



8 November 2021

Peter Warren Automotive Holdings Limited

Acquisition of Penfold Motor Group

Highlights

- Acquisition of 100% of Penfold Motor Group for consideration of \$104 million
- Acquisition expands our footprint across the Eastern Seaboard and provides Peter Warren with immediate scale in the Victorian market
- Penfold Motor Group overview:
 - A leading family owned and operated automotive dealership, representing five brands across ten high quality locations in South and East Melbourne
 - Stable of brands include Audi, Mazda, Volkswagen, Hyundai and Suzuki, aligning with Peter Warren's existing portfolio
- Current family operators and key management will continue to operate the business under Peter Warren ownership, and will become shareholders in Peter Warren
- Acquisition consideration to the vendors will be in the form of cash, funded through a combination of existing cash and the drawdown of new debt facilities, and scrip
- Expected to be double-digit EPS accretive on a pro forma FY22 basis (pre-synergies)¹

Acquisition of Penfold Motor Group

Peter Warren Automotive Holdings Limited (ASX: PWR) ("Peter Warren") today announces it has agreed to acquire 100% of Penfold Motor Group, for a total estimated consideration of \$104 million, including net assets. Completion is expected to occur in early December.

The acquisition consideration to the vendors will be in the form of \$88m in cash (funded through a combination of existing cash and the drawdown of new debt facilities) and scrip of \$16m. The scrip component is priced at \$3.02 per share, resulting in 5.2 million new shares to be issued to the vendors at completion. (Vendor Shares)

Mark Weaver, Chief Executive Officer of Peter Warren said: "This is an important step in delivering on our growth strategy and expands our footprint across the Eastern Seaboard, giving us immediate scale in the Victorian market.

"Bringing Penfold Motor Group into the Group also provides an enviable platform for further growth in Victoria, as we roll out our proven auto-mall concept that has been very successful in Sydney and Queensland for generations.

"The Penfold Motor Group is a very well-regarded business with a rich history of operating in the region, and the acquisition will be accretive for our shareholders. We are delighted to welcome the management team into our Group and expand our operating footprint in the region over time."

Overview of Penfold Motor Group

Penfold Motor Group is a leading family owned and operated Victorian automotive dealership group that started in 1964. The businesses represent 10 leasehold operations across a number of high-quality locations in South and East Melbourne.

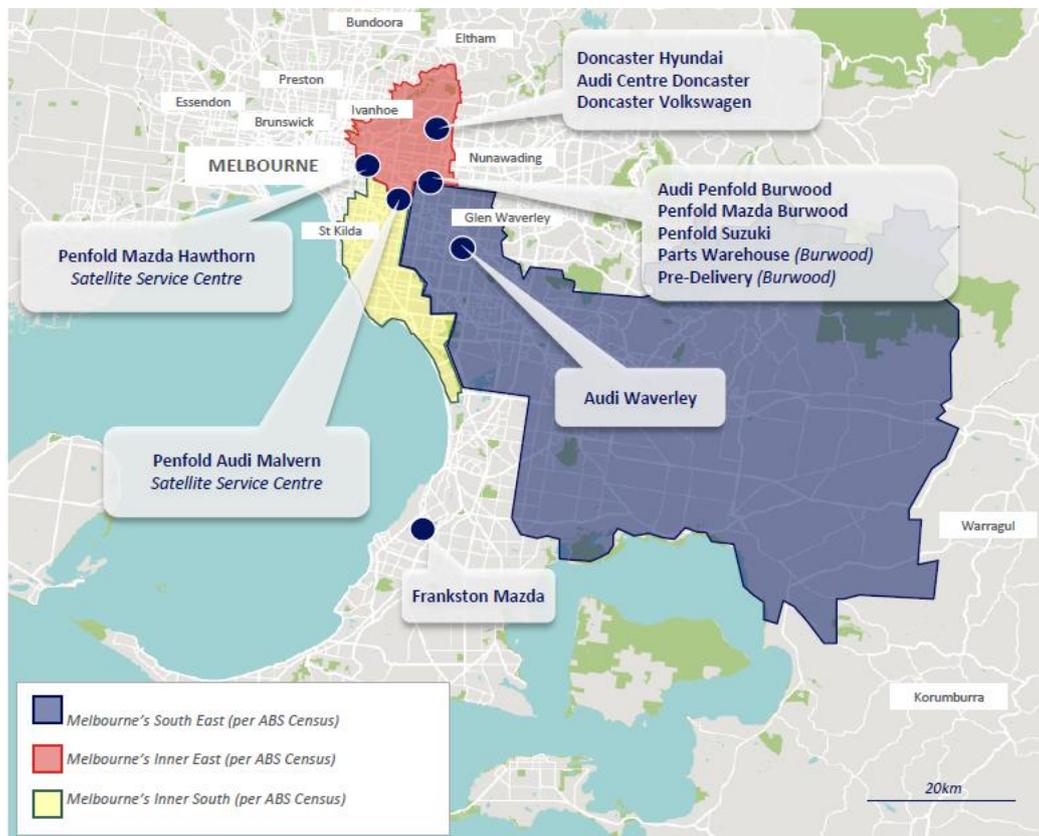
The Penfold Motor Group currently employs approximately 330 staff and generated revenue in FY21 of \$354 million. This result was impacted by COVID lockdowns and showroom closures estimated to be approximately \$60 million.

