H1 FY24 Results Presentation

21 February 2024

Mark Weaver
Chief Executive Officer

Victor Cuthell
Chief Financial Officer

Agenda

H1 FY24 Results Highlights

Mark Weaver
Chief Executive Officer

H1 FY24 Financial Highlights

Strong revenue growth enabled a small increase in EBITDA

Revenue

$1.20b

H1 FY23 Revenue $1.00b

▲ 20%

EBITDA [1]

Underlying

$71.3m

H1 FY23 EBITDA $70.6m

▲ 1%

Profit before tax (PBT) [1]

Underlying

$34.4m

H1 FY23 PBT $43.2m

▼ (20%)

8.5 cents

H1 FY24 Interim dividend per share

24%

Net debt to property value

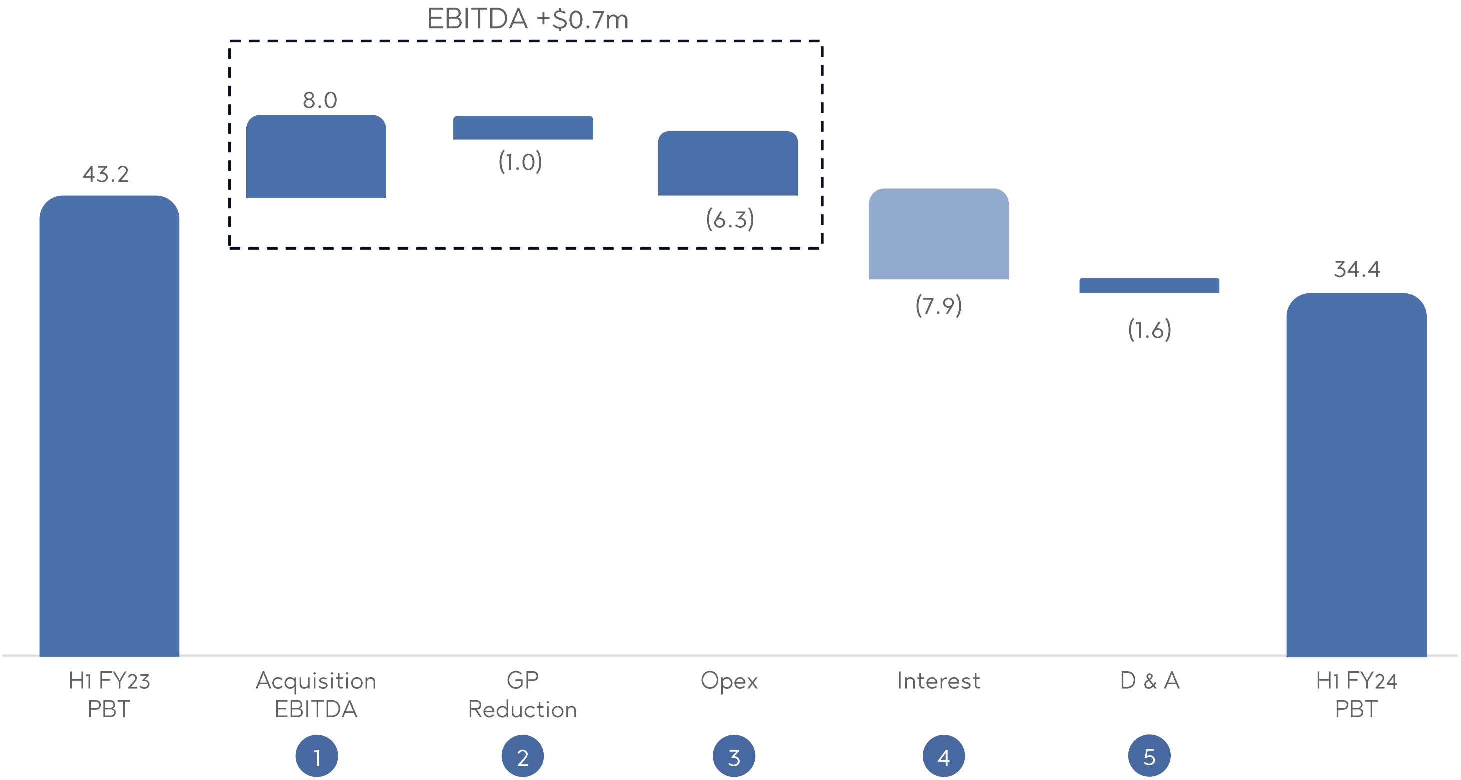
2.9%

Return on sales [1] (PBT Margin)

(1) Underlying result excludes one-off costs of $2.6m in H1 FY24. No one-off costs occurred in H1 FY23.

PBT Bridge

The increased EBITDA result was impacted by rising interest costs



1. The VW / Toyota acquisition overperformed and generated +$8.0m EBITDA
2. Gross profit reduced by $1.0m (LFL) and reflected:
   - Strong LFL revenue growth
   - GP% reduction in new vehicles
3. Opex grew by $6.3m (5%) incorporating:
   - Inflation in wages
   - Costs associated with growth in volumes and revenues
   - Cost reduction strategies (refer p17)
4. Interest expense growth of $7.9m includes $1.9m from the recent acquisition.
5. D & A growth of $1.6m includes $1.1m of increase in AASB16 costs.

(1) PBT is underlying and excludes one-off costs of $2.6m for acquisition expenses, legal costs and restructure costs.

