National Tyre & Wheel

Driving the Future

2022 Financial Year Results Presentation

31 August 2022

Agenda

FY22 Highlights

Continuing development of a new growth platform & strategic acquisitions

Growth, Diversity and Scale	• National Tyre & Wheel Limited ("NTAW") is the largest independent tyre and wheel importer and wholesale distributor in Australia and New Zealand. • FY22 revenue of $558 million (FY21: $462 million). Recent acquisitions take NTAW annualised revenue to approximately $590 million. • Strong performances in agricultural tyres, OE supplies, wheels and budget tyres; steady results from industrial tyres and commercial retail; offset by difficult trading conditions for premium passenger/4WD tyres and general wholesale, especially in 2H22. • NTAW imports approximately 2.7 million tyres and wheels per annum for almost all vehicle types for distribution to more than 3,000 wholesale customers, with a retail arm also selling to consumers.
Financial Performance	• Reported FY22 EBITDA of $40.5 million (FY21: $46.1 million) and Reported NPAT of $9.6 million (FY21: $20.5 million). • Operating EBITDA of $44.9 million (FY21: $46.7 million) and Operating NPATA of $15.6 million (FY21: $21.9 million) excludes various items for comparative purposes. (see to page 15) • EPS of 12.7 cents per share based on Operating NPATA (FY21: 19.4 cents per share). • Balance sheet remains strong with cash at 30 June 2022 of $35.8 million (net debt of $60.0 million) and net assets of $112.5 million. • Final dividend of 1.5 cents per share (fully franked at 30%) declared. Total dividends of 4.5 cents per share fully franked for FY22.
Strategy Execution	• Key strategies to drive earnings growth include leveraging commercial tyre capabilities acquired in FY22, the digital transformation project, cross selling initiatives, increased promotion of Tyreright and premium 4WD products and improved service levels from warehouse consolidations.
Outlook	• Full year contribution from Black Rubber, Access Alloys and Carter's in FY23 should benefit earnings. • Businesses impacted by supply chain and higher COGS in FY22 are expected to improve volume and profit margin in FY23.

Financial Highlights

Resilient result in difficult trading conditions, particularly in 2H22

Financial Highlights	FY22	FY21
Gross profit margin	28.7%	29.8%
Operating costs as a % of revenue	21.4%	19.8%
EBITDA ($ million)	40.5	46.1
EBITDA margin	7.3%	10.0%
NPATA* ($ million)	11.1	21.1
Basic EPS (cents)	7.7	17.9
Dividend per share (cents)	4.5	8.0
Net debt ($ million)	60.0	16.0
Net debt:debt+equity	28.8%	11.7%
NTA per share (cents)	48.8	64.8
Operating cash flow ($ million)	11.8	22.7
Interest cover (times)	8.1x	15.6x

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

Operational Review

FY22 Overview

Diversified earnings in changing market conditions

- NTAW operates 12 different business units (operating 14 trading subsidiaries), focussed on winnable market segments with diversity and scale mitigating market risk. NTAW provides shared services support to each of its business units.
- In FY22 earnings were supported by strong rural economies and commercial activity but constrained by supply chain disruption, COVID lockdowns and higher COGS.
- The size and cadence of higher import prices and freight costs, together with unusually high demurrage costs and a fall in the AUD:USD exchange rate, adversely affected gross margins – sell out prices, influenced by competitor behaviour and customer expectations, could not keep pace with inflationary pressures.

B2B - End User

Customer Mix

- Caravan, truck trailer and farm equipment manufacturers
- Commercial truck and bus fleet operators
- Hire car fleet operators
- Forklift and industrial equipment operators
- Large scale farmers

B2B - Reseller

Customer Mix

- Tyre speciality retail stores (chains and independents)
- Mechanical service businesses
- Car dealers
- Online re-sellers

