Peter Warren
Automotive
Holdings

H1 FY22 RESULTS PRESENTATION

Peter Warren Automotive Holdings (PWR.ASX)

Mark Weaver
Chief Executive Officer

Bernard Friend
Chief Financial Officer

Tuesday 22 February 2022

AGENDA

H1 FY22 Overview and Strategy

H1 FY22 Financial Results

Performance vs Prospectus

Outlook

Questions

Peter Warren Automotive Holdings

H1 FY22
OVERVIEW AND STRATEGY

H1 FY22 HIGHLIGHTS

A POSITIVE START, BUILDING ON FOUNDATIONS

Delivered solid growth despite impact of COVID-19 lockdowns, shows strength of operating model

Strong financial result of $35 million[1] Proforma PBT, well ahead of Prospectus and above our guidance of $32m to $34m

Acquisition of Penfold Motor Group, delivering a footprint into Victoria

Winner of Large Employer of the Year in National and State based Training Awards

Inaugural interim dividend of 9.0 cents per share

(1) Proforma PBT of $35 million, excludes contribution from Penfold Group $1.3m and acquisition expenses of $2.2m

Peter Warren Automotive Holdings

DELIVERING ON OUR STRATEGY

CONSIDERABLE OPPORTUNITY TO INCREASE SCALE

STRATEGIC PRIORITIES

EVOLUTION OF OUR PROPERTY PORTFOLIO	CONTINUED ORGANIC GROWTH	ACQUISITION OPPORTUNITIES
Ownership or long-term leases of key strategic properties	Expansion of current operations in the sale of new and used vehicles and the provision of complementary services	Pursue new acquisition opportunities, with a disciplined approach to screening based on strategic rationale, location and value

GROWTH DRIVERS

Evolution of our property portfolio:
- PROVIDE FLEXIBILITY AND EXPANSION POTENTIAL

Continued organic growth:
- NEW CAR BUNDLING
- RETAIL LIFE CYCLE
- CAR SALES GROWTH
- OPERATIONAL EFFICIENCIES
- REFINING SALES MIX

Acquisition opportunities:
- EAST COAST ACQUISITION STRATEGY

ACHIEVEMENTS

Evolution of our property portfolio:
- $2m adjacent Southport property acquired in October to complement existing portfolio
- Net Debt to Property Value basis of assessing debt capacity
- Secured $96m debt facility to leverage assets

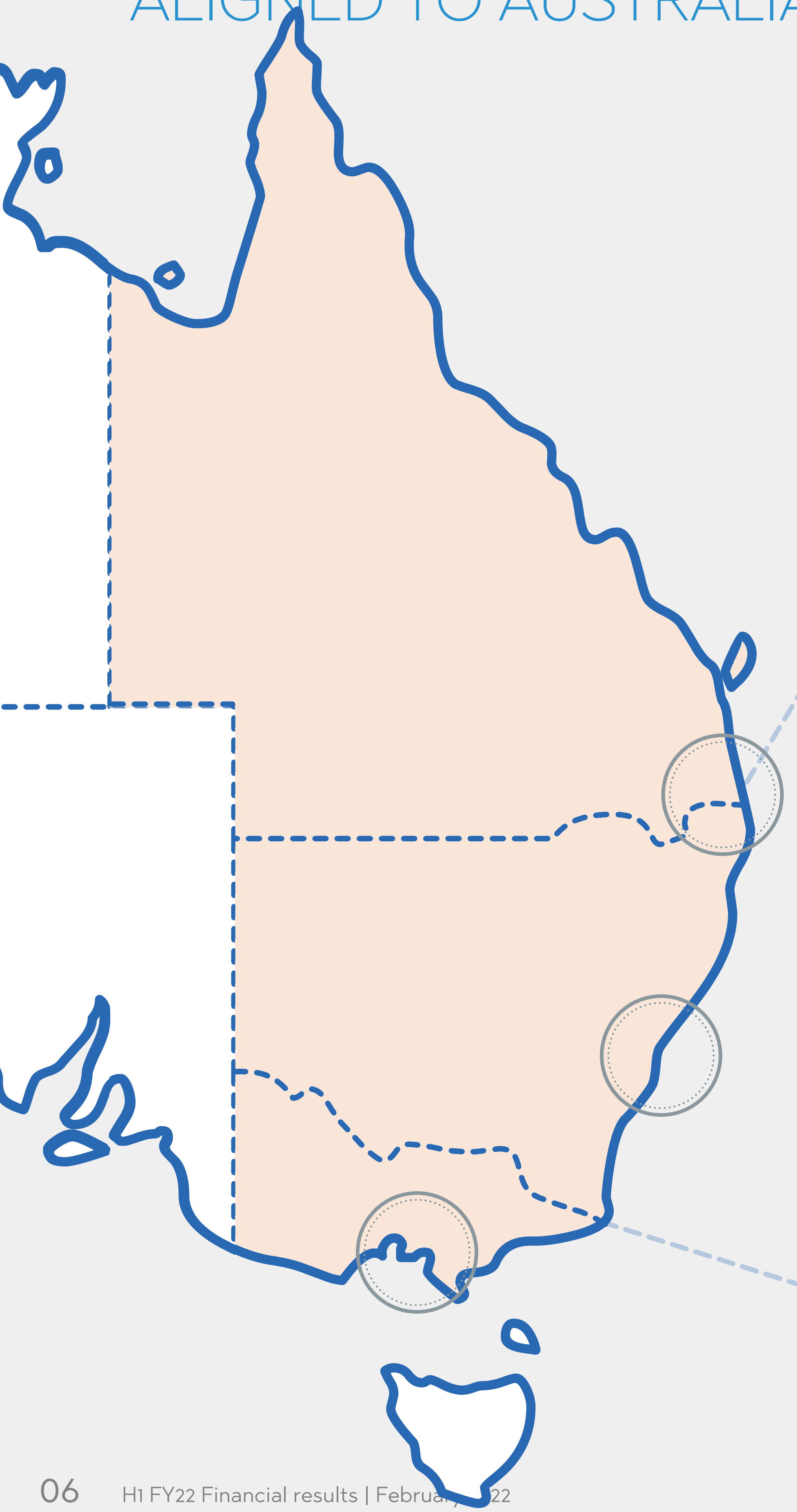
Continued organic growth:
- Re-configuration of our F & I providers & offerings to align our digital strategy
- Deep dive and national alignment of product strategies to focus on cost efficiencies & revenue growth
- Further development of our internal KPI benchmarking to drive consistency of high performance
- Development of our OHS and Employee engagement strategies to counter industry-wide skills shortage

Acquisition opportunities:
- Acquisition of Penfold Motor Group
- 100 day integration plan underway
- Strong pipeline of market opportunities
- Goodwill expectations consistent with prior experience
- Continue to take a disciplined approach to selection and execution