H1 FY24 Highlights

Revenue growth and acquisitions have mitigated margin pressure

H1 FY24 Highlights

- Margin pressure offset by revenue increase (20.4%)
- Cost reduction program delivered $7m+ p.a.
- H1 FY24 acquisition exceeding expectations
- Strong order-bank remains
- Interest increases mitigated by loan repayments and inventory management
- Underlying EBITDA consistent with H1 FY23

Outlook

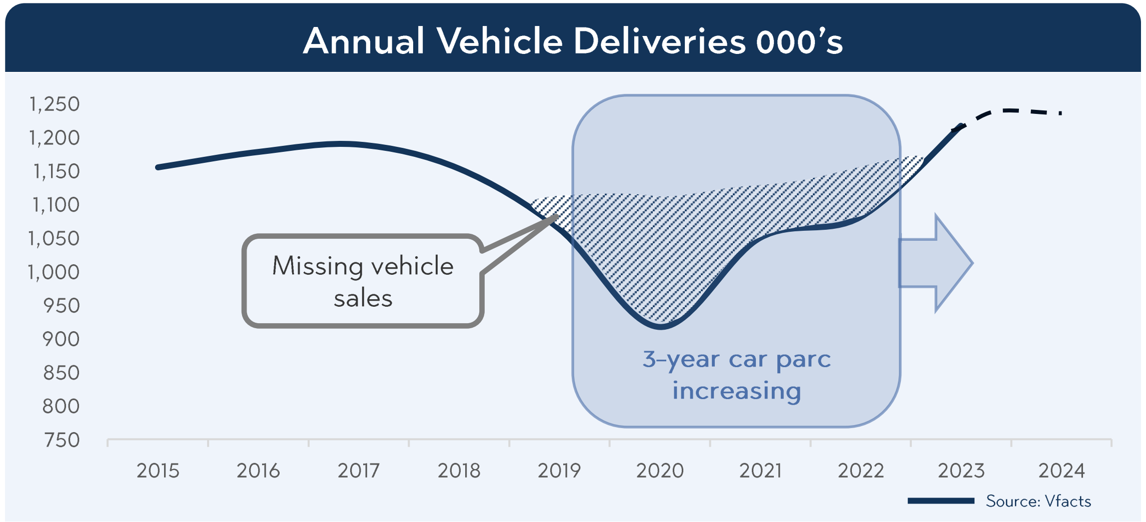
- Revenues are expected to continue to grow
- Margins on new cars may taper, but good margins will continue in service, parts, aftermarket, finance and insurance
- Peter Warren will focus on the basics
- Cost reduction programs and leveraging of costs will continue in FY24
- The order-bank is expected to underpin revenues
- Disciplined M&A activity will continue, with a balance sheet and infrastructure in place to support this

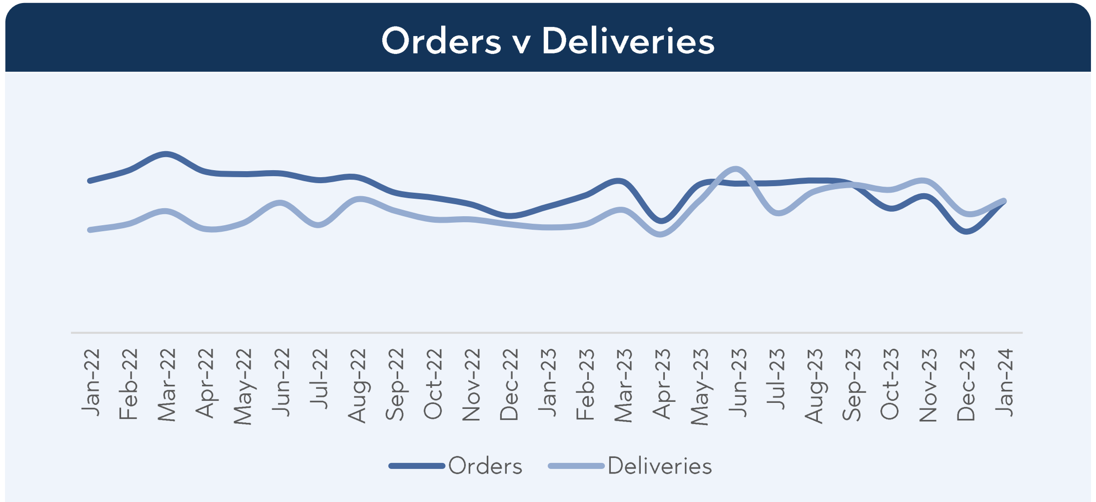
H1 FY24 Business Review

Mark Weaver
Chief Executive Officer

External Factors Indicate Increasing Revenues

The 3-year service car parc is growing rapidly





Our Focus

Brilliant Basics

Disciplined Acquisitions

Leading the Change

Brilliant Basics

Driving organic growth through disciplined execution of the basics

First class Customer Engagement

Embracing physical and digital channels
Per-order growth from leveraging technology

CSI focused
65 years of established relationships

Leveraging our size and scale

National support functions
Advanced lead management

Procurement savings
Digital touchpoints

Hub and spoke approach
Cost control

GP Management and Inventory Management

GP Management	LFL* Revenue	Relative Gross Margin	GP Margin Outlook
New Vehicles	+9.5% ^	Low	Tapering
Used Vehicles	+3.5% ^	Low	Opportunity
Service	+20.2% ^	High	Stable
Parts & Accessories	+13.7% ^	Med	Growing
Finance & Insurance	(7.9%) v	High	Stable
Aftermarket	+3.5% ^	Med-High	Growing