B2C - Retail

Customer Mix

- Consumers
- Commercial customers

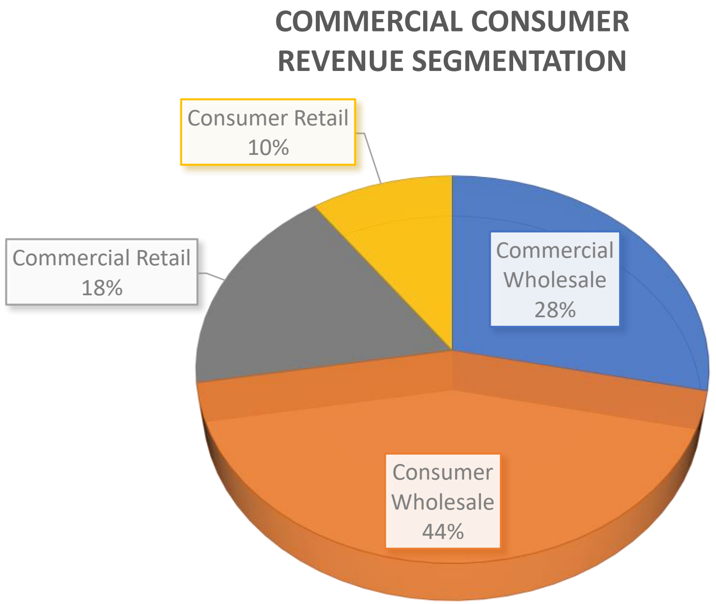
Diversified Business Platform

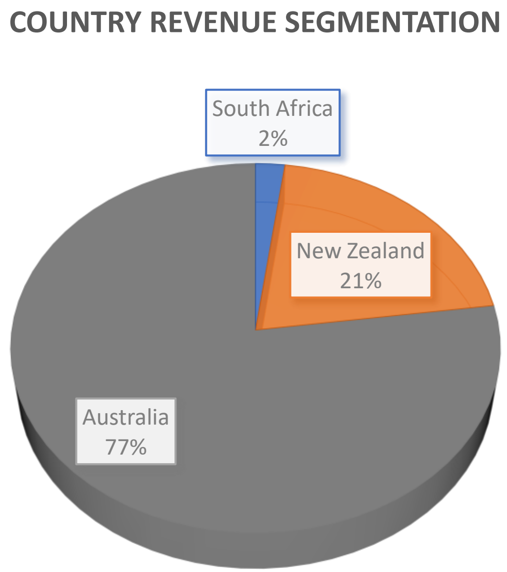
Business platform enhanced by acquisitions

The acquisitions of Black Rubber, Access Alloys and Carter’s in FY22 delivered:

- a new B2B retail sales channel for commercial tyres in Australia and New Zealand (elevating NTAW to be the largest independent distributor in NZ);
- retread tyre manufacturing plants and customers in Australia and New Zealand; and
- new supplier relationships for new markets (premium commercial tyres, retreads and alloy wheels)

NTAW’s mix of wholesale/retail and commercial/consumer revenue, as well as the current mix of revenue by country is depicted in the following charts:*

