



# 1H25 Results Presentation

26 February 2025

# Acknowledgement of Country

Bapcor would like to acknowledge the Traditional Custodians of country throughout Australia. We pay our respect to elders past and present.

We recognise the continued connection of all First Nations people with country across Australia, in particular, on all the land where Bapcor operates.

# Agenda

## Content

1. 1H25 Group Highlights
2. Segment Summaries
3. 1H25 Financial Summary
4. 1H25 Summary and Outlook

## Appendices



Asia Pacific's leading provider of vehicle parts, accessories, equipment, service and solutions



**\$988M**

1H25 REVENUE<sup>1</sup>



**Top 3**

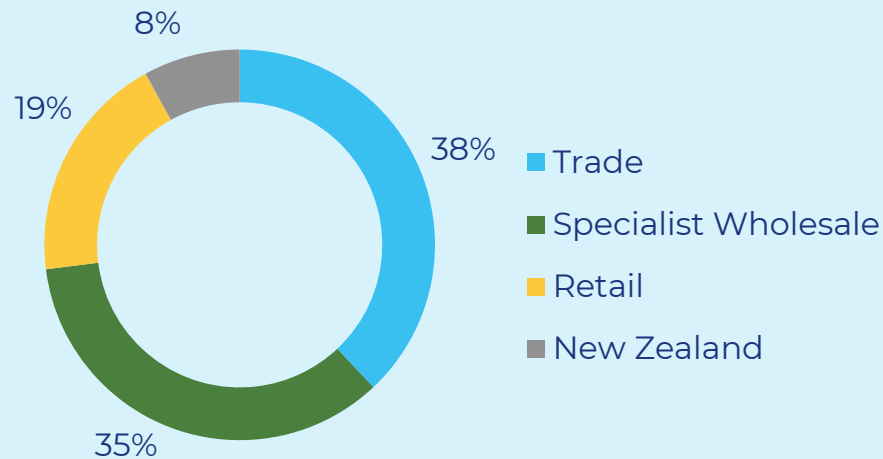
BRAND ACROSS ALL SEGMENTS



**937**

NATIONAL STORE FOOTPRINT

**Revenue by segment**



Australia's leading trade focused automotive parts and equipment distributor



Industry leaders in Electrical and Truck markets and specialist product categories



Premium parts and accessories retailer including automotive service centres



New Zealand's leading integrated trade and wholesale group predominately in automotive parts

Offering world leading brands, best in class fulfilment model and expertise in a resilient industry



**Notes:**

1. Excludes revenue & EBITDA in 1H24 & 1H25 related to businesses sold or held for sale



# TH25 Group Highlights

**Angus McKay**

Executive Chair and CEO



# Executive summary

## Strong execution in Trade and delivery of cost saving initiatives underpins result

- Group revenue was up 0.3% vs PCP
- Pro-forma NPAT of \$45.5M down 15.2% vs PCP
  - Trade revenue up 1.9% & EBITDA up 12.3% vs PCP
  - Specialist Wholesale restructure underway to simplify business and establish platform for growth
  - Retail experiencing continued tough trading conditions
  - New Zealand solid performance in challenging market
- Pro-forma EBITDA of \$132.5M down 7.2% vs PCP however up 6.2% against 2H24
- Statutory NPAT of \$40.8M down 13.0% vs PCP
- On track to reach upper end of \$20M-\$30M cost saving initiatives
- Improvement in cash conversion to 108.5% vs 62.4% in PCP
- Net debt down 9.7% to \$304.5M (vs 30 June 24 of \$337.1M) and strong balance sheet
- Interim fully franked dividend of 8.0cps, payout ratio of 60% of pro-forma NPAT
- Sales from 1 January to 14 February 2025 were up 0.5%<sup>1</sup> with Trade up 3.7%<sup>1</sup> offset by weakness in Retail and Wholesale