The current owners and operators of the business, led by Sam Johnstone and other key management, will continue to operate the business under Peter Warren ownership, and will become shareholders in Peter Warren. Their invaluable expertise will support Peter Warren's growth plans in Victoria.

The Penfold Motor Group operates new and used car dealerships across several locations in Melbourne, including:

- Audi operations at Burwood and Doncaster, including a satellite site at Waverley
- Mazda operations at Burwood and Frankston
- Volkswagen & Hyundai dealerships at Doncaster
- Suzuki operation at Burwood
- Satellite services centres located at Hawthorn & Malvern

The Penfold Motor Group brands align with Peter Warren's existing portfolio, and the group also has strong used car and parts distribution businesses.



Strategic rationale

The transaction provides a number of benefits to Peter Warren and its shareholders, including:

- **Entry into the Victoria automotive market** which represents 25%² of Australian new car sales in 2020 and is aligned with Peter Warren's Eastern Seaboard strategy;
- **Attractive financial metrics** delivering double-digit EPS accretion on a pro forma FY22 basis (pre-synergies)¹;
- **Management expertise** with key management from Penfold Motor Group to be retained within the business, and aligned incentives with scrip representing 15% of total consideration;
- **Provides platform for further growth** in Victoria with established headquarters and back-office support functions.

The acquisition will increase Peter Warren's current footprint to a combined 82 dealerships, across New South Wales, Queensland, and Victoria and cement Peter Warren's position as a leading Australian automotive dealer group.

Funding & Completion

Peter Warren has entered into a new \$96 million debt facility, which is secured against the Warwick Farm property. Following completion of the transaction, Peter Warren expects to have a net debt position of approximately \$36 million, which represents gearing of 18% against the value of the Warwick Farm and Southport property assets.

The Vendor shares will be issued within Peter Warren's present placement capacity under ASX Listing Rule 7.1. The Vendor Shares will be subject to voluntary escrow restrictions for a period of 12 months from completion.

The transaction is subject to OEM consents, with completion expected in early December.

Investor Conference Call

Mark Weaver, CEO and Bernard Friend, CFO, will host a conference call for analysts and investors this morning at 9.30am AEDT. Please register via the following link to receive dial in details: <https://s1.c-conf.com/diamondpass/10017901-ah38kk.html>

Further information

Peter Warren is being advised by Jarden, Gilbert + Tobin and Deloitte.

-ENDS-

Footnotes

¹ Pro forma adjustment assumes 100% earnings contribution from Penfold Motor Group for FY22 as if the business was acquired from 1 July 2021

² Based on Vfacts data

About Peter Warren

Peter Warren is an Automotive Dealership group with a rich heritage that has been operating in Australia for over 60 years. Following completion, the Company will operate 82 franchise operations and represents 28 OEMs across the Volume, Prestige and Luxury segments. Peter Warren will operate 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/ or by contacting:

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