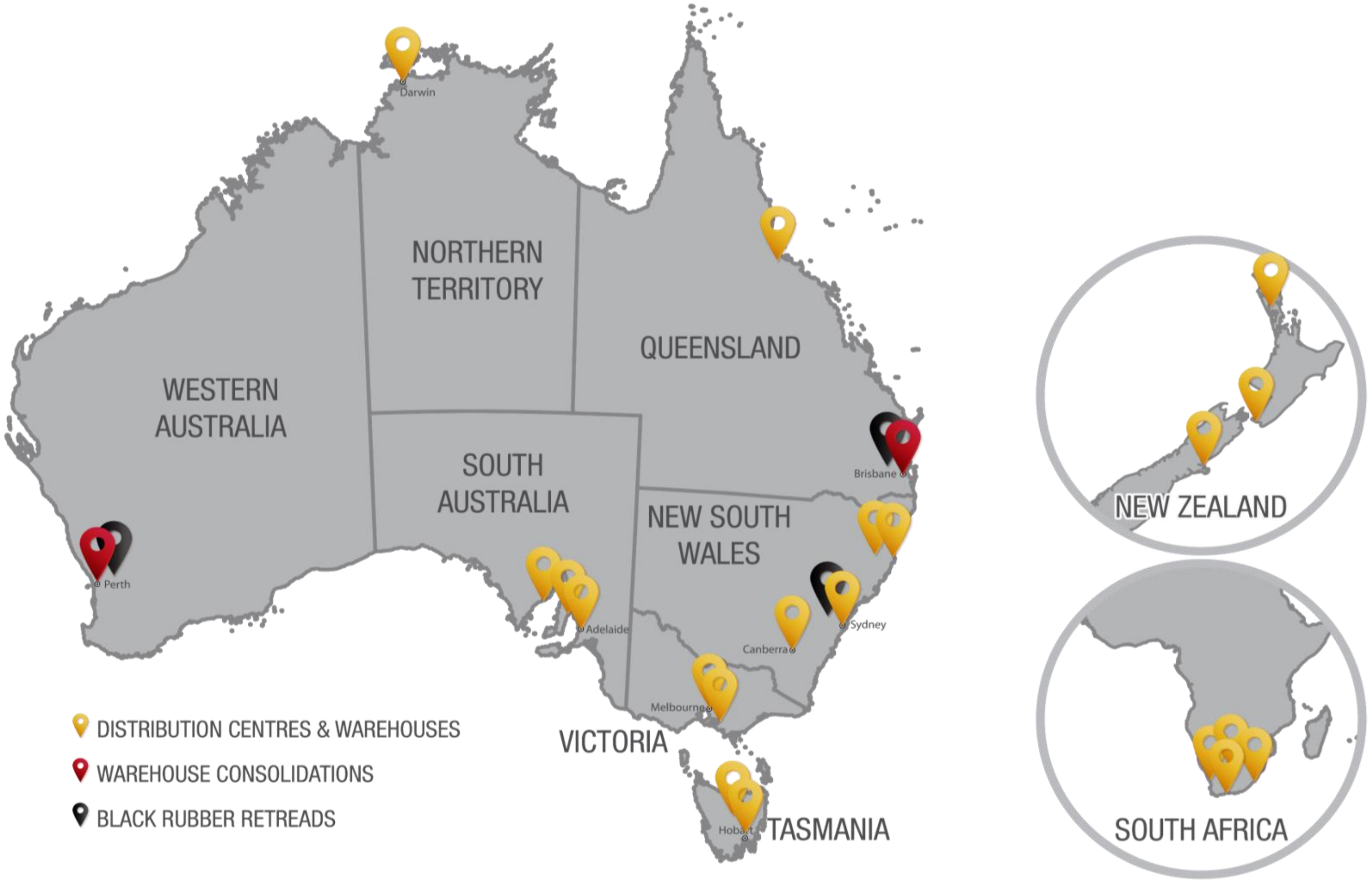




- Note: revenue based on full year inclusion of Black Rubber, Carter’s and Access Alloys, commercial and consumer segmentation based on management estimates.

Leveraging Australia's largest distribution platform

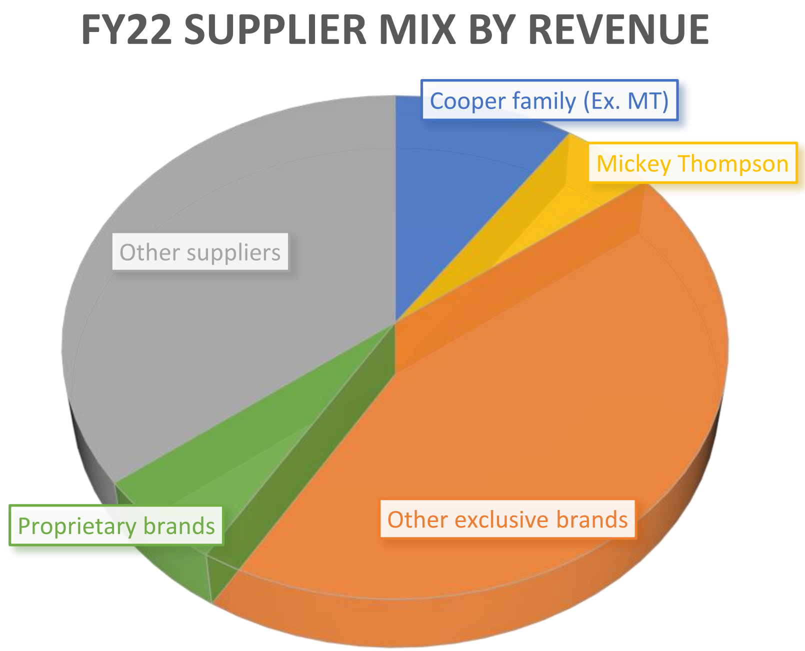
Improved service levels, lower rent (pm²), shared logistics, new management, efficiency and cost focus