Peter Warren Automotive Holdings

DIVERSIFIED BUSINESS MODEL ACROSS FRANCHISES AND GEOGRAPHIES

ALIGNED TO AUSTRALIA'S GROWTH CORRIDORS



FRIZELLE SUNSHINE AUTOMOTIVE

ECC Euro Collision Centre

peterwarren.com.au
Peter Warren Automotive

Mercedes-Benz North Shore

MacarthurAutomotive .com.au

Sydney North Shore AUTOMOTIVE

PENFOLD

Volume

Ford | HYUNDAI | ISUZU UTE | KIA | SUZUKI

Prestige

CHRYSLER | CITROËN | FIAT | HONDA | Jeep | mazda | PEUGEOT | RAM | RENAULT | ŠKODA | VW

Luxury

ASTON MARTIN | Audi | Ferrari | JAGUAR | LAND ROVER | Mercedes-Benz | McLaren | VOLVO

Other

ISUZU TRUCKS | NRMA | OL | PATRIOT CAMPERS

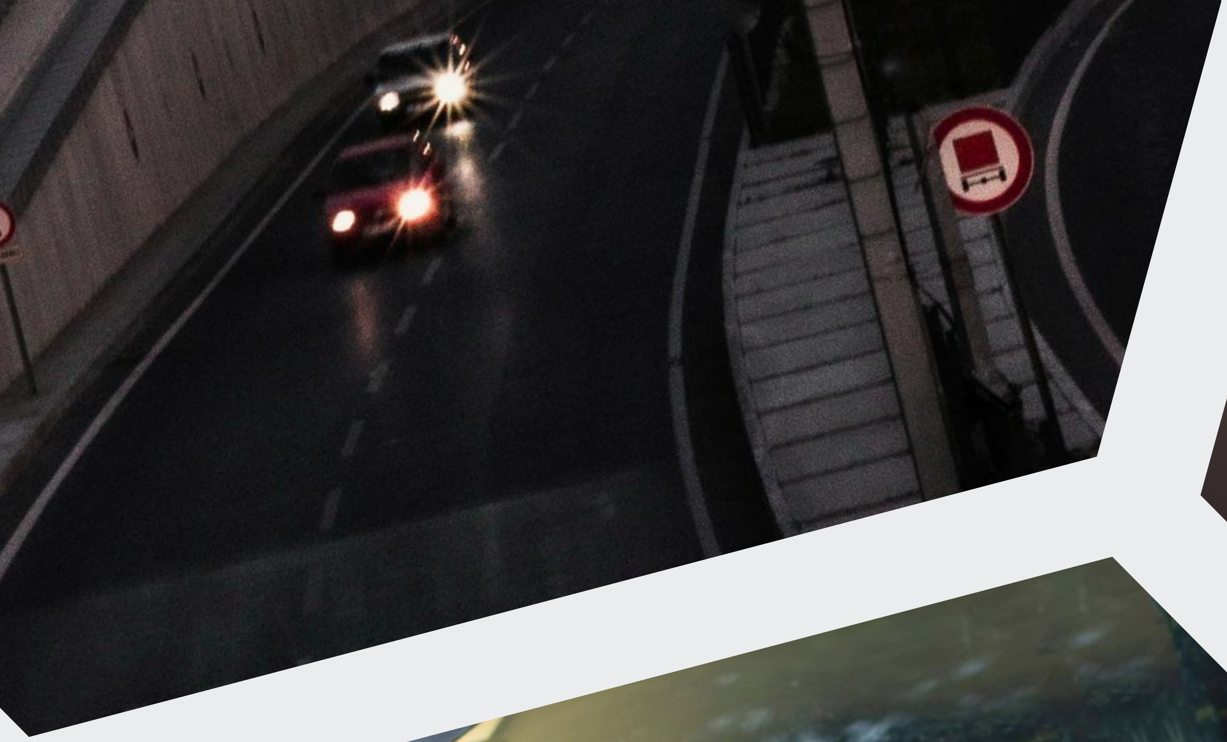
Peter Warren Automotive Holdings

PENFOLD ACQUISITION

PROVIDES IMMEDIATE SCALE IN VICTORIA MARKET

- Acquisition of 100% of Penfold Motor Group successfully completed on 1 December 2021 and expands our footprint across the Eastern Seaboard providing Peter Warren with immediate scale in the Victorian market
- H1 FY22 contribution includes Revenue of $28.9 million and PBT of $1.3 million
- Penfold Motor Group is a leading automotive dealership, representing five brands across ten high-quality locations in South and East Melbourne and creates a hub for further expansion in Victoria
- Stable of brands include Audi, Mazda, Volkswagen, Hyundai and Suzuki, aligning with Peter Warren's existing portfolio
- Current family operators and key management continue to operate the business under Peter Warren ownership
- Outlook is positive with post lockdown trade and order book strong
- 100-day integration plan well underway

Peter Warren Automotive Holdings



H1 FY22
FINANCIAL RESULTS

H1 FY22 PRO FORMA PROFIT AND LOSS

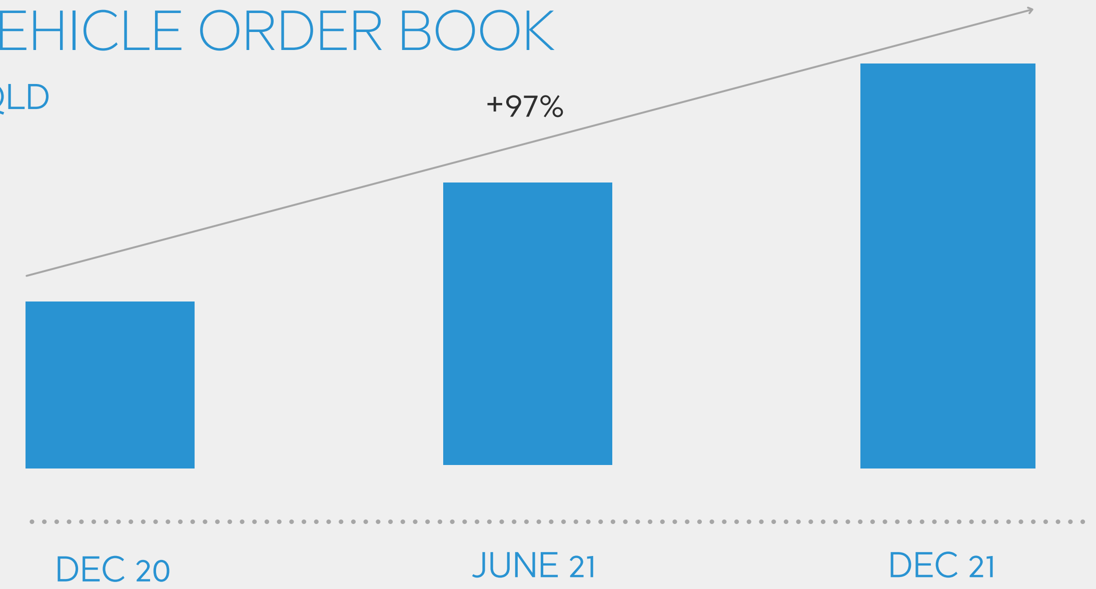
REVENUE IMPROVED ON PRIOR PERIOD DESPITE COVID-19 IMPACTING REVENUE GROWTH

Dec half year end (A$m)	H1 FY22 Underlying	H1 FY21 Pro forma	Variance (%)
Revenue	777.9	749.6	**4%**
Gross Profit	148.4	132.7	**12%**
EBITDA	54.0	42.3	**28%**
EBIT	42.9	33.3	**29%**
PBT	36.3	26.9	**35%**