**General note: All financial numbers are on a pro-forma basis unless stated otherwise. Pro-forma numbers excluded revenue & EBITDA in 1H24 & 1H25 related to businesses sold or held for sale. Refer to appendices for the reconciliation of statutory to pro-forma numbers**

**Note:**

1. Gross sales, excluding intercompany eliminations and the impact of foreign currency translation and adjusted for the business held for sale and trading days



Revenue –  
Pro-forma

**\$987.8M**

▲ 0.3% vs 1H24

Gross Margin –  
Pro-forma

**46.9%**

▲ 10 bps vs 1H24

NPAT – Pro-forma

**\$45.5M**

▼ 15.2% vs 1H24

NPAT – Statutory

**\$40.8M**

▼ 13.0% vs 1H24

Net Debt

**\$304.5M**

▼ 9.7% vs FY24

Cash  
Conversion

**108.5%**

▲ 62.4% vs 1H24

# 1H25 key management actions

Strong execution against strategic priorities

## STRATEGIC PRIORITY

1 Deliver \$20M-\$30M savings in FY25

2 Specialist Networks simplification and consolidation

3 Focus on core business divisions

4 Operational reviews of Retail and Wholesale businesses

5 IT network upgrades

## PROGRESS TO DATE

✓ Expect to deliver planned savings at **upper end of guidance**

✓ CVG & AEG operations fully integrated, site consolidation **synergies to be realised in 2H25**

✓ Network expansion in Trade and **exit of MTQ diesel fuel injection business**

✓ Retail and Wholesale review ongoing with update to be provided at **strategy update in week commencing 28 April 2025**

✓ Key investments in **fibre to store, Trade pricing engine, ERP consolidation, Autobarn website & Data Lake**

# Initial observations from new CEO

Strong core businesses, growth through operational model simplification and strengthening execution

## KEY OBSERVATIONS

- 1 One of the largest ranges of parts with an **unparalleled distribution network**
- 2 Robust & well positioned company within **resilient auto aftermarket industry**
- 3 Top three-competitor in each market, with **strong and stable market share**
- 4 **Multiple operating companies, complex systems** and a decade of **underinvestment**
- 5 Strong balance sheet and cashflows **enable options for future growth**

## KEY FUTURE FOCUS AREAS

- Simplification of operational model** to drive efficiency and growth
- Strengthening core businesses** to deliver medium/long-term potential
- Strategic inventory ranging & pricing** to improve customer offering and stock turns
- Investment in systems:** HR, payroll, category management and demand planning
- More fulsome strategic update** to be provided in week commencing 28 April 2025