- Consolidation of Melbourne (2) and Sydney (4) warehouse and offices completed in FY22 with full year of benefits expected in FY23.
- Consolidation of Brisbane (2) warehouses expected to occur in 3Q23 and Perth (3) warehouses in 1Q24.
- Non-recurring relocation costs of $1.2m were incurred in FY22 and further relocation costs are expected in FY23 and 1H24.
- NTAW Logistics to be managed as a business unit (separate P&L) from FY24.
- Focus on improving service levels and translating economies of scale into cost savings.
- Total of 890 employees as at 30 June 2022.

Leveraging Blue-Chip Supplier Base

Diverse long-term supplier relationships



- Key exclusive supplier relationships have existed for decades and are underpinned by expectations of performance being consistently met rather than formal, long-term Agreements.
- NTAW has a long-term exclusive agreement to import and distribute Cooper products, which continues until at least 2027. Cooper was acquired by Goodyear in August 2020 and both parties have operated, and are planning to continue operating, in accordance with the terms of that Agreement.

Investing in Innovation and Opportunity

Strategic plan to leverage market-leading innovation capability through a digital transformation project

Phase 1 (Finance & Operations) to be completed in FY23, Phase 2 Value Adding services to contribute to revenue growth in FY23.

Outcomes for NTAW and customers from digital transformation

Focus on Phase 2 Value Adding Platforms to increase sales, win new business and improve customer loyalty.

- Low code programming
- Application program interfaces
- Data security
- Virtual reality tools
- Data management
- Robotic process automation
- Artificial intelligence
- Single source of truth
- Virtual ecosystems
- Marketplaces

Creating a new industry ecosystem that will deliver outstanding customer experiences, drive customer loyalty, enhance cross selling between business units, targeting improved returns for all stakeholders and driving down costs to service.

Financial Results

Results Summary

Reported revenue of $557.9m, Operating EBITDA* of $44.9m and Operating NPATA* of $15.6m

Statement of Profit or Loss		
$'000	FY22	FY21
Sales revenue	557,909	461,533
Cost of goods sold	(397,802)	(324,023)
Gross profit	**160,107**	**137,510**
	28.7%	*29.8%*
Other income	724	1,896
Employee benefits	(77,856)	(58,612)
Occupancy	(9,139)	(7,984)
Professional fees	(2,904)	(3,530)
Marketing	(4,316)	(6,178)
Other expenses	(26,138)	(16,957)
EBITDA	**40,478**	**46,145**
Depreciation & amortisation	(20,904)	(14,278)
EBIT	**19,574**	**31,867**
Finance costs (net)	(5,010)	(2,949)
Net profit before tax	**14,564**	**28,918**
Income tax expense	(4,995)	(8,378)
Net profit after tax	**9,569**	**20,540**
Addback:		
Non-controlling interest (gain)	(171)	(285)
Amortisation[1]	1,678	887
NPATA attributable to NTAW	**11,076**	**21,142**

1 Amortisation add-back is net of tax effect.

Key Operating Metrics	FY22	FY21
Gross profit margin	28.7%	29.8%
Operating costs as a % of revenue	21.4%	19.8%
EBITDA margin	7.3%	10.0%
NPATA ($ million)	11.1	21.1
Basic EPS (cents)	7.7	17.9
Dividend per share (cents)	4.5	8.0
Operating cash flow ($ million)	11.8	22.7
Interest cover (times)	8.1x	15.6x

Movement in employee benefits	$m
Acquired businesses	11.8
Tyres4U (additional month)	3.8
IT people costs	1.4
Shared services costs	1.6
Other	0.6
Total	**19.2**