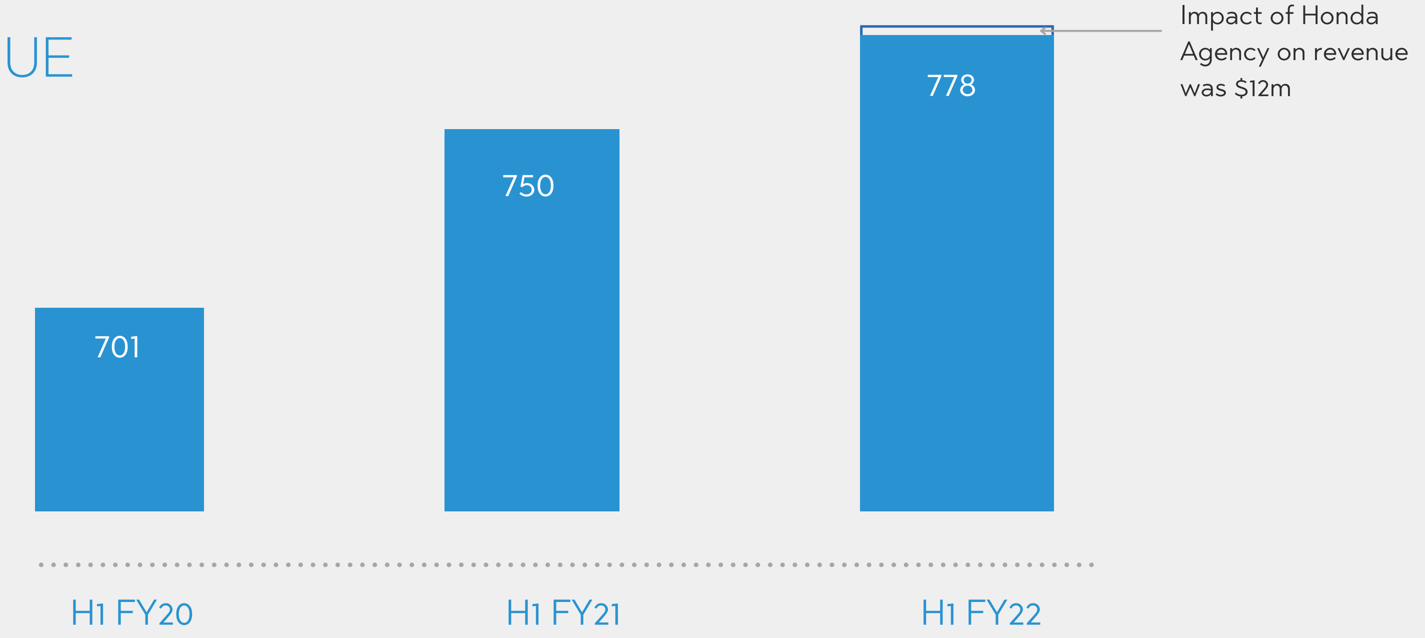
Key metrics			
Gross Profit margin	19.1%	17.7%	**+140 bps**
EBITDA margin	6.9%	5.6%	**+130 bps**
EBIT margin	5.5%	4.4%	**+110 bps**
PBT margin	4.7%	3.6%	**+110 bps**
Operating expenses as a % of revenue	12.1%	12.1%	**-**