Inventory Management

- ✓ Reporting and tracking
- ✓ Pipeline management
- ✓ Multi-site management
- ✓ Ageing disciplines
- ✓ Fleet fit-out
- ✓ Bailment management

Income Diversity

6 key revenue streams
Multi-brand representation

All vehicle segments
Geographic spread

* Excluding Acquisitions

Track Record of Acquisition Success

Our business has grown 3x in 7 years

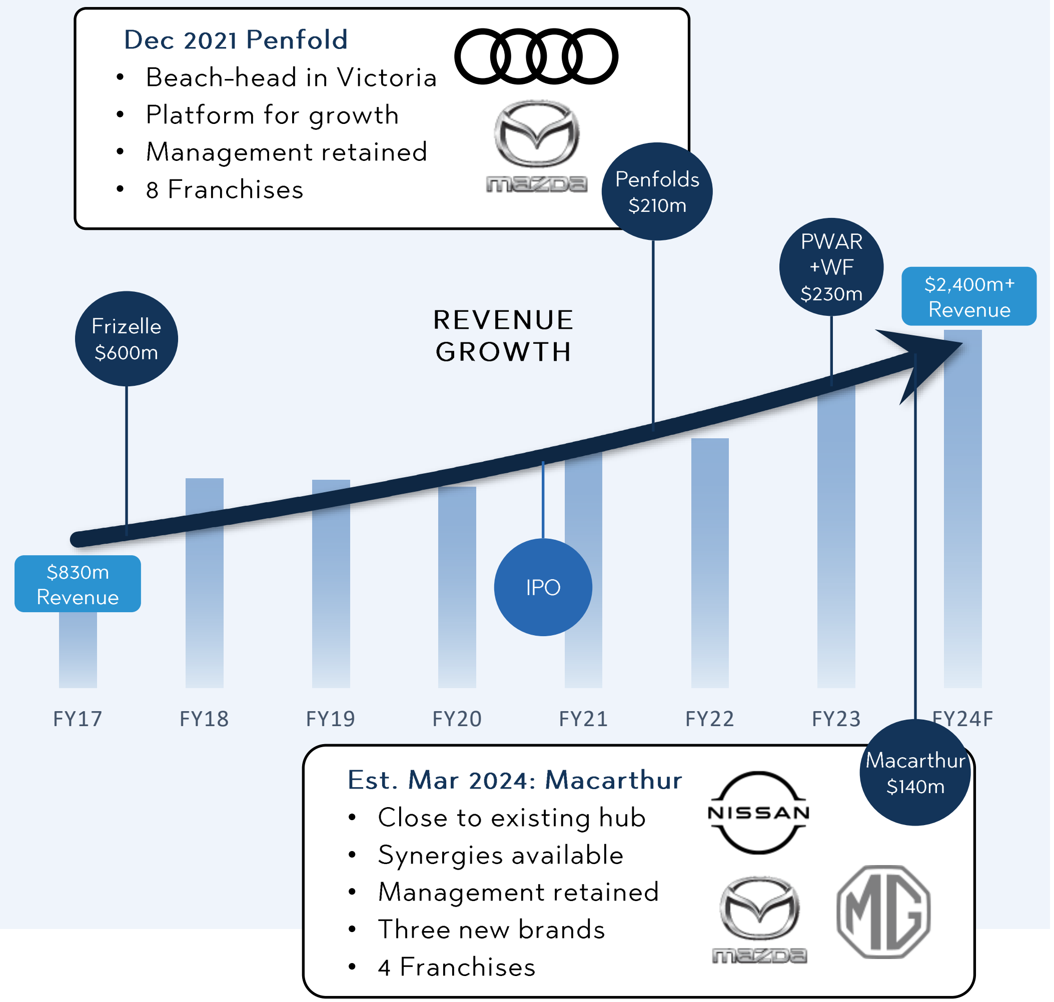
Acquisitions Targeting Strategy

- ✓ Disciplined approach
- ✓ EPS accretive
- ✓ Sustainable earnings
- ✓ Growing or mature brands
- ✓ Operational leadership
- ✓ Available synergies
- ✓ Available market share
- ✓ Culture and values fit

Key Deliverables Achieved

- ✓ Grew 3x in 7 years
- ✓ History of overperforming acquisitions
- ✓ Large increase in brand representation

Successful Track Record of Acquisitions



The Runway Ahead

Infrastructure in place:

- ✓ Property portfolio providing Balance Sheet capacity
- ✓ Deep M&A experience
- ✓ Demonstrated execution
- ✓ Track record of synergies
- ✓ Centralised back office

The Opportunity:

- ✓ Highly fragmented market
- ✓ Large number of vendors
- ✓ Vendor expectations are reducing
- ✓ Active pipeline

