



**National Tyre & Wheel Limited**  
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## **ASX Announcement**

23 February 2021

### **Proposed purchase of Cooper Tire & Rubber Co by Goodyear Tire and Rubber Co.**

On 22 February 2021 (US time) Goodyear Tire & Rubber Company (“Goodyear”) and Cooper Tire & Rubber Company (“Cooper”) announced that an agreement had been reached for Goodyear to purchase Cooper.

Exclusive Tyre Distributors Pty Limited (“ETD” - a wholly owned subsidiary of National Tyre & Wheel Limited (“NTD” and the “Group”) and Cooper are parties to an Agreement that appoints ETD as the exclusive distributor of certain Cooper branded products in Australia, New Zealand and PNG. This Agreement has an initial term that expires in September 2022 and either party effectively has the right to extend that Agreement for a further 5 years (i.e. to September 2027). ETD is also the exclusive distributor of the Mickey Thompson tyre range under arrangements that are reviewed annually. The 2021 review has been completed and arrangements remain in place.

The Cooper family of brands accounted for approximately 24% of NTD revenue and 27% of NTD gross profit in the 6 month period to 31 December 2020. This proportion has been steadily falling over recent years as NTD has acquired other businesses. NTD also distributes some Goodyear products and any reduction in that activity will not have a material financial impact on NTD.

In addition to these contractual rights, ETD has been successfully distributing Cooper branded products in Australia for nearly 30 years and in New Zealand for 10 years. The Cooper brand has achieved a leading market position under ETD’s stewardship and, based on this history, the world class distribution infrastructure NTD has developed and its long standing customer connections, the Group is confident in its continuing role as the exclusive distributor of Cooper and Mickey Thompson products in Australia and New Zealand.

Tyrelife Solutions (the Group’s 50% owned subsidiary in South Africa) is also the exclusive distributor of Cooper products in Southern Africa. Any changes to the distribution of Cooper products in South Africa will not have a material impact on the financial performance of the Group.

In all the circumstances, NTD will continue to carry on the important work of distributing Cooper and Mickey Thompson products on the basis that the proposed purchase of Cooper by Goodyear will not adversely affect that distribution or the way in which ETD goes about that business. Given the scale of NTD’s operations following the purchase of Tyres4U, the proposed Cooper purchase is expected to present new opportunities for NTD.

It is noted that the proposed transaction is not expected to be completed until the second half of the 2021 calendar year and Cooper has advised that it will be carrying on business as usual until completion occurs. Accordingly, the proposed transaction is not expected to have any impact on earnings in FY21. As previously announced, NTD 1H21 Operating EBITDA will be between \$15.0 million and \$15.5 million.

This announcement was approved, and authorised for release, by Peter Ludemann, Chief Executive Officer of NTD.

**ENDS**

For further information, please contact:

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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.

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