NEW VEHICLE ORDER BOOK

NSW and QLD



REVENUE

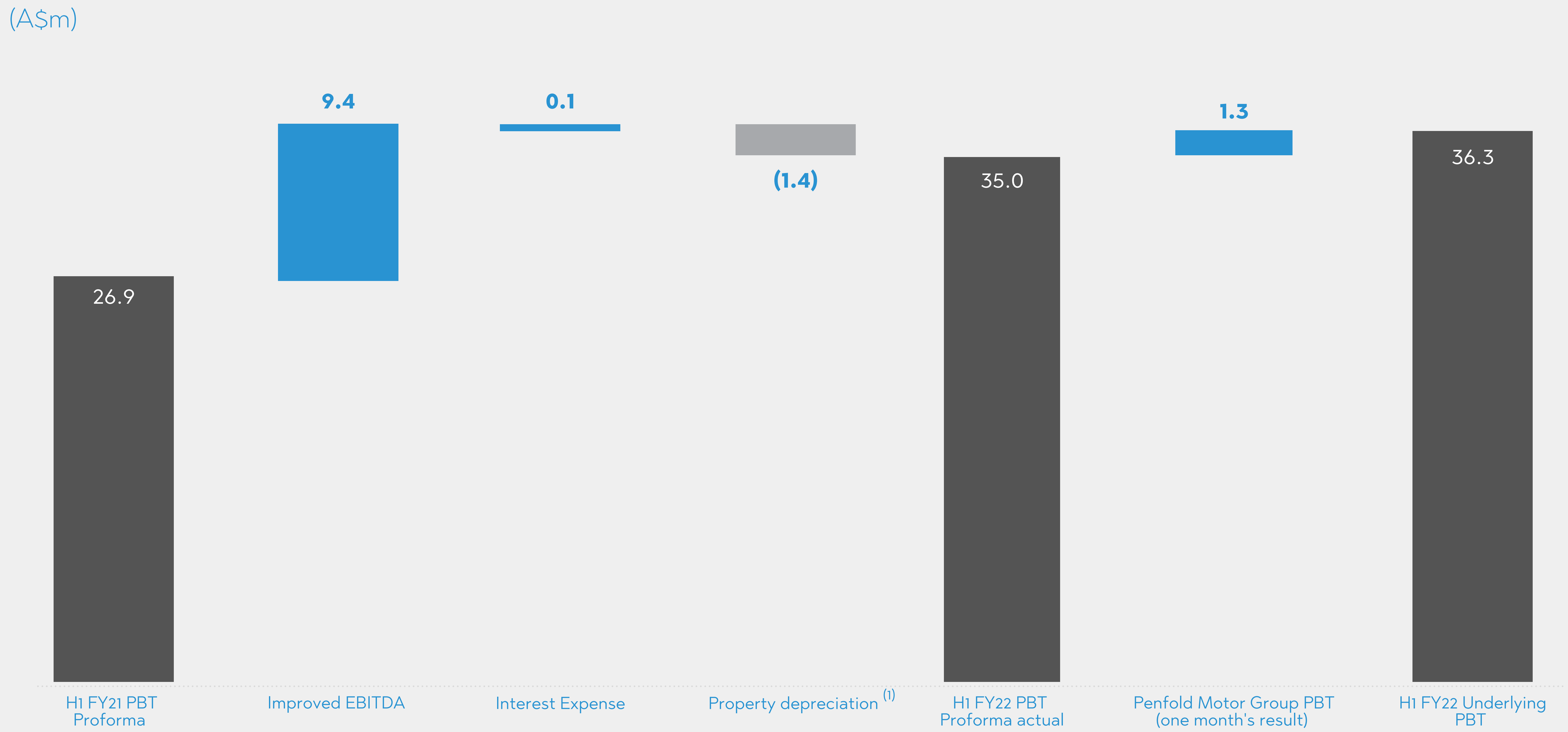


- Order book growth of 97% compared to same time last year
- H1 FY22 Revenue growth includes $12m impact of switch to Agency model
- Under an Agency model Peter Warren no longer recognises revenue and the cost of goods associated with the sale of new vehicles, which is replaced with commission revenue for delivery
- FY22 impact will include six months from Mercedes Benz which converted to Agency on 1 January 2022. FY22 combined impact estimated to be $100m revenue contraction
- Underlying PBT excludes acquisition-related expenses
- Costs remain well controlled, despite lower than expected revenue growth

Peter Warren Automotive Holdings

DELIVERED STRONG GROWTH ON PRIOR PERIOD

H1 FY22 INCLUDES ONE MONTH RESULT FOR PENFOLD MOTOR GROUP



(1) Depreciation increase relates to Warwick Farm and Southport properties which were acquired in April 2021

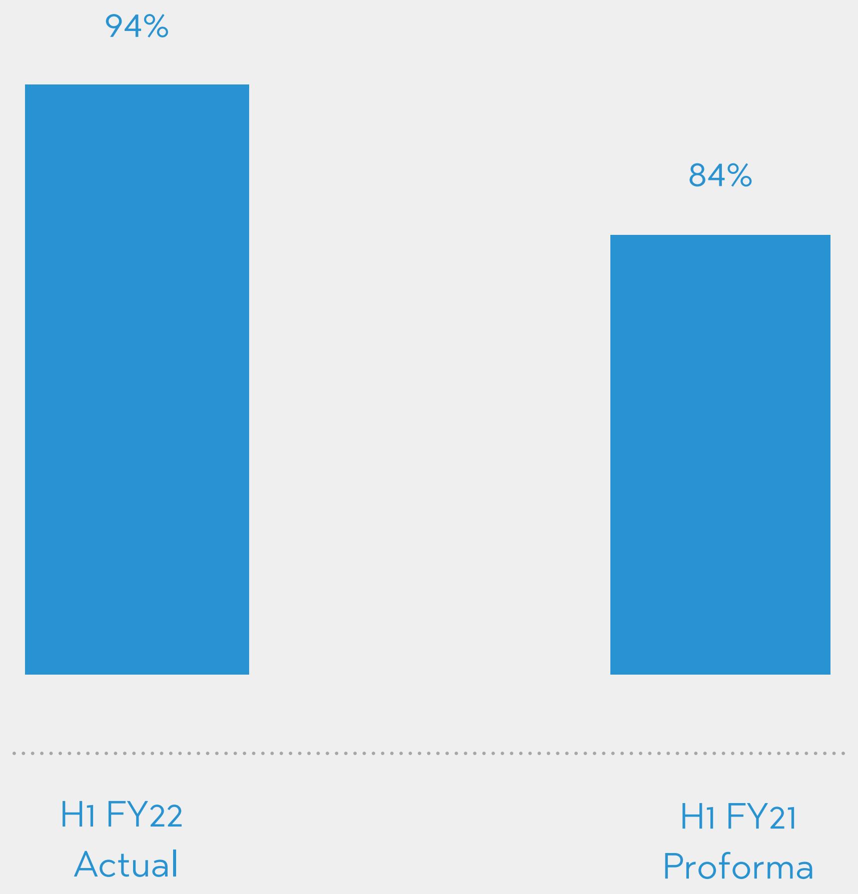
Peter Warren Automotive Holdings

CONTINUED STRONG CASH CONVERSION AND MAIDEN DIVIDEND

CASHFLOW CONVERSION AT 94%, DIVIDEND PAYOUT IN LINE WITH TARGET RATIO

Pro forma cashflows Dec half year end (A$m)	H1 FY22 Proforma	H1 FY21 Proforma	Variance (%)
EBITDA	**54.0**	**42.3**	**28%**
Movement in working capital	(3.2)	(6.4)	
Operating cashflow before floor plan interest	**50.8**	**35.9**	**41%**
Floor plan Interest	(2.2)	(2.2)	
Operating cashflow after floor plan interest	**48.6**	**33.7**	**44%**
Capital expenditure	(6.1)	(3.1)	
Payment of lease liabilities	(10.2)	(9.0)	
Net cash flow before financing and taxation	**32.3**	**21.6**	**50%**

- Capital expenditure increase reflects previously deferred projects undertaken in the period and $2.0m property acquisition at Southport



OPERATING CASH FLOW CONVERSION

- Operating cashflow after floor plan interest as a percentage of EBITDA after taking into account floor plan interest

DIVIDEND

- As foreshadowed in the Prospectus, the Directors have declared an interim dividend of 9.0 cents per share fully franked, representing 65% of reported Net Profit After Tax (NPAT)
- The Board maintains its target Dividend Payout Ratio of between 60% to 70% of annual underlying NPAT
- The interim dividend will be paid on 31 March 2022. The record date for determining the entitlement is 28 February 2022

CAPITAL STRUCTURE SUPPORTS GROWTH PLANS

CASH AND DEBT POSITION

A$m	31 Dec 21 Actual	30 Jun 21 Actual	Variance
Cash and cash equivalents	37.5	42.9	(5.4)
Borrowings	(69.4)	-	(69.4)
Net cash / (debt)	**(31.9)**	**42.9**	**(74.8)**
Lease liabilities	(230.9)	(146.7)	(84.2)
Floor plan finance	(201.0)	(181.9)	(19.1)
Net (debt) / cash (including lease liabilities and floor plan finance)	**(463.8)**	**(285.7)**	**(178.1)**
Net cash / (debt) to property value	**16%**	**n.m**	

