



1 September 2020

ASX Announcement

Metcash Limited

ABN 32 112 073 480
1 Thomas Holt Drive
Macquarie Park
NSW 2113 Australia

Completion of Total Tools acquisition

Metcash (ASX: MTS) today announced that it has completed the acquisition of a 70% interest in Total Tools Holdings Pty Limited (Total Tools), a leading participant in the professional tools segment in Australia.

The terms of the agreement, including the purchase price of ~\$57m¹ for the 70% stake, are consistent with those disclosed in Metcash's prior ASX announcements. The purchase price was determined based on a normalised annual EBITDA of \$12.6m. Total Tools has however benefited from a change in consumer behaviour related to COVID-19 and is expected to report a significantly higher EBITDA for the year ended 30 June 2020.

Metcash will acquire the Total Tools franchisor operations, as well as two company-owned stores, including the recently opened store in Rockhampton, Queensland. The acquisition structure includes a clear pathway for Metcash to acquire the remaining 30% stake in Total Tools by early 2024 by way of put and call arrangements.

As previously disclosed, Metcash will look, over time, to have a mix of independently owned and joint venture retail stores, in line with the successful approach currently adopted in the Hardware pillar. Metcash will provide Total Tools with a debt facility to support its growth plans and the future acquisition of an ownership interest in a select number of stores.

Metcash's Group CEO, Jeff Adams said: "We are delighted to have Total Tools, the largest independent tool network in Australia, join the Metcash Group. Total Tools is a complementary business to our Independent Hardware Group and will present significant growth opportunities. We warmly welcome them to Metcash.

"We are pleased to confirm Mark Laidlaw has agreed to take on the role of Chairman of the Total Tools Board. Mark was until recently the CEO of our Hardware pillar prior to his retirement from this role earlier in the year. Mark's knowledge of the industry and experience working with independents will be of great benefit to Total Tools and the independent retailers," Mr Adams said.

This announcement is authorised by the Board of Directors of Metcash Limited.

Ends

For further information:

Steve Ashe
Head of Corporate Affairs & Investor Relations
Metcash Limited
steve.ashe@metcash.com
Mob: +61 (0) 408 164 011

¹ The acquisition agreement includes a customary adjustment mechanism relating to movements in working capital and cash/debt like items at completion