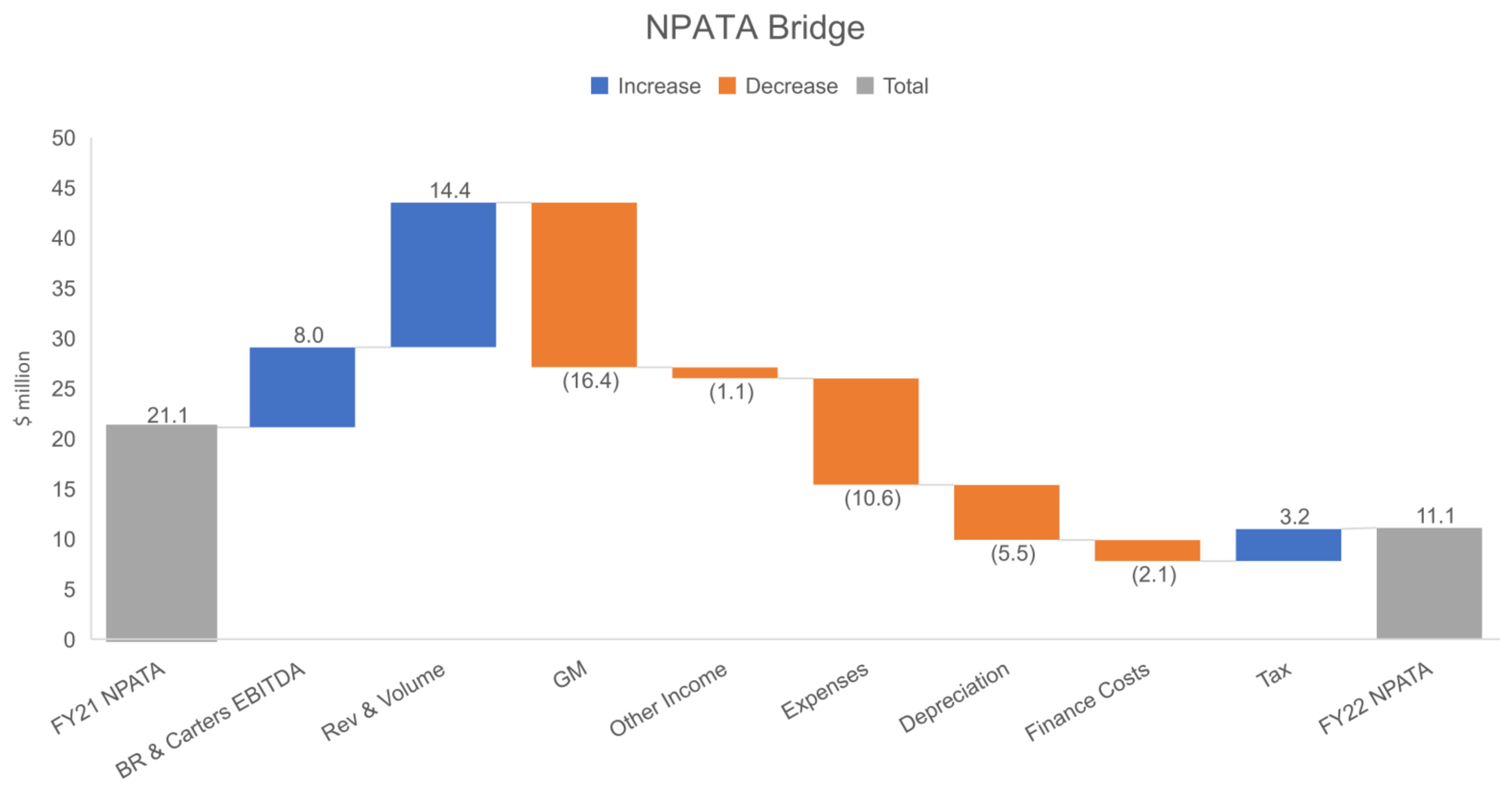
Comments

- FY22 result includes 8 months of Black Rubber & Access Alloys and 6 months of Carters.
- Cash flows from operating activities were lower in FY22 due to increased inventory holdings and increased overheads and interest charges.