# Segment Summaries

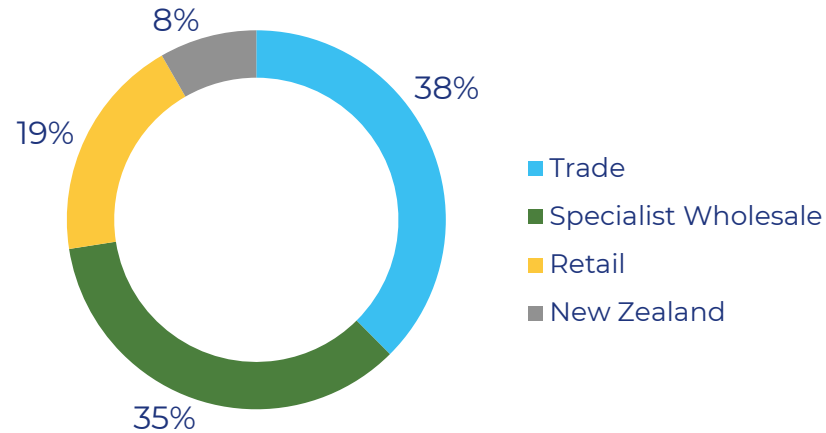
**Angus McKay**

Executive Chair and CEO

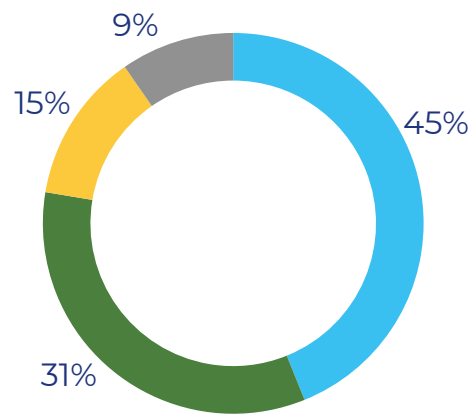


# 1H25 segment overview <sup>1</sup>

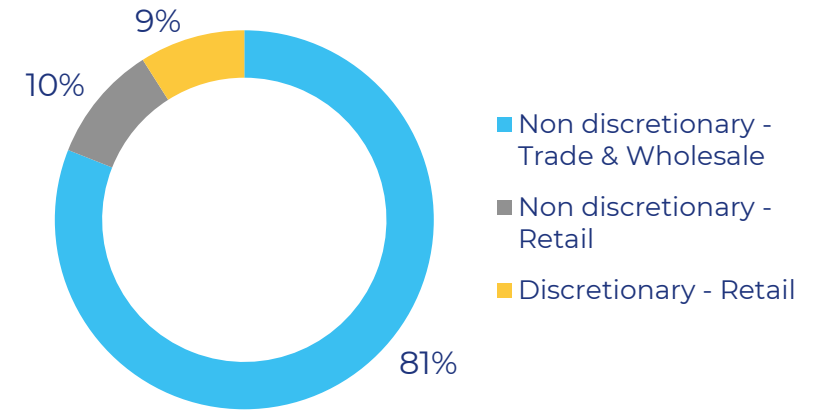
Revenue <sup>2</sup>



EBITDA <sup>2</sup>



Revenue by type



| Segment (\$M)                     | Revenue <sup>2</sup> |              |              | 1H25 V 1H24   |  | EBITDA <sup>2</sup> |              |              | 1H25 V 1H24   |  |
|-----------------------------------|----------------------|--------------|--------------|---------------|--|---------------------|--------------|--------------|---------------|--|
|                                   | 1H25                 | 2H24         | 1H24         | ▲ %           |  | 1H25                | 2H24         | 1H24         | ▲ %           |  |
| Trade <sup>3</sup>                | 393.7                | 388.3        | 386.4        | ▲ 1.9%        |  | 70.2                | 64.4         | 62.5         | ▲ +12.3%      |  |
| Specialist Wholesale <sup>3</sup> | 366.8                | 376.4        | 364.0        | ▲ 0.8%        |  | 48.3                | 37.9         | 51.5         | ▼ 6.2%        |  |
| Retail                            | 201.7                | 197.3        | 204.0        | ▼ 1.1%        |  | 22.7                | 17.8         | 30.7         | ▼ 26.1%       |  |
| New Zealand                       | 87.1                 | 87.4         | 88.7         | ▼ 1.8%        |  | 14.7                | 17.7         | 14.4         | ▲ 2.5%        |  |
| Eliminations & Group              | (61.5)               | (61.4)       | (58.3)       | ▼ 5.6%        |  | (23.5)              | (13.1)       | (16.4)       | ▼ 43.4%       |  |
| <b>Total</b>                      | <b>987.8</b>         | <b>988.1</b> | <b>984.8</b> | <b>▲ 0.3%</b> |  | <b>132.5</b>        | <b>124.8</b> | <b>142.7</b> | <b>▼ 7.2%</b> |  |

**Notes:**

1. Segments include intercompany revenue and EBITDA
2. Excludes revenue & EBITDA in 1H24 & 1H25 related to businesses sold or held for sale
3. The Brookers and Brakeforce business was transferred from Wholesale to Trade effective 1 July 2024. Prior period numbers have been adjusted to be on a consistent basis.

