



National Tyre & Wheel Limited
PH: (07) 3212 0950 | FAX: (07) 3212 0951
30 Gow Street, Moorooka QLD 4105
PO Box 101, Moorooka QLD, 4105
ABN 97 095 843 020

ASX Announcement

27 May 2020

FY20 Trading Update

National Tyre & Wheel Limited (“NTD” and the “Group”) (ASX: NTD) provides the following update on trading results and forecasts.

Trading results in April and May for the Group have exceeded expectations and volatility has diminished to the extent that shorter term predictions can be made with reasonable certainty. JobKeeper support from the Australian Government has been received by some of the Group’s businesses, while others remained above the eligibility threshold for that scheme.

The Group’s experience in Australia and New Zealand over the past two months, and its short-term forecasts, are generally consistent with the overall performance of the tyre and wheel industries, which are proving to be resilient in response to a difficult economic environment.

NTD expects FY20 Operating EBITDA¹ to be between \$8.9m and \$9.3m with Q1 of FY21 expected to be consistent with this trajectory. JobKeeper payments received by the Group in Q4 of FY20 will amount to \$0.96m, representing 25% of people costs in that period. Accordingly, this source of revenue is included in the guidance on the basis that, but for the payments, costs would have been lower.

Trading at Top Draw Tyres, NTD’s 50% owned South African subsidiary, remains limited by government imposed restrictions. The Board of NTD will review the value of intangible assets arising from the acquisition of Top Draw when the prospects for that business become clearer in June. It is possible that the pre and post pandemic performance of Top Draw will result in the impairment of the value of the relevant intangible assets of up to \$1.8m.

The Group’s Balance Sheet remains strong, with cash on hand at 30 April of \$18.4m (net cash of \$6.0m) and no present need to increase non trading debt or raise capital. On 3 April, NTD announced that it had suspended its dividend policy. NTD’s dividend policy has now been reinstated and the NTD Board will apply that policy based on trading results over coming months.

Further updates on the impact of the COVID-19 virus will be provided as appropriate.

This announcement was approved, and authorised for release, by NTD’s Board of Directors.

ENDS

¹ “Operating EBITDA” excludes any allowance for possible impairment charge.

For further information, please contact:

National Tyre & Wheel Limited

Mr Peter Ludemann
Chief Executive Officer
Phone: (07) 3212 0950

Important Information and Disclaimer

This announcement may contain forward-looking statements, which include all matters that are not historical facts. Without limitation, indications of, and guidance on, future earnings and financial position and performance are examples of forward-looking statements.

Forward-looking statements, including projections or guidance on future earnings and estimates, are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. No representation, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement by any person (including NTD). In particular, no representation, warranty or assurance (express or implied) is given that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. Actual results, performance or achievement may vary materially from any projections and forward looking statements and the assumptions on which those statements are based.