- External debt facility partly drawn to co-fund acquisition of Penfold Motor Group
- $96m, 10-year facility secured against Warwick Farm property (value of $120m)
- Net debt to property value indicates considerable debt capacity exists against property portfolio
- Financing package over inventory reduces equity funding requirement
- AASB 16 recognition of Penfold lease portfolio during the period

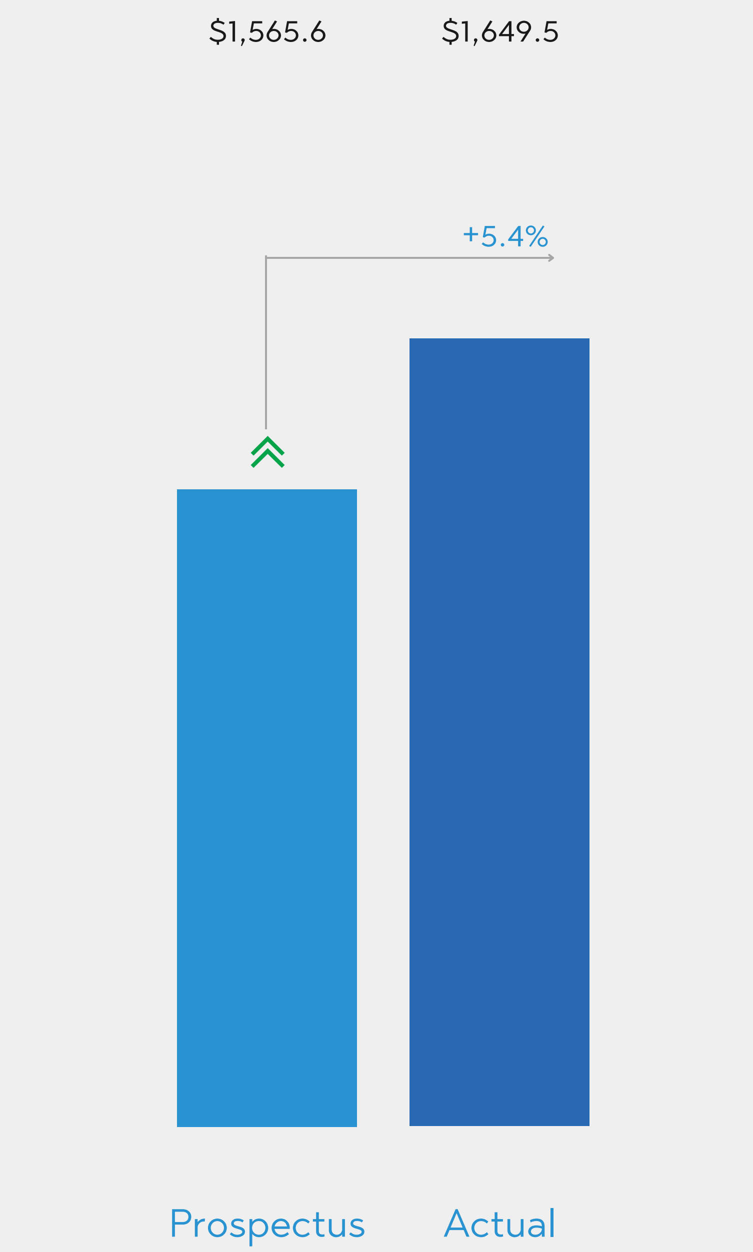
Peter Warren Automotive Holdings

PERFORMANCE VS PROSPECTUS

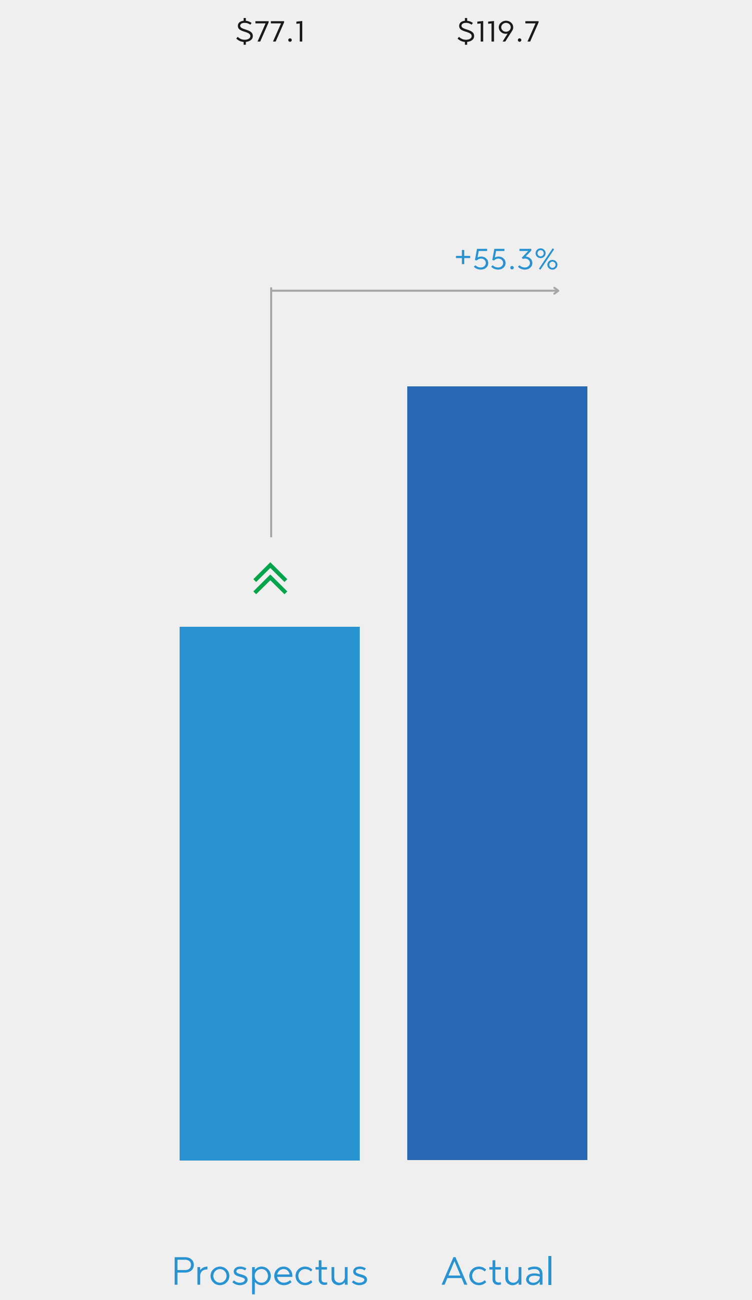
2021 CALENDAR YEAR PERFORMANCE VERSUS PROSPECTUS