* Operating EBITDA and Operating NPATA are non-IFRS financial measures which are adjusted for various items for comparative purposes in this presentation. Refer to page 15 for a reconciliation of these items with the statutory financial results.

FY21-FY22 NPATA Bridge

Gains from acquired businesses offset by difficult trading conditions

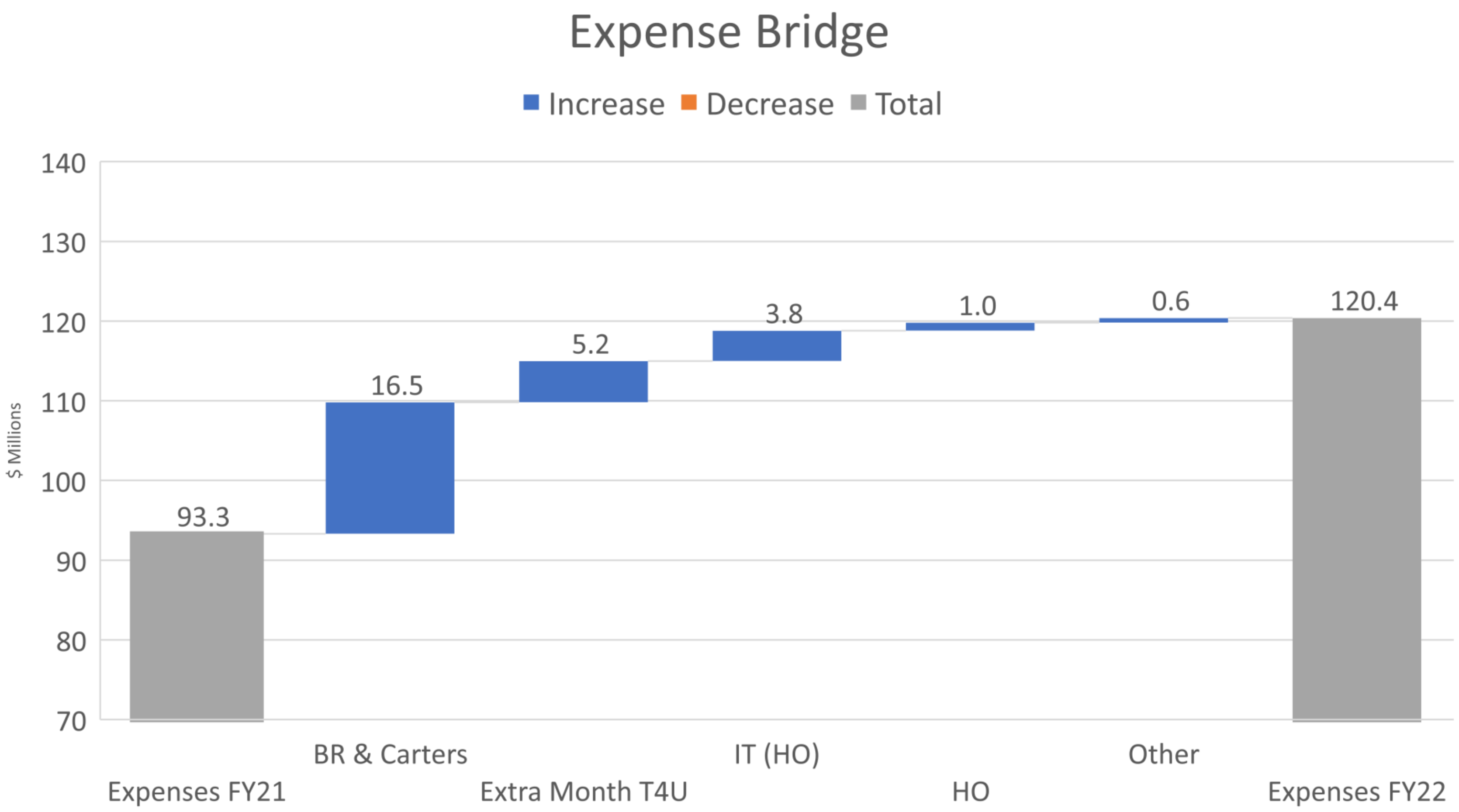


Comments

- Black Rubber and Carter's ("FY22 Acquisitions") contributed $8.0m of EBITDA to the group, mostly in 2H22.
- Higher revenue and volume increased Gross Profit by $14.4m (excluding the FY22 Acquisitions) underpinned by an additional month of trading from Tyres4U in FY22.
- Reduced gross profit in businesses (excluding FY22 Acquisitions) ($16.4m) was driven by the cadence and size of supplier price rises and supply chain costs, as well as depreciation in AUD and NZD against the USD.
- Increase in expenses (excluding FY22 Acquisitions) resulted primarily from the additional month of Tyres4U in FY22 and IT costs associated with the digital transformation project – see the FY21-FY22 Expense Bridge on page 14.
- Depreciation increase due to the significant increase in right-of-use assets during the year - refer to page 15.

FY21-FY22 Expenses Bridge

Costs higher for acquired businesses, additional month of Tyres4U and digital transformation project



Reconciliation of Reported EBITDA to Operating EBITDA

Relatively stable underlying operating result

Reconciliation of Reported EBITDA to Operating EBITDA		
$'000	**FY22**	**FY21**
Net profit after tax	9,569	20,540
Depreciation and amortisation	20,904	14,278
Finance costs (net)	5,010	2,949
Income tax expense	4,995	8,378
Reported EBITDA	**40,478**	**46,145**
Gain on bargain purchase	-	(596)
Acquisition costs	736	1,449
One-off warehouse consolidation and IT project implementation costs	3,729	-
Unrealised FX loss/(gain)	(85)	(321)
Operating EBITDA	**44,858**	**46,677**

