

ASX Announcement
12 December 2024

Peter Warren Automotive Holdings Limited

Trading Update

Peter Warren Automotive Holdings Limited (ASX: PWR) (“Peter Warren” or the “Company”) today provides a trading update.

Growing industry headwinds have resulted in a recent deterioration in trading conditions. Peter Warren now expects underlying profit before tax (PBT) for the first half of FY25 to be in the range of \$6m to \$8m. The Company expects these difficult market conditions to continue however it anticipates that any further declines in the second half of FY25 will be offset by management initiatives.

The lower than anticipated performance for H1 FY25 reflects the following external factors:

- Australia is experiencing a significant over-supply of new vehicles. Pressure to clear these vehicles has reduced new car margins across the industry, with retailers experiencing varying margin reductions depending on the brands represented.
- The level of demand for new vehicles has reduced and is lower than last year. Customer demand continues to be impacted by cost-of-living pressures and demand for certain models, including Electric Vehicles, is mis-aligned with supply. As a result, the volume of new vehicles being delivered is lower than prior periods, which benefitted from a backlog of orders.

In order to help mitigate the combined impact of lower new car margins and lower new car volumes, actions taken by Peter Warren have delivered the following results on a year-to-date basis:

- Increased service and parts revenues from leveraging its scale and infrastructure to service more customers and retain existing customers.
- Increased used car volumes and margins by securing more trade-ins in a strong market through the smart use of technology.
- Increased finance and insurance outcomes from higher in-dealership penetration, in partnership with providers.
- Improved inventory levels from managing inventory and aligning inventory mix with the latest customer tastes and preferences.

In addition, Peter Warren is more aggressively pursuing cost reduction initiatives across a number of areas including external expenditure, internal resources and under-performing locations.

Peter Warren CEO, Andrew Doyle, commented “As a management team we have been through several cycles before and know what needs to be done to navigate these near-term headwinds. We expect to continue driving growth across other areas of the business while taking out further costs without compromising our exceptional customer service. Our balance sheet remains strong with low net debt and our longer-term growth opportunities are very attractive”.

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 rich heritage that has been operating in Australia for over 60 years. The Company operates 80+ franchise operations and represents more than 30 OEM’s across the volume, prestige and luxury segments. Peter Warren operates across the eastern seaboard under various banners including Peter Warren Automotive, Frizelle Sunshine Automotive, Sydney North Shore Automotive, Mercedes-Benz North Shore, Macarthur Automotive, Penfold Motor Group, Bathurst Toyota and Volkswagen 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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