EXCEEDED PROSPECTUS FORECAST IN ALL FINANCIAL METRICS FOR CY 21

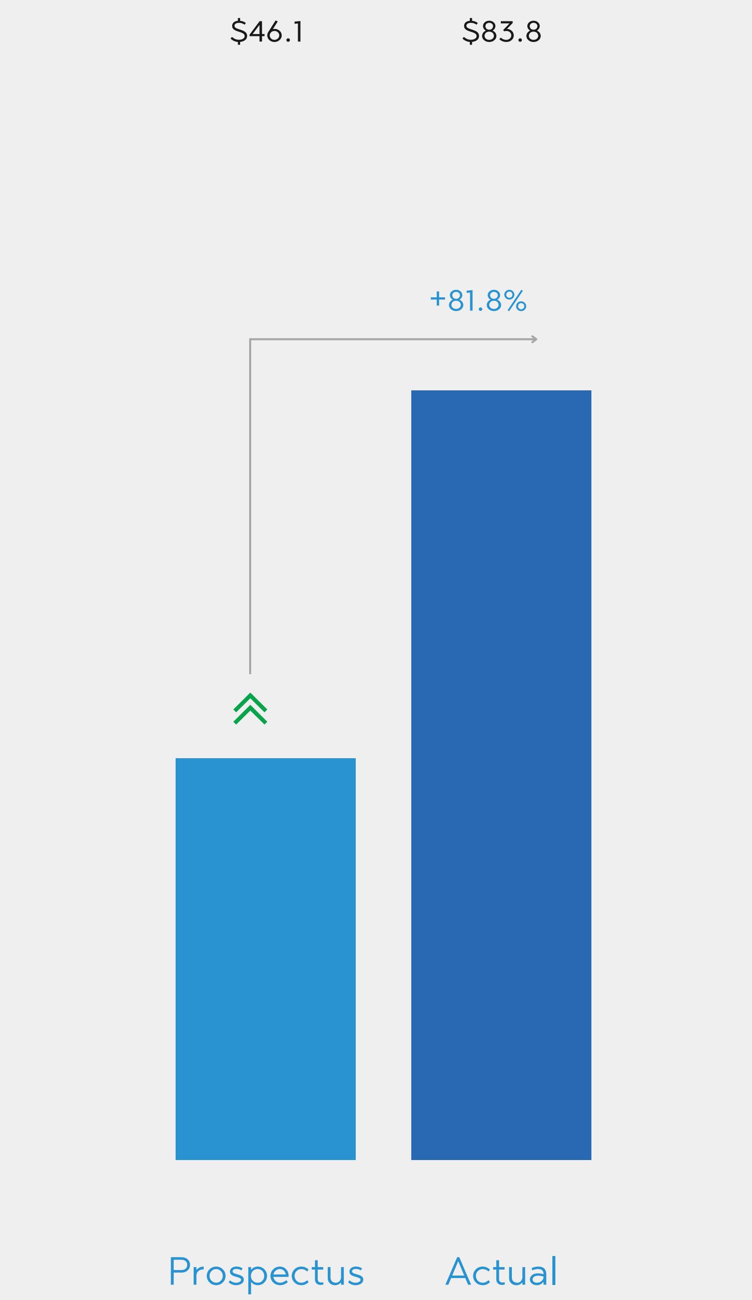
Revenue ($Am)



EBITDA ($Am)



Profit Before Tax ($Am)



- Financial metrics disclosed are all pro forma financial metrics for the 2021 calendar year as outlined in the Prospectus

Peter Warren Automotive Holdings

OUTLOOK

TRADING OUTLOOK

- Overall, Peter Warren remains optimistic about the sustainability of earnings for the full financial year, with a strong order book, improvements in new vehicle supply anticipated and underlying demand expected to remain positive on the back of strong consumer savings

- Limited downward pressures on new vehicle margins are expected in the period to 30 June 2022, while a resilient operating model supported by geographic and brand diversity positions us well for continued OEM reforms

- The acquisition of the Penfold Motor Group was completed in December 2021 and will contribute to our performance in the second half of FY22. The Group will continue to pursue acquisition opportunities, with a disciplined approach to screening based on strategic rationale, location, and value. Peter Warren is a natural consolidator in a highly fragmented market and has a strong balance sheet to support its growth plans

- Meanwhile, the Group continues to focus on growing sustainable income streams and delivering cost base efficiencies through organic measures and the integration of acquired businesses

QUESTIONS

DISCLAIMER

IMPORTANT NOTICE

The material in this presentation has been prepared by Peter Warren Automotive Holdings Limited (ASX: PWR) ABN 57 615 674 185 ("Peter Warren" or the Company") and is general background information about Peter Warren's activities current as at the date of this presentation, 22 February 2022.

The information is given in summary form and does not purport to be complete in every aspect. It should be read in conjunction with the Company's periodic reporting and other announcements lodged with the Australian Securities Exchange ("ASX"). In particular, you are cautioned not to place undue reliance on any forward-looking statements regarding our belief, intent, or expectations with respect to Peter Warren's businesses, market conditions, and/or results of operations, as although due care has been used in the preparation of such statements, actual results may vary in a materially positive or negative manner. Information in this presentation or subsequently provided to the recipient of this information, whether orally or in writing, including forecast financial information, should not be considered advice or a recommendation to investors or potential investors in relation to holding, purchasing, or selling securities in the Company. Before acting on any information you should consider the appropriateness of the information having regard to these matters, any relevant offer document and in particular, you should seek independent financial advice.

The financial information should be read in conjunction with the basis of preparation set out in note 2 of the Company's accounts.

Forward-looking statements

This presentation may contain forward-looking statements which are statements that may be identified by words such as "may", "will", "would", "could", "expects", "intends", "anticipates", and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions and on a number of best estimate assumptions regarding future events and actions that, at the date of this document, are expected to take place. No person who has made any forward-looking statements in this document has any intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events, or any other factors affect the information contained in this document, other than to the extent required by law. Such forward-looking statements are not guarantees nor a reliable indication of future performance and involve known and unknown risks, uncertainties, assumptions, and other important factors, many of which are beyond the control of the Company.

This presentation also contains references to certain intentions, expectations, and plans of the Company. These intentions, expectations, and plans may or may not be achieved. They are based on certain assumptions which may not be met or on which views may differ.

To the maximum extent permitted by law none of Peter Warren, its subsidiaries, or its respective officers, employees, agents or consultants nor any other person accepts any liability, including, without limitation, any liability arising out of negligence, for any loss arising from the use of the information.

Any additional financial information in this presentation which is not included in the Company's Annual Report 2021 was not subject to independent audit or review by Deloitte.

