ASX Announcement
23 November 2026

Peter Warren Automotive Holdings Limited

Trading Update

Peter Warren Automotive Holdings Limited (ASX: PWR) ("Peter Warren" or the "Company") today provides an update on trading for the first half of FY27.

YTD FY27 trading conditions have been very challenging, with two key factors affecting the automotive retail industry:

- Firstly, dealers are seeing lower gross margins as new OEM entrants rapidly grow market share with ultra-competitive pricing offers, causing established OEMs to respond. This is leading to over-stocking and mix misalignment.
- Secondly, sustained cost-of-living pressures, high fuel pricing, persistent inflation and the impact of the fifth interest rate rise in short succession mean customers are favouring lower value and lower margin cars, rather than higher-margin cars with options.

These external factors are impacting the Peter Warren business in a number of areas including lower new car gross profit per unit (GPU), higher inventory levels, higher inventory holding costs (the Company's H1 FY27 interest costs are expected to increase by $3 million as a result of the interest rate rises) and lower used car GPU.

As a result, the Company expects to report an underlying loss before tax for H1 FY27 in the range of $9.5 million to $11.5 million.

In this environment, management has taken immediate action to materially reduce the Company's cost base, improve working capital efficiency and better position the business. These actions include:

- a reduction of 10% in employee expenses with approximately 200 roles having been removed during October and November;
- a targeted procurement and cost review is expected to reduce annualised non-people and property costs by approximately 5-10%;
- further rationalisation of leaseholds is underway, closing underutilised and underperforming sites, and optimising the representation of new brands on existing premises; and
- an aggressive clearance of overall inventory is on track to reduce levels by 10% by 31 December 2026 (v. 30 June 2026), benefitting holding costs in H2 FY27.

The financial benefits are expected to be heavily weighted towards the second half of FY27. This rebalance of the cost base will incur some one-off costs.

Subject to the economic environment, the Company expects H2 FY27 to deliver a significant improvement in earnings relative to H1, reflecting these management actions.

For the remainder of FY27, the Company will be focused on optimising its brand portfolio to reflect consumer demand within a reduced property leasehold portfolio and significantly reducing employee expenses and stock holdings all whilst driving further operating performance and cash generation improvements. These actions, combined with a strong balance sheet and low net debt, places the Company in a solid position for when the market comes out of the current cycle. Further details will be provided in February 2027.

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

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About Peter Warren

Peter Warren is an automotive dealership group with a heritage spanning more than 65 years. The Company represents more than 30 automotive brands through a network of over 100 franchise operations across the volume, prestige and luxury segments. The Group operates across New South Wales, Queensland and Victoria under a portfolio of established automotive retail banners including Peter Warren Automotive, Peter Warren Automotive Regional, Macarthur Automotive, Wakeling Automotive, Mercedes-Benz North Shore, Frizelle Sunshine Automotive, Penfold Motor Group and Euro Collision Centre.

Further information can be found on the Company's website www.pwah.com.au or by contacting:

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