# Trade

## Australia's leading distributor of vehicle parts and equipment solutions for the Trade

| \$M                           | 1H25  | 1H24 <sup>1</sup> | ▲        |
|-------------------------------|-------|-------------------|----------|
| Revenue                       | 393.7 | 386.4             | +1.9%    |
| Parts                         | 344.5 | 339.6             | +1.4%    |
| Tools & Equipment             | 49.2  | 46.8              | +5.1%    |
| EBITDA                        | 70.2  | 62.5              | +12.3%   |
| EBITDA margin                 | 17.8% | 16.2%             | +165 bps |
| Same store sales <sup>2</sup> | 1.8%  | 2.5%              | -0.7%    |
| # of stores <sup>3</sup>      | 237   | 231               | +6       |

### Notes:

1. Prior period numbers have been adjusted to include the Brookers and Brakeforce business which was transferred from Wholesale to Trade effective 1 July 2024, revenue of \$3.7M and EBITDA of \$0.2M in 1H24. The five Brookers and Brakeforce stores were added to 1H24 and 1H25 store numbers.
2. Same store sales includes Brookers and Brakeforce
3. Includes stores for Burson, Precision, Blacktown Auto spares, Brookers and Brakeforce and Thailand. In 2H24 three new stores opened and in 1H25 six stores opened and three stores merged into the existing network, a total increase of six stores since 31 December 2023.



- › Maintained market share in Parts and Tools & Equipment categories, with Trade revenue increased 1.9%:
  - › Parts revenue up 1.4%, driven by growth in sales to national and state service chains
  - › Tools & Equipment revenue up 5.1%, driven by growth in sales to service chains
- › Network expansion with 6 new Burson stores across Victoria, NSW, Queensland and Tasmania and the merger of 3 stores; 6 new store openings planned for 2H25
- › Growth in EBITDA, up 12.3% and EBITDA margin, up 165 bps due to effective cost management through rostering and other cost reduction programs
- › Investment in technology upgrades (Ezyparts, the parts catalogue) is driving efficiencies in Burson, with an increased proportion of orders made on-line
- › Restructure of the sales team to drive revenue growth, operational efficiencies and improved accountability is delivering strong momentum in sales



# Specialist Wholesale

Truck, electrical and specialist wholesale market leader, aggregator and importer for Bapcor

| \$M                  | 1H25  | 1H24 <sup>2</sup> | ▲      |
|----------------------|-------|-------------------|--------|
| Revenue <sup>1</sup> | 366.8 | 364.0             | +0.8%  |
| Specialist Networks  | 247.2 | 242.8             | +1.8%  |
| Wholesale            | 119.6 | 121.2             | -1.3%  |
| EBITDA <sup>1</sup>  | 48.3  | 51.5              | -6.2%  |
| EBITDA margin        | 13.2% | 14.2%             | -98bps |
| # of Locations       | 142   | 163               | -21    |

**Notes:**

1. Excludes MTQ revenue and EBITDA in 1H25 and 1H24 as the business was sold on 28 November 2024
2. Prior period numbers have been adjusted to exclude the Brookers and Brakeforce business which was transferred from Wholesale to Trade effective 1 July 2024, revenue of \$3.7M and EBITDA of \$0.2M. Five Brookers and Brakeforce stores were removed from 1H24 and added to the Trade segment
3. In 2H24 six locations closed resulting in 157 locations at 30 June 2024. A further 15 locations closed in 1H25 with 142 locations at 31 December 2024