Note – the increase in depreciation was primarily due to the acquisition of Carter's retail stores that are leased and to new long term leases entered into during the year. AASB 16 *Leases* applies to these right of use assets.

Balance Sheet

Solid balance sheet to support future growth

Statement of Financial Position		
$'000	**June-22**	**June-21**
Current assets		
Cash and cash equivalents	35,826	28,905
Receivables	98,425	71,807
Inventory	127,133	101,025
Other current assets	6,609	5,100
Current tax asset/(liability)	1,216	(1,138)
	269,209	**205,699**
Non-current assets		
Property, plant and equipment	16,817	10,167
Right-of-use assets	65,081	33,544
Intangible assets	53,764	15,698
Other non-current assets	623	116
	136,285	**59,525**
Total assets	**405,494**	**265,224**
Current liabilities		
Payables	106,066	82,335
Borrowings	7,550	2,954
Lease liabilities	16,016	9,496
Provisions	13,238	11,904
	142,870	**106,689**
Non-current liabilities		
Borrowings	88,244	41,940
Lease liabilities	51,581	24,472
Provisions	2,047	2,386
Payables	2,600	-
Deferred tax liabilities/(assets)	5,686	(2,076)
	150,158	**66,722**
Total liabilities	**293,028**	**173,411**
Net assets	**112,466**	**91,813**

Net debt at 30 June 2022 of $60.0m
Net debt to EBITDA of 1.5x
Net debt to Equity+Debt ratio of 28.8%

Comments

- Net debt comprises debt of $95.8m and cash of $35.8m.
- Net tangible assets per share of $0.49 at 30 June 2022.
- The Group's banking facility was amended during FY22 (debt increasing from $44.9m to $95.8m at 30 June 2022).
- 2.47 million shares were issued to the vendors acquisitions of Black Rubber and Carters during FY22.
- 14.74 million shares were issued via a Placement and Share Purchase Plan completed in Dec-21 and Jan-22, respectively, to raise $19.3m.
- Right-of-use assets materially increased with business acquisitions and new long-term leases entered into during the year.
- At 30 June 2022, NTAW reported total assets of $405.5m and net assets of $112.5m, equating to $0.85 per ordinary share.