BALANCE SHEET

A$m	Ref	31 Dec 21 Actual	30 Jun 21 Actual	Variance
Cash and cash equivalents		37.5	42.9	(5.4)
Trade and other receivables		42.9	56.8	(13.9)
Inventories		269.4	225.3	44.1
Property plant & equipment		244.3	229.8	14.5
Other assets		9.8	6.9	2.9
Right of use assets		200.8	118.1	82.7
Intangibles	1	242.6	145.6	97.0
Deferred tax assets		23.9	21.4	2.5
Total assets		**1,071.2**	**846.8**	**224.4**
Trade and other payables		(75.8)	(63.4)	(12.4)
Employee benefits		(24.1)	(18.4)	(5.7)
Borrowings - floor plan finance		(201.0)	(181.9)	(19.1)
Borrowings	2	(69.4)	0.0	(69.4)
Contract liabilities		(2.5)	(2.4)	(0.1)
Lease liabilities		(230.9)	(146.7)	(84.2)
Income tax payable		(7.9)	(14.4)	6.5
Other liabilities		(0.3)	(0.3)	0.0
Total liabilities		**(611.9)**	**(427.5)**	**(184.4)**
Net assets		**459.3**	**419.3**	**40.0**

- Movement in balances includes impact of acquisition of Penfold Motor Group

1
- Movement in intangibles reflects value of goodwill and customer relationship intangible acquired as part of acquisition of Penfold Motor Group

2
- Borrowings drawn to partly fund acquisition of Penfold Motor Group

- Strong capital position allows for further acquisition activity

Peter Warren Automotive Holdings

PROFORMA AND STATUTORY INCOME STATEMENT

	Statutory		
Dec half year end (A$m)	H1 FY22	H1 FY22F Prospectus	H1 FY21
Revenue	777.9	788.6	763.6
Cost of sales	(629.5)	(658.0)	(617.1)
Gross profit	**148.4**	**130.7**	**146.5**
Gross profit margin			
Employee benefits expense	(69.0)	(63.6)	(67.4)
Advertising expenses	(3.6)	(3.5)	(3.0)
Insurance expenses	(3.4)	(3.7)	(3.0)
Vehicles expenses	(3.1)	(3.3)	(2.9)
Other expenses	(17.4)	(13.2)	(14.5)
Operating expenses	**(96.6)**	**(87.3)**	**(90.8)**
EBITDA	**51.8**	**43.4**	**55.6**
Depreciation and amortisation expense	(11.1)	(8.9)	(12.4)
EBIT	**40.7**	**34.5**	**43.2**
Floor plan interest	(2.2)	(2.6)	(2.2)
Net finance expense	(4.4)	(3.8)	(10.7)
Profit Before tax	**34.1**	**28.0**	**30.3**
Income tax expense	(10.4)	(8.4)	(9.2)
NPAT	**23.7**	**19.6**	**21.1**

Underlying / Proforma		
H1 FY22	H1 FY22F Prospectus	H1 FY21
777.9	788.6	749.6
(629.5)	(658.0)	(616.9)
148.4	**130.7**	**132.7**
19.1%	*16.6%*	*17.7%*
(69.0)	(63.6)	(65.6)
(3.6)	(3.5)	(3.0)
(3.4)	(3.7)	(3.3)
(3.1)	(3.3)	(2.9)
(15.2)	(13.2)	(15.5)
(94.4)	**(87.3)**	**(90.4)**
54.0	**43.4**	**42.3**
(11.1)	(8.9)	(9.0)
42.9	**34.5**	**33.3**
(2.2)	(2.6)	(2.2)
(4.4)	(3.8)	(4.1)
36.3	**28.0**	**26.9**
(10.9)	(8.4)	(8.2)
25.4	**19.6**	**18.8**

Peter Warren Automotive Holdings

PROFORMA ADJUSTMENTS TO STATUTORY INCOME STATEMENT

		EBITDA			PBT			NPAT		
Dec half year end (A$m)	Footnote	H1 FY22	H1 FY22F Prospectus	H1 FY21	H1 FY22	H1 FY22F Prospectus	H1 FY21	H1 FY22	H1 FY22F Prospectus	H1 FY21
Statutory		**51.8**	**43.4**	**55.6**	**34.1**	**28.0**	**30.3**	**23.7**	**19.6**	**21.1**
Jobkeeper	1	-	-	(13.9)	-	-	(13.9)	-	-	(9.7)
Impact of capital structure	2	-	-	-	-	-	4.3	-	-	3.0
Adjustments to the acquired properties	3	-	-	-	-	-	5.7	-	-	4.0
Property costs	4	-	-	(0.5)	-	-	(0.5)	-	-	(0.3)
Public company costs	5	-	-	(0.9)	-	-	(0.9)	-	-	(0.7)
Employee incentives	6	-	-	1.8	-	-	1.8	-	-	1.3
Executive recharge	7	-	-	0.1	-	-	0.1	-	-	0.1
Acquisition-related expenses	8	2.2	-	-	2.2	-	-	1.5	-	-
Underlying / Proforma		**54.0**	**43.4**	**42.3**	**36.3**	**28.0**	**26.9**	**25.2**	**19.6**	**18.8**

1. Reflects the removal of JobKeeper income received in H1 FY21
2. Impact of capital structure represents the reversal of the related party interest as the Loan Notes will be settled as part of the Offer
3. Adjustment to acquired properties reflects the removal of the lease liability interest and right of use asset depreciation as if the Acquired Properties had been acquired 1 July 2018
4. Property costs represents the cost of running the Acquired Properties as if the Acquired Properties had been acquired on 1 July 2018
5. Public company costs represent Peter Warren's estimate of the incremental annual board, listing and other costs (such as Director's fees, share registry costs, Directors' and Officers' insurance premiums, Annual Report costs) and professional fees that it will incur operating as a listed company
6. Employee incentives reflects the changes in employee remuneration for key management personnel
7. Executive recharge represents a recharge to the Warren Family Office for certain employees
8. Acquisition-related expenses incurred during the period

Peter Warren Automotive Holdings

PROFORMA ADJUSTMENTS TO STATUTORY CASH FLOW

A$m	Footnote	H1 FY22	H1 FY21	Variance	H1 FY22 Prospectus Forecast	Variance
Statutory net cash flow before financing and taxation		**31.1**	**30.3**	**0.8**	**21.0**	**10.1**
Jobkeeper	1	-	(13.9)	13.9	-	-
Offer costs	2	-	-	-	-	-
Property costs	3	-	(0.5)	0.5	(0.5)	0.5
Adjustment to Acquired Properties	4	-	4.6	(4.6)	4.8	(4.8)
Public company costs	5	-	(0.9)	0.9	(0.9)	0.9
Employee incentives	6	-	1.8	(1.8)	(0.3)	0.3
Executive recharge	7	-	0.1	(0.1)	0.1	(0.1)
Acquisition-related costs	8	1.2	-	1.2	-	1.2
Underlying / Proforma net cash flow before corporate financing and taxation		**32.3**	**21.6**	**10.8**	**24.1**	**8.1**

