

# **ATD Successfully Closes Lending and Debt Refinancing, Signaling Strengthened Financial Position and Performance**

Business

HUNTERSVILLE, N.C.

**American Tire Distributors** (ATD), the largest replacement tire distributor in North America, today announced it has successfully closed the refinancing of its debt capital structure, including its existing Asset Based Line of Credit facility, and replacement and issuance of a new Term Loan B.

This transaction reflects ATD's financial momentum and progress over the past several years delivering top line growth, solid cost and capital productivity and velocity, earnings growth, free cash flow generation, and organic de-leveraging. This refinancing is enabled by the Company's ability to capitalize on attractive financial markets as well as the market recognition of the Company's strengthened financial position and performance, as evidenced by the recent ATD rating upgrades by Moody's, Standard & Poor's, and initial coverage by Fitch Ratings.

"This is truly a milestone event for ATD, demonstrating increased confidence and support of our business within the investor community, and positioning ATD with a balance sheet and capital structure that sets the company up for continued success" said Bill Williams, ATD's chief financial officer. "Operating in an industry that continues to rapidly change and undergoing its own transformation, ATD will have a significantly strengthened financial profile that will benefit our entire business, including retail customers and tire manufacturer partners alike. This refinancing reflects our strong performance and positive momentum over the past several

years, puts us on a strong trajectory to being able to strengthen partnerships that benefit the replacement tire industry today and into the future.”

ATD’s debt capital structure changes include amending and extending its asset-based lending facility with an expanded \$1.2 Billion Asset Based Line of Credit maturing in five (5) years as well as a new Term Loan B maturing in seven (7) years. Proceeds from the new issuance will be used to retire the Company’s existing Term and ABL facilities.

The benefits of this transaction include an improved financial position for ATD, including reducing the Company’s capital costs, extending the maturity dates of its debt obligations, and improved liquidity.

“The stability of our balance sheet provides the financial momentum needed to accelerate our strategic agenda,” said Stuart Schuette, ATD’s chief executive officer and president. “This means allocating capital for organic growth opportunities, and value creating strategic opportunities, as well. We will continue to grow our business by making investments in technologies that will enhance our capabilities in logistics and supply chain management.

“As a company, we are making tremendous progress to lead the pace of change in the automotive aftermarket industry. We remain focused on growing our business and rolling out new tools and capabilities to help our customers, and our Associates, be more successful. We have our Associates to thank for helping ATD make significant strides in driving our transformation and strategy forward.”

## **About American Tire Distributors**

**American Tire Distributors** is one of the largest independent suppliers of tires to the replacement tire market. It operates more than 130 distribution centers, including 24 distribution centers in Canada, serving approximately 80,000 customers across the U.S. and Canada. The company offers an unsurpassed breadth and depth of inventory, frequent delivery, and value-added services to tire and automotive service customers. American Tire Distributors employs approximately 5,000 associates across its distribution center network, including approximately 600 associates in Canada. In 2021, the company was recognized as one of Forbes' 2021 America's Best Mid-Sized Employers and received a Gold Stevie® Award in the Transportation Company of the Year category of the American Business Awards®, in addition to a Bronze Stevie® Award for Most Innovative Company of the Year.

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