Leading The Change

Peter Warren is well-positioned for emerging industry change

Digitisation

✓ 24/7 digital dealership
✓ Delivering greater transparency

Leveraging our Shop Window

✓ EV ecosystem
✓ Tyre and consumable sales
✓ Vehicle financing

Sales Models & Supply Chain

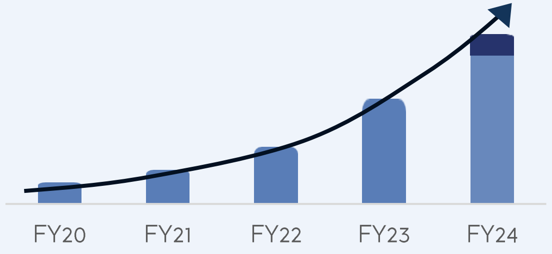
✓ Adopting multiple sales models
✓ Scale improvements to supply chain management

State of the New Energy Vehicle (NEV) Market

- New Fuel Types provide customer choice:

Diesel | Petrol | Hybrid | PHEV | BEV

- Wide variety of NEV models available
- Increased retention as skills and training favour dealerships
- Increasing car parc



No. of Models Available: Hybrid, PHEV, BEV

Peter Warren's NEV Readiness Now

- Knowledgeable sales staff
- Fully Trained Technicians
- Charging infrastructure in place
- Adjacent products sales occurring
- 71 EV, PHEV and hybrid models currently available for all budgets

NEV Growth Outlook

Fuel efficiency regulations phasing in

Peter Warren is well-positioned with a wide variety of NEV's across our brands

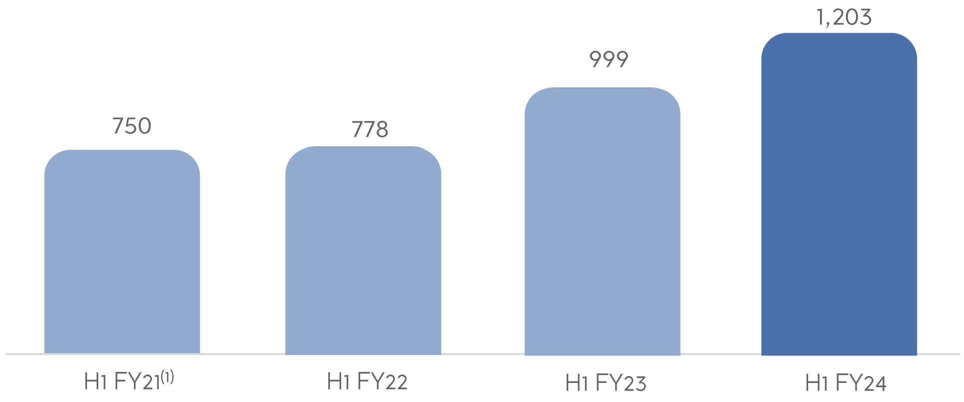
H1 FY24 Financial Summary

Victor Cuthell
Chief Financial Officer

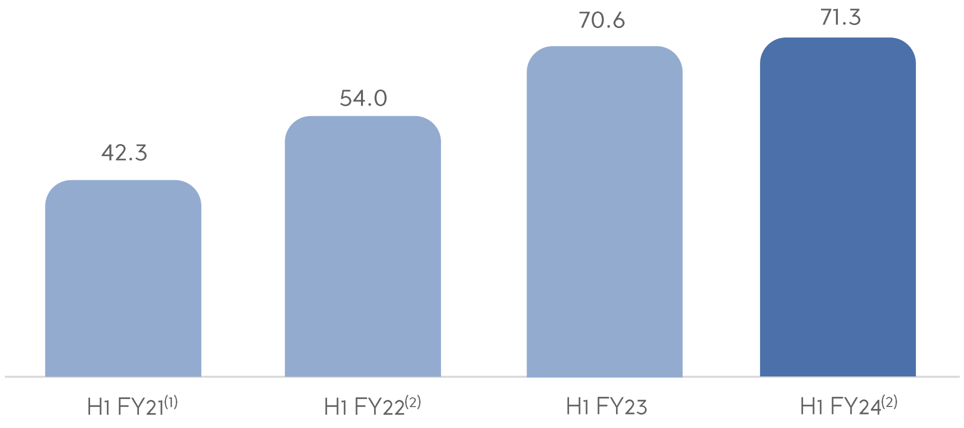
H1 FY24 Financial Results

Volume and revenue growth drove increased EBITDA

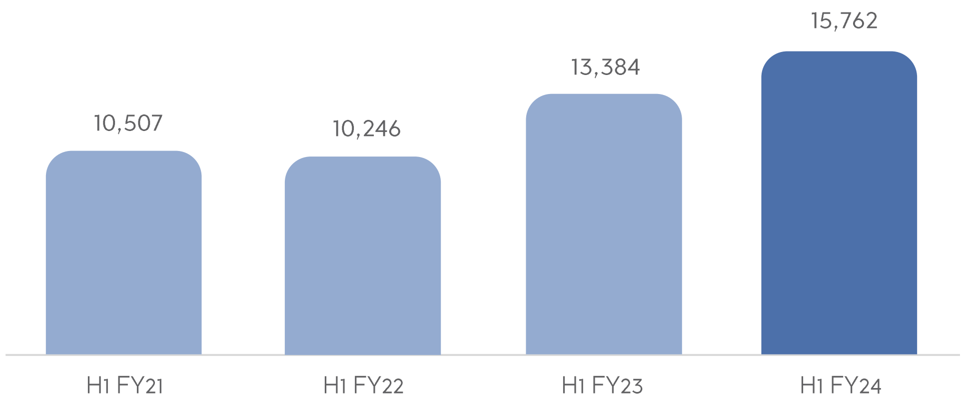
Revenue ($m)