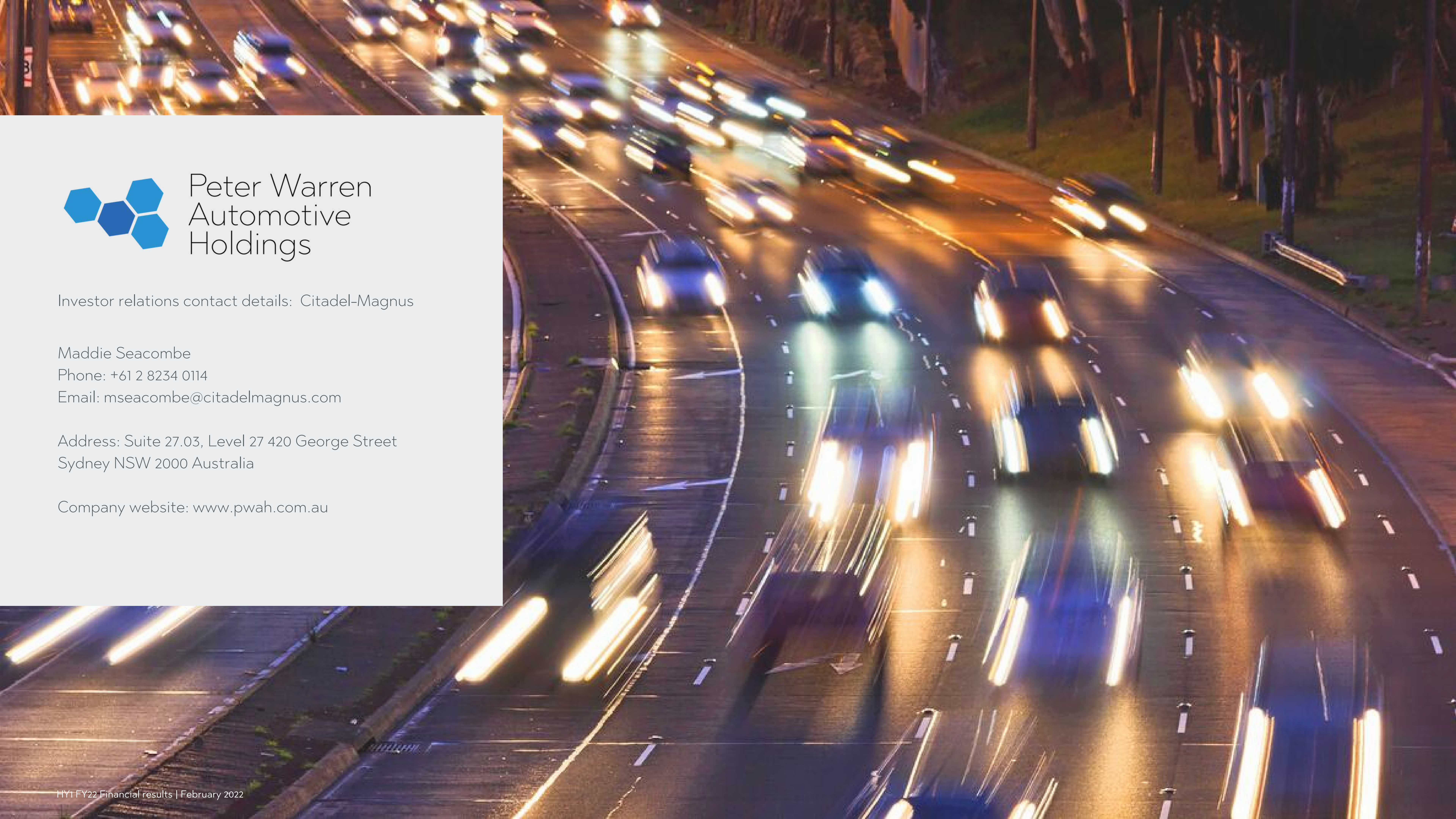
1. Reflects the removal of JobKeeper income received in FY20 and the difference between the JobKeeper income received in FY21F ($13.8 million) offset by the refund ($13.3 million)
2. Offer costs reflect the add-back of the amounts forecast to be expensed and paid in FY21F in relation to the Offer (fees payable to Joint Lead Managers, tax, legal, and accounting fees) and the listing fees to the ASX. Note that $10.1 million of the Offer costs (relating to the primary issue) are netted off against equity on the balance sheet
3. Property costs represent the cost of running the Acquired Properties as if the Properties had been acquired on 1 July 2018
4. Adjustment to Acquired Properties relates to removal of payment of lease liabilities in relation to the Acquired Properties
5. Public company costs represent Peter Warren's estimate of the incremental annual board, listing, and other costs (such as Director's fees, share registry costs, Directors' and Officers' insurance premiums
6. Employee remuneration reflects the changes in employee remuneration and incentives for key management personnel
7. Executive recharge represents a recharge to the Warren Family Office for certain employees
8. Acquisition-related expenses paid during the period

Peter Warren Automotive Holdings

RECONCILIATION BETWEEN AASB 117 AND AASB 16

Dec half year end (A$m)	H1 FY22 Underlying / Proforma	H1 FY22F Prospectus Forecast	H1 FY21 Proforma	FY21 Actual
EBITDA (AASB 117)	43.8	34.1	28.8	76.3
Decrease in operating lease expense	10.2	9.3	13.5	25.8
EBITDA (AASB 16)	**54.0**	**43.4**	**42.3**	**102.1**
EBIT (AASB 117)	40.1	32.0	29.8	71.1
Decrease in operating lease expense	10.2	9.3	13.5	25.8
Increase in depreciation of right of use asset	(7.4)	(6.8)	(10.0)	(18.8)
EBIT (AASB 16)	**42.9**	**34.5**	**33.3**	**78.1**
NPAT (AASB 117)	26.2	20.6	20.9	41.0
Decrease in operating lease expense	7.2	6.5	9.5	18.1
Increase in depreciation of right of use asset	(5.2)	(4.8)	(7.0)	(13.2)
Increase in interest expense (net of tax)	(3.0)	(2.7)	(4.5)	(8.4)
NPAT (AASB 16)	**25.2**	**19.6**	**18.8**	**37.5**
PBT (AASB 117)	37.8	29.3	30.0	59.9
Decrease in operating lease expense	10.2	9.3	13.5	25.8
Increase in depreciation of right of use asset	(7.4)	(6.8)	(10.0)	(18.8)
Increase in interest expense (net of tax)	(4.3)	(3.8)	(6.5)	(12.0)
PBT (AASB 16)	**36.3**	**28.0**	**26.9**	**54.8**

Peter Warren Automotive Holdings



Peter Warren Automotive Holdings

Investor relations contact details: Citadel-Magnus

Maddie Seacombe
Phone: +61 2 8234 0114
Email: mseacombe@citadelmagnus.com

Address: Suite 27.03, Level 27 420 George Street
Sydney NSW 2000 Australia

Company website: www.pwah.com.au