- › Revenue increased 0.8%:
  - › Specialist Networks revenue increased by 1.8% with growth in Auto Electrical Group (AEG) and Commercial Vehicle Group (CVG). The focus for CVG has been rationalising the duplicate footprint and integrating operations
  - › Wholesale revenue declined 1.3% due to softer markets and increased competition
- › EBITDA was down 6.2% reflecting continued challenging trading conditions in Wholesale markets
- › Consolidation of AEG ERP systems from 3 into 1 completed
- › The divestment of MTQ Engine Systems business reflects the approach to reduce complexity and grow in core markets
- › Supply chain rationalisation and restructuring of the Wholesale business will significantly reduce costs and focus our team to drive customer value
- › Wholesale operational review ongoing and will be included as part of strategy update in the week commencing 28 April 2025

## WHOLESALE



## SPECIALIST NETWORKS



# Retail

Full-offer retailer and service centre providing quality product ranges and fitment experiences

| \$M                           | 1H25  | 1H24  | ▲       |
|-------------------------------|-------|-------|---------|
| Revenue <sup>1,2</sup>        | 201.7 | 204.0 | -1.1%   |
| EBITDA <sup>2</sup>           | 22.7  | 30.7  | -26.1%  |
| EBITDA margin                 | 11.2% | 15.0% | -380bps |
| Same store sales <sup>3</sup> | -2.0% | -4.2% | +2.2%   |
| # of company owned stores     | 123   | 123   | -       |
| # of franchise stores         | 230   | 234   | -4      |
| Total Stores <sup>4</sup>     | 353   | 357   | -4      |

**Notes:**

1. Revenue includes company store revenue and franchisee fees
2. Excludes revenue and EBITDA in 1H25 & 1H24 for the business held for sale
3. Same store sales relate to company owned stores only
4. In 2H24 franchise stores reduced by 9 and company stores increased by 1, a net reduction of 8 stores to 349 as at 30 June 24. In 1H25, franchise stores increased by 5 and company stores declined by 1, a net increase of 4 stores to a total of 353 stores at 31 December 2024



- > Revenue declined 1.1%:
  - > Impacted by difficult retail environment in the discretionary category with both sales and margins declining
  - > Lower sales in discretionary categories (sound and vision, roof racks and bull bars) partly offset by higher sales in non-discretionary categories (batteries, spare parts and oil)
  - > Continued stock clearance of obsolete items impacting Retail margins
  - > Improved sales momentum in the December quarter versus PCP especially in the Autobarn business
- > EBITDA decline driven by lower average transaction values, decline in gross margin, higher operating costs (labour and occupancy) and the reinstatement of advertising spend
- > Launch of the new Autobarn website on 20 November has resulted in improved customer experience, higher conversion rates and growth in online sales
- > Continued growth in membership of the Accelerate loyalty program, now at 1.4M (v 1.2M at 30 June 2024 and 900k at 31 December 2023)
- > Operational review ongoing and will be included as part of the strategy update in the week commencing 28 April 2025





# New Zealand

Integrated trade and wholesale group providing leading parts and equipment solutions across New Zealand

| \$M                           | 1H25  | 1H24  | ▲      |
|-------------------------------|-------|-------|--------|
| Revenue                       | 87.1  | 88.7  | -1.8%  |
| EBITDA                        | 14.7  | 14.4  | +2.5%  |
| EBITDA margin                 | 16.9% | 16.2% | +71bps |
| Same store sales <sup>1</sup> | -1.6% | 1.3%  | -2.9%  |
| # of company stores           | 90    | 90    | -      |
| # of Licensee stores          | 115   | 126   | -11    |
| Total Stores                  | 205   | 216   | -11    |

**Notes:**

1. Company-owned stores only and in local currency



- › Revenue was flat in NZD and declined 1.8% in AUD
  - › Recessionary environment impacting consumer spending and business confidence
- › Gross margin growth through price and cost management
- › EBITDA growth (up 4.8% in NZD and 2.5% in AUD) driven by procurement benefits and operational efficiencies
- › Two new BNT locations opened in November in South Waikato and Central Auckland and two closed (one in 2H24 and one in 1H25)



# Supply chain update

- › On track to reduce ~20% of smaller warehouses
- › Established DCW (15