EBITDA ($m)



New Vehicle Units Sold



PBT ($m)

(1) Proforma result as reported in the Prospectus
(2) Underlying result

H1 FY24 Profit and Loss

EBITDA grew by $0.7m as revenue growth and acquisitions offset a reduction in gross profit margin

		H1 FY24 $m	H1 FY23 $m	Variance $m	Variance %
1	Revenue	1,203.1	999.0	+204.1	+20.4%
2	Gross Profit	211.7	196.0	+15.7	+8.0%
	Gross Profit %	*17.6%*	*19.6%*		
3	Operating expenses - underlying	(140.4)	(125.4)	(15.0)	(12.0%)
	Operating expenses %	*11.7%*	*12.6%*		
4	EBITDA - underlying	71.3	70.6	+0.7	+1.0%
	Acquisition expenses	(0.6)	-	(0.6)	
	Legal costs	(1.3)	-	(1.3)	
	Restructure costs	(0.7)	-	(0.7)	
	EBITDA - statutory	68.7	70.6	(1.9)	(2.7%)
	Depreciation and Amortisation	(16.7)	(15.1)	(1.6)	(10.6%)
	EBIT – statutory	52.0	55.5	(3.5)	(6.3%)
5	Interest	(20.2)	(12.3)	(7.9)	(64.2%)
	PBT - statutory	31.8	43.2	(11.4)	(26.4%)
	PBT – underlying	34.4	43.2	(8.8)	(20.4%)

1. Revenue growth came from acquisitions and from our diverse revenue streams, with parts and service particularly strong.

2. Whilst gross profit grew, the GP% was lower than the peaks achieved in H1 FY23.

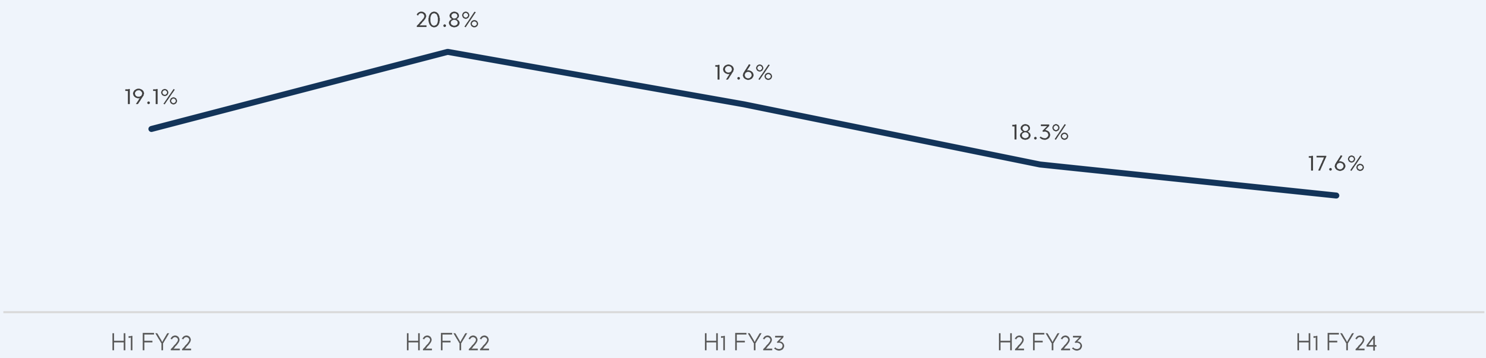
3. Opex reduced to 11.7% of revenue (v. 12.6%) due to:
   - Strong ongoing cost reduction programs to control expenses (refer page 17)
   - Leveraging of cost base with increased volumes and revenues from all departments

