



National Tyre & Wheel Limited
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ASX Announcement

25 August 2020

NATIONAL TYRE & WHEEL LIMITED (“NTD”) ACQUISITION OF TYRES4U (“T4U”) IN AUSTRALIA AND NEW ZEALAND PRO FORMA BALANCE SHEET

National Tyre & Wheel Limited (ASX Code: NTD) completed the acquisition of the business assets and operations of T4U in Australia and New Zealand on 4 August 2020 (“Completion Date”) pursuant to an Acquisition Agreement entered into on 17 July 2020. Details of the acquisition were disclosed in NTD’s announcements to ASX made on 17 July 2020 and 5 August 2020.

The balance sheet impact of the acquisition is summarised in the pro forma balance sheet of NTD on the Completion Date as contained in Attachment A to this Announcement.

The pro forma balance sheet is based upon NTD’s 30 June 2020 balance sheet as contained in its FY20 financial report and reflects the impact of:

- net working capital assets acquired and T4U liabilities assumed by NTD;
- new debt facilities provided to NTD by Commonwealth Bank of Australia in connection with the acquisition;
- the issue of new ordinary shares in the capital of NTD to the T4U vendors;
- cash used by NTD in connection with the acquisition; and
- various provisions made on the Completion Date.

Any further purchase price allocations or provisions are not expected to have a material impact on the attached pro forma balance sheet.

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

ENDS

For further information, please contact:

National Tyre & Wheel Limited
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ATTACHMENT A

NTD CONSOLIDATED PRO FORMA BALANCE SHEET ON THE COMPLETION DATE¹

\$'000	NTD	Acquisition Adjustments	Pro-Forma
Assets			
Current assets			
Cash and cash equivalents	25,859	(14,140)	11,719
Trade and other receivables	23,215	33,120	56,335
Inventories	41,487	50,394	91,881
Prepayments	1,580	1,794	3,374
Total current assets	92,141	71,168	163,309
Non-current assets			
Property, plant and equipment	3,615	8,461	12,076
Right-of-use assets	11,800	4,834	16,634
Intangible assets	16,739	-	16,739
Deferred tax	900	140	1,040
Total non-current assets	33,054	13,435	46,489
Total assets	125,195	84,603	209,798
Liabilities			
Current liabilities			
Trade and other payables	24,930	43,044	67,974
Lease liabilities	3,298	-	3,298
Provisions	3,652	4,016	7,668
Derivative financial instruments	943	-	943
Current tax liability	902	-	902
Total current liabilities	33,725	47,060	80,785
Non-current liabilities			
Borrowings	12,223	23,854	36,077
Lease liabilities	9,172	5,650	14,822
Provisions	1,230	3,181	4,411
Total non-current liabilities	22,625	32,685	55,310
Total liabilities	56,350	79,745	136,095
Net assets	68,845	4,858	73,703
Equity			
Issued capital	65,272	4,858	70,130
Reserves	(859)	-	(859)
Retained earnings	1,378	-	1,378
Equity attributable to the owners of NTD	65,791	4,858	70,649
Non-controlling interest	3,054	-	3,054
Total equity	68,845	4,858	73,703

- 1** The consolidated pro forma balance sheet shows NTD's 30 June 2020 balance sheet and the acquisition of the Tyres4U assets and liabilities by NTD on the Completion Date. The pro forma balance sheet has not been audited.