges with great resilience.”

“To have delivered double-digit earnings growth in this environment, despite lower new vehicle volumes demonstrates the strength of our operating model and highlights the strength of our geographic and brand diversity. We continued to invest in our technology, driving better efficiencies and improving the customer experience which, along with our record order book puts us in a strong position.”

“The acquisition of Penfold on 1 December 2021 was a significant strategic milestone which gave us immediate scale in Victoria. We are delighted with the performance and successful integration of the business so far and look forward to further expanding our operating footprint in Victoria over time.”

“The Board has determined to pay a final dividend in line with our target payout ratio to provide a further return to our shareholders. Together with the interim dividend announced in February, this represents a total dividend of 22.0 cents per share in respect of the 2022 financial year.”

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## Financial Result Summary

Financial results for the year ended 30 June 2022 (FY22) are summarised as follows:

(\$'m)	FY22	FY21 Proforma	Var %	FY21 Statutory
<b>Statutory results</b>				
Revenue	1,711	1,622	+5.6%	1,635
EBITDA	122.7	108.0	+13.6%	102.0
Profit before tax (PBT)	80.8	75.7	+6.8%	54.7
Net Profit after tax (NPAT)	56.5	52.2	+8.3%	37.4
<b>Underlying results <sup>(1)</sup></b>				
EBITDA	130.1	108.0	+20.4%	102.0
Profit before tax (PBT)	88.2	75.7	+16.5%	54.7
Net Profit after tax (NPAT)	61.7	52.2	+18.2%	37.4
Interim dividend per share (cents)	9.0	-	n.a	
Final dividend per share (cents)	13.0	-	n.a	
Total dividend per share (cents)	22.0	-	n.a	

<sup>(1)</sup> FY22 underlying result excludes flood recovery costs (\$5.1 million) and acquisition related expenses (\$2.3 million)

### FY22 Result Overview

Sales revenue of \$1,711 million, was up 5.6% on the prior year, reflecting the contribution of Penfold for seven months, but offset by the impacts of COVID-19 lockdowns, variability in new vehicle supply and the impact on sales revenue from the shift to an agency model for some of our brands.

As previously foreshadowed, under an agency model Peter Warren no longer recognises revenue and cost of goods associated with the sale of new vehicles, which is replaced by commission revenue for delivery.

Underlying EBITDA grew 20.4%, well ahead of revenue growth. A number of factors contributed to this earnings result, including:

- Our existing businesses in NSW & QLD performed well, delivering PBT growth of \$2.2 million despite lower new vehicle volumes
- Contribution from recently acquired businesses of \$11.3 million, including Penfold (acquired in December 2021) and other acquisitions made in FY21
- Interest costs on a capital loan used to part fund the acquisition of Penfold of \$1.0 million

Our statutory result also includes the impact of:

- Acquisition related expenses of \$2.3 million
- The financial impact of the Lismore Floods of \$5.1 million, which includes the damage to inventory and fixed assets, and clean-up and repair costs, less insurance proceeds

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## FY22 Operational Review

Overall demand remains strong and continues to outstrip supply, with our new vehicle order book increasing by 55% since December 2021. New vehicle supply continues to be impacted by a number of factors including the ongoing effects of semi-conductor shortages across the industry and other supply chain issues. The diversity of brands in Peter Warren's portfolio continues to counter the uncertainty surrounding the supply of vehicles in any particular brand.

During the year there was an ongoing focus on operating efficiencies and improvements in technology, including enhancements to its digital capabilities to improve the way the Group engages with its customers. Investment in its websites has contributed to good customer lead generation and helped ensure a strong order book.

Technology is also being used to enhance Peter Warren's processes across other income streams and centralised activities, including the roll out of enhanced digital technology in the Service division.

We continue to evolve our Electric Vehicle capabilities as customer demand increases, with investment in the technical capability required to service new and emerging technologies.

We also undertook a number of procurement and cost recovery initiatives to partly offset cost inflation pressures, which have benefited from the increased scale of the Group.

Peter Warren continues to invest in its growing employee base and in recognition of its training focus, won 2021 NSW, QLD & National Winners of Large Employer of the Year (2021) for Vocational Educational & Training and are current NSW & QLD State Finalists (2022). At the end of June 2022, we have over 500 apprentices and trainees across the business.

### Primary Pillars

The Group remains focussed on the delivery of its three primary pillars, being:

- **Organic growth** – expansion of current operations in the sale of new and used vehicles and the provision of complementary services;
- **Acquisition opportunities** – pursuing new acquisition opportunities, with a disciplined approach to screening based on factors including strategic rationale, location, and value; and
- **Evolution of our property portfolio** – ownership or long-term leases of key strategic properties

In December 2021, Peter Warren acquired 100% of the Penfold Motor Group (Penfold) for a total consideration of \$105.9 million. The acquisition expands the Group's footprint across the eastern seaboard and provides the Group with immediate scale in the Victorian market. Penfold represents five brands across ten high quality locations in South and East Melbourne. The business has been successfully integrated and is performing ahead of expectations.

Peter Warren is a natural consolidator in a highly fragmented market and will continue to pursue appropriate greenfield and acquisition opportunities.

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### Strong Financial Position

During the period the Group secured a \$96 million debt facility that leverages its property assets to support its growth strategy. This facility was used to part fund the acquisition of Penfold.

At 30 June 2022, the Group's total drawn corporate debt was \$65.9 million, with a cash balance of \$52.2 million. Free cashflow generation remained strong at \$76.6 million in FY22.

The Group continues to assess its debt capacity on a net debt to property value basis, which at 7% at 30 June 2022 provides Peter Warren with a capital structure that will support its future growth plans.

### Dividend

The Directors have declared a final dividend of 13.0 cents per share fully franked. This brings the full year dividend to 22.0 cents per share and represents a payout ratio of 67% of NPAT.

The record date for determining the entitlement is 9 September 2022 and the dividend will be paid on 7 October 2022.

### Outlook

The Group will continue to execute its strategic priorities, focused on delivery of its primary pillars of organic growth initiatives, evaluation of acquisition opportunities and continuing to leverage and evolve its property portfolio.

We continue to operate in dynamic environment that will require us to be flexible and adaptive. Looking forward we consider new vehicle demand will continue to exceed supply, inflationary cost pressures will impact a number of areas and our strong order book will provide greater certainty regarding our earnings profile for FY23.

With operations in three eastern seaboard states and over 2,000 dedicated team members, the Group has a resilient operating model with geographic and brand diversity which positions it well for the future.

-ENDS-

This announcement was authorised for release by the Board of Peter Warren Automotive Holdings Limited.

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## Investor Conference Call

An Investor Presentation has been lodged with the ASX today together with this announcement. Peter Warren will host a webcast for analysts and investors at 9.30am (AEST) accessible via the following links:

### Webcast registration:

<https://webcast.openbriefing.com/8986/>

### Conference call registration:

<https://s1.c-conf.com/diamondpass/10023808-san4dggf.html>

### About Peter Warren

Peter Warren is an Automotive Dealership group with a rich heritage that has been operating in Australia for over 60 years. The Company operates 82 franchise operations and represents 28 OEMs across the Volume, Prestige and Luxury segments. Peter Warren operates under 7 banners consisting of Peter Warren Automotive, Frizelle Sunshine Automotive, Sydney North Shore Automotive, Mercedes-Benz North Shore, Macarthur Automotive, Penfold Motor Group and Euro Collision Centre across the Eastern Seaboard.

Further information can be found on the Company's website [www.pwah.com.au/](http://www.pwah.com.au/) or by contacting:

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