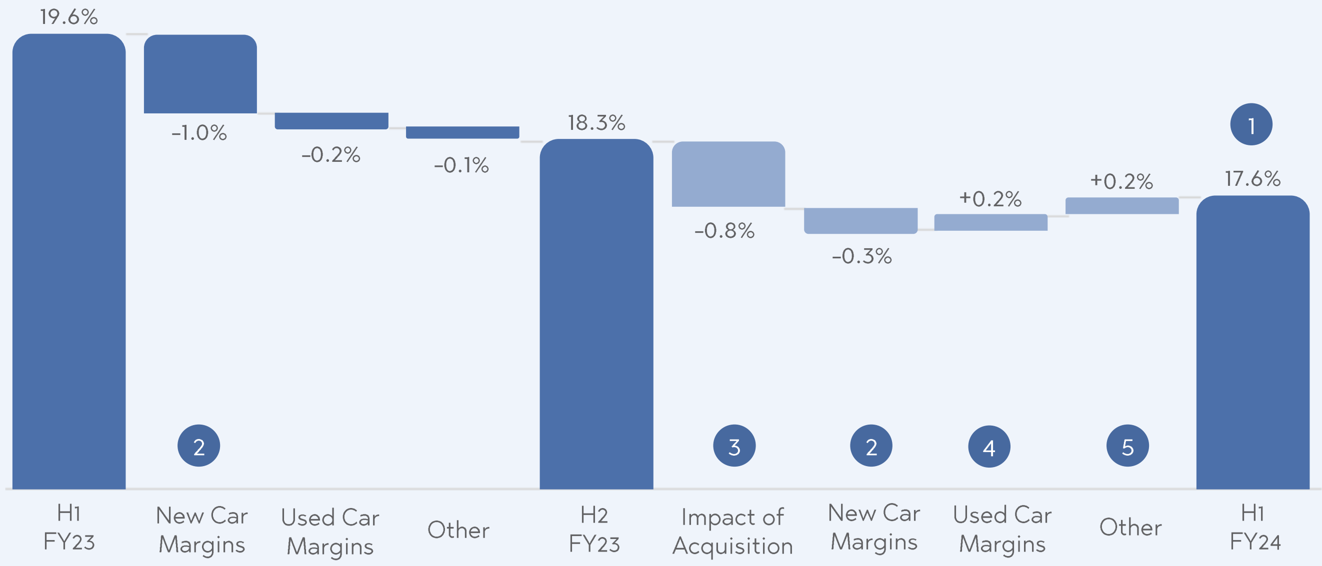
4. Underlying EBITDA grew by $0.7m

5. Interest costs grew by $7.9m due to:
   - Acquisition effect ($1.9m)
   - Higher interest rates ($3.9m)
   - Increased inventory ($2.1m)

Gross Profit Margin

Acquisition and increased new vehicle supply diluted gross margin

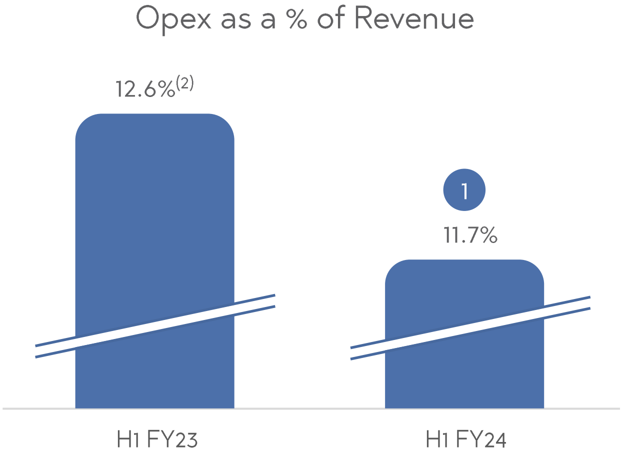


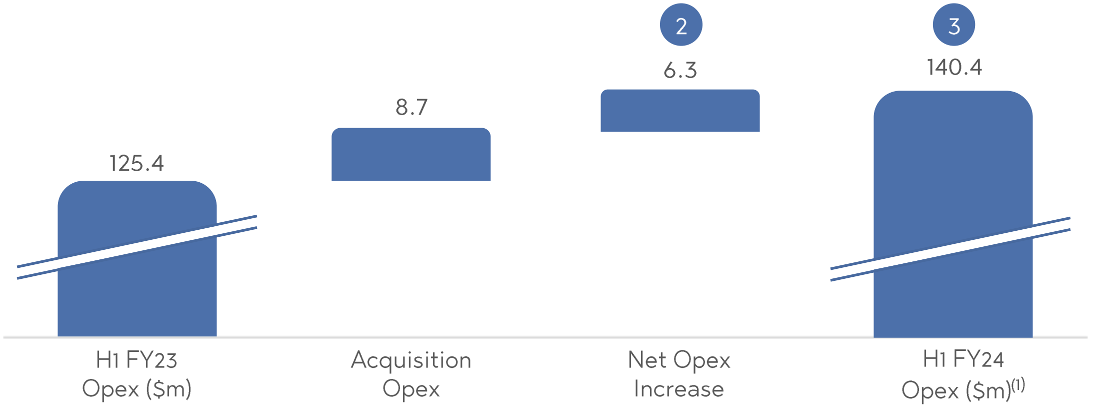


1. Gross profit % reduced to 17.6% from 18.3% in H2 FY23 (19.6% in H1 FY23).
2. Increased supply of new cars has reduced new car margins from previous peaks
3. Gross profit margin has been diluted by 0.8% by the Toyota / VW acquisition (higher new car sales mix)
4. Used car profitability remains reduced but improved marginally (+0.2%) in H1 FY24.
5. Margins are steady / improving in other areas:
   - service
   - parts
   - finance & insurance
   - aftermarket

Operating Cost Bridge ($m)

Opex has been leveraged and is 0.9 ppts lower at 11.7% of revenue





(1) Underlying result excludes one-off costs of $2.6m in H1 FY24. No one-off costs occurred in H1 FY23.
(2) Opex % of reported revenue in H1 FY23 was 12.6% and is comparable with H1 FY24 which is calculated on the same basis. In previous years, adjustments for comparability were made to address the transition to an agency model. In FY24, these are no longer required.