Capital Management

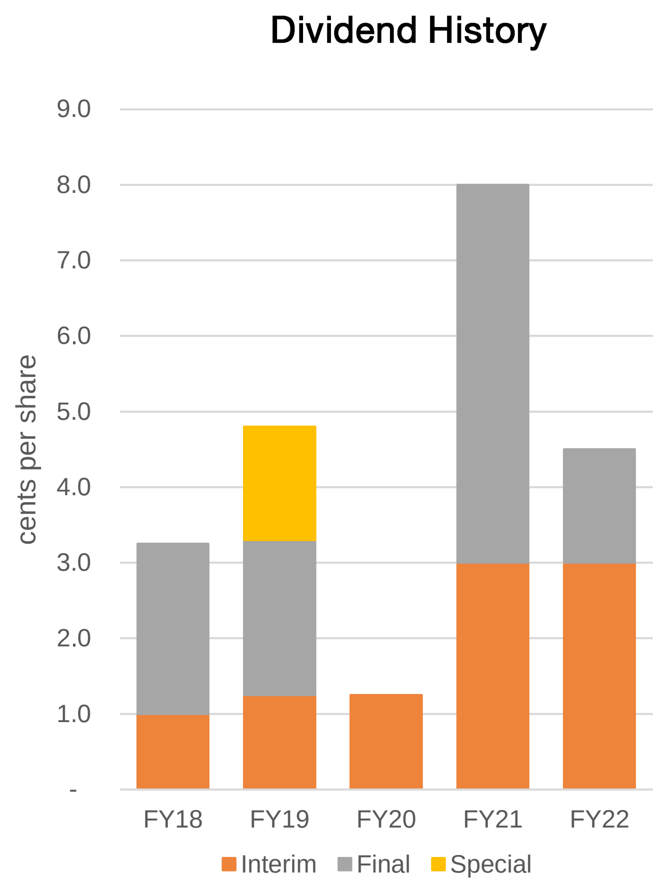
9.5% return on equity, full year dividends of 4.5 cps fully franked

- A final dividend of 1.5 cents per share, fully franked has been declared for FY22.
- An FY22 interim dividend of 3.0 cents per share was paid in April 2022.
- Dividend Reinvestment Plan operative for final dividend (at a 3.5% discount).

NTAW currently has $19.4m franking credits available

Key Dividend Dates:

Ex-dividend date	Friday 9 September 2022
Record date	Monday 12 September 2022
DRP election date	Tuesday 13 September 2022
Payment date	Friday 7 October 2022
DRP issue date	Friday 7 October 2022



Outlook

Outlook

Focus on margin improvement, gains from integrating commercial businesses and digital transformation

- NTAW continues to re-align sell out prices to reflect increases in COGS encountered throughout FY22.
- Improvements in gross profit margins will naturally occur from the introduction of additional retail revenue from Black Rubber and Carters. NTAW expects further gross margin improvement from more stable import prices as raw material and freight costs plateau and from increased support from suppliers.
- Adverse supply chain issues are showing signs of abating.
- NTAW remains focused on executing the following strategic initiatives to deliver earnings growth:
  - cross selling between business units;
  - selling value-adding services supplied by Carters and Black Rubber to other NTAW commercial customers;
  - additional support from Cooper Tires to improve market share following constrained promotional activity and supply chains in FY22;
  - improved service levels flowing from warehouse consolidations and a separate logistics business unit;
  - sales growth and lower costs from the digital transformation project;
  - removing duplication of activity and unnecessary costs, with increased integration based on commercial/consumer and wholesale/retail functions; and
  - capturing other synergies from the Tyres4U, Black Rubber and Carter’s acquisitions.

Important Information and Disclaimer

This presentation may contain certain unaudited financial information in relation to National Tyre & Wheel Limited. As such, it has not been subject to an audit or an audit process or otherwise independently verified.

This presentation may contain forward looking statements. Such statements are inherently subject to uncertainties in that they may be affected by a variety of known and unknown risks, variables and other factors which could cause actual values or results, performance or achievements to differ materially from anticipated results, implied values, performance or achievements expressed, projected or implied in the statements. The Company gives no assurance that the anticipated results, performance or achievements expressed or implied in those forward-looking statements will be achieved.

None of the Company or any of its directors or any other party associated with the preparation of this presentation guarantee that any specific objective of the Company will be achieved or that any particular performance of the Company or of its shares will be achieved.

The information in this presentation does not take into account the objectives, financial situation or particular needs of any person. Nothing contained in this presentation constitutes investment, legal, tax or other advice.