1. Operating expenses have been tightly controlled to mitigate margin reduction
    - Opex is down by 0.9 ppts to 11.7% of revenue
    - A cost reduction program saved $7m+ p.a. (incurring $0.7m in one-off costs)
    - Cost-recovery principles have driven a pricing review and increase in revenues
    - Strong leverage of opex has seen increased volumes achieved with minimal additional expense
    - Mandatory increases in award wages have been mitigated
2. Net opex (after savings) increase of $6.3m (5%) is in line with inflation, despite LFL revenue increase of 8.8%
3. An ongoing program of cost reduction strategies is in place

Cash Flow Statement

21% increase in operating cash flows enabled repayment of borrowings

		H1 FY24 $m	H1 FY23 $m	Variance %
	EBITDA	**68.7**	**70.6**	**(2.7%)**
	Movement in working capital	(6.9)	(13.5)	
1	Movement in customer deposits	(6.4)	(16.5)	
	Operating cash flow before floorplan interest	**55.4**	**40.6**	**+36.5%**
2	Floorplan Interest	(11.3)	(4.2)	
	Operating cash flow after floorplan interest	**44.1**	**36.4**	**+21.2%**
3	Capital expenditure	(5.4)	(5.8)	
	Borrowings for acquisitions	37.0	-	
4	Payments for business, net of cash acquired	(36.4)	-	
	Lease payments (including lease interest)	(15.3)	(13.7)	
	Net cash flow before financing and taxation	**24.0**	**16.9**	**+42.0%**
5	Repayment of borrowings	(16.5)	(3.5)	
	Tax paid	(13.3)	(21.3)	
6	Dividends paid	(18.9)	(22.4)	
	Other financing activities (1)	(2.0)	(1.2)	
	Net movement in cash	**(26.7)**	**(31.5)**	

- Operating cash flow increased by 21.2% to $44.1m after including:
  1. $6.4m outflow due to customer deposits (seasonal)
  2. $11.3m of floorplan interest, up by $7.1m
- The strong cash position enabled:
  3. Capex investment in dealerships ($5.4m)
  4. The acquisition of dealerships
  5. Repayment of borrowings (including acquisition borrowings)
  6. Dividend payments ($18.9m)

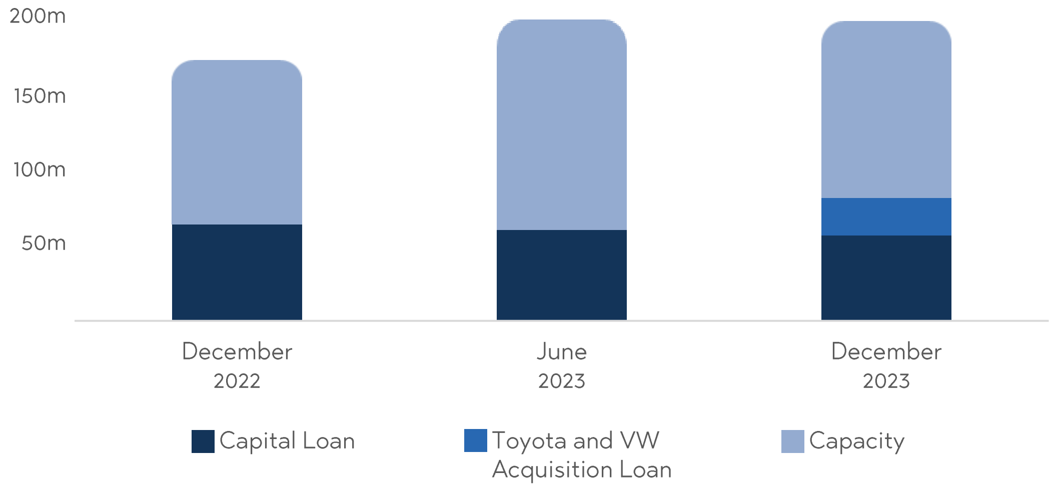
(1) Other financing activities include interest income and interest on capital loan.

Capital Structure Supports Growth

Net debt to property value provides considerable debt capacity

$m	Actual 31 Dec 23	Actual 30 Jun 23	Variance
Cash and cash equivalents	23.9	50.6	(26.7)
Borrowings	(79.4)	(58.9)	(20.5)
Net Debt	**(55.5)**	**(8.3)**	**(47.2)**
Land & Buildings at Valuation	228	229	
Net Debt to property value	24%	4%	

Debt Capacity



NET DEBT AND PROPERTY

- Property owned: $228m
- Net debt to property value of 24% provides considerable debt capacity
- Net Debt / annualised EBITDA after floorplan interest is 0.5x
- In-period acquisitions were funded with a mix of debt and cash
- Future acquisitions to be funded:
  - Small / medium — cash and debt
  - Large — debt and equity

DIVIDENDS

- The directors have declared an interim dividend of 8.5 cents per share (fully franked)
- Payment arrangements for the dividend are:
  - Record date — 28 Feb 2024
  - Payment date — 27 Mar 2024

Outlook

Mark Weaver
Chief Executive Officer

Outlook

- Revenues are expected to continue to grow
- New car margins may taper given the supply increase
- Margins will continue to be good in service, parts, aftermarket, finance and insurance
- Peter Warren will continue its focus on the basics:
  - Gross profit
  - Inventory
- Cost reduction programs and the leveraging of costs will continue in FY24
- The order-bank is expected to underpin revenues
- We expect interest cost increases will be lower than in 2023
- Disciplined M & A activity will continue, with a balance sheet and infrastructure in place to support this

Questions

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Appendices

Balance Sheet

$m	31 Dec 23 Actual	30 Jun 23 Actual	Variance
Cash and cash equivalents	23.9	50.6	(26.7)
Trade and other receivables	81.1	68.9	12.2
Inventories	449.3	361.0	88.3
Property plant & equipment	277.5	275.5	2.0
Other assets	19.2	13.3	5.9
Right of use assets	184.3	182.6	1.7
Intangibles	292.2	241.5	50.7
Deferred tax assets	10.4	9.8	0.6
Income tax refund due	4.4	1.7	2.7
Total assets	**1,342.3**	**1,204.9**	**137.4**
Trade and other payables	(82.6)	(87.2)	4.6
Employee benefits	(28.3)	(25.7)	(2.6)
Borrowings – floorplan finance	(401.7)	(297.5)	(104.2)
Borrowings	(79.4)	(58.9)	(20.5)
Contract and other liabilities	(2.1)	(2.2)	0.1
Lease liabilities	(223.2)	(219.1)	(4.1)
Total liabilities	**(817.3)**	**(690.6)**	**(126.7)**
Net assets	**525.0**	**514.3**	**10.7**

AASB 16 Reconciliation

$m	H1 FY24 Actual	H1 FY23 Actual
EBITDA (AASB 117)	53.4	56.9
Decrease in operating lease expense	15.3	13.7
EBITDA (AASB 16)	**68.7**	**70.6**
EBIT (AASB 117)	47.8	51.8
Decrease in operating lease expense	15.3	13.7
Increase in depreciation of right of use asset	(11.1)	(10.0)
EBIT (AASB 16)	**52.0**	**55.5**
NPAT (AASB 117)	23.5	31.7
Decrease in operating lease expense	10.7	9.6
Increase in depreciation of right of use asset	(7.8)	(7.0)
Increase in interest expense (net of tax)	(4.2)	(4.1)
NPAT (AASB 16)	**22.2**	**30.2**
PBT (AASB 117)	33.7	45.4
Decrease in operating lease expense	15.3	13.7
Increase in depreciation of right of use asset	(11.1)	(10.0)
Increase in interest expense	(6.0)	(5.9)
PBT (AASB 16)	**31.9**	**43.2**

Adjustments to Statutory Income Statement

December half year end (A$m)	Statutory H1 FY24	Statutory H1 FY23	Underlying (1) H1 FY24	Underlying (1) H1 FY23
Revenue	1,203.1	999.0	1,203.1	999.0
Cost of sales	(991.4)	(803.0)	(991.4)	(803.0)
Gross profit	**211.7**	**196.0**	**211.7**	**196.0**
Gross profit margin	*17.6%*	*19.6%*	*17.6%*	*19.6%*
Employee benefits expense	(102.5)	(92.3)	(102.5)	(92.3)
Advertising expenses	(4.7)	(4.1)	(4.7)	(4.1)
Insurance expenses	(6.2)	(4.0)	(6.2)	(4.0)
Vehicle expenses	(4.9)	(4.0)	(4.9)	(4.0)
Other expenses (1)	(24.7)	(21.0)	(22.1)	(21.0)
Operating expenses	**(143.0)**	**(125.4)**	**(140.4)**	**(125.4)**
EBITDA	**68.7**	**70.6**	**71.3**	**70.6**
Depreciation and amortisation expense	(16.7)	(15.1)	(16.7)	(15.1)
EBIT	**52.0**	**55.5**	**54.6**	**55.5**
Floor plan interest	(11.3)	(4.9)	(11.3)	(4.9)
Net finance expense	(8.9)	(7.4)	(8.9)	(7.4)
Profit before tax	**31.8**	**43.2**	**34.4**	**43.2**
Income tax expense	(9.6)	(13.1)	(10.3)	(13.1)
NPAT	**22.2**	**30.1**	**24.1**	**30.1**

(1) Underlying result excludes financial impact of acquisition related expenses ($0.6 million), Mercedes Benz legal fees ($1.3 million) and restructure costs ($0.7 million) for H1 FY24 only.

Definitions

AASB	Australian Accounting Standards Board
Accounting Standards	Accounting standards, principles and practices applying by law or otherwise generally accepted and consistently applied in Australia
Aftermarket	Non-OEM products for sale by automotive dealers
BEV	Battery electric vehicle
CAGR	Compound Annual Growth Rate
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest and tax, depreciation and amortization
EBITDA margin	Calculated as EBITDA as a percentage of revenue
Employee costs	Presented as all personnel and related costs (including salaries, wages share based payments, payroll tax, superannuation, leave entitlements and other related on-costs)
EPS	Earnings per share
EV	Electric vehicle
F&I	Finance and insurance
GIFT	Company Values of Growth, Integrity, Focus and Teamwork
Gross Profit	Revenue less costs of goods sold
Gross margin	Calculated as gross profit as a percentage of revenue
GPU	Refers to the gross margin per unit sold (GPU)
IFRS	International Financial Reporting Standards

LFL	Like for like
NEV	A new energy vehicle which includes hybrid, electric, hydrogen powered vehicles
NPAT	Net profit after tax
OEM	Original equipment manufacturer
Operating cash flow conversion	The ratio of operating cash flow after floor plan interest as a percentage of EBITDA
PBT	Profit before the impact of tax
PBT margin	Calculated as profit before tax as a percentage of revenue
PCP	Prior corresponding period
PHEV	Plug-in hybrid electric vehicle
PMA	Prime market area
PWR or PWAH	Refers to Peter Warren Automotive Holdings Limited
Significant items	Items that are non-recurring in nature, individually material or do not relate to the operations of the existing business
SUV	Sports utility vehicle
TIV	Total industry volume
Underlying PBT	Profit before tax adjusted for significant items
VFacts	Published by the Federal Chamber of Automotive Industries (FCAI) and provides a breakdown of monthly new motor vehicles sales statistics, outlining the number of new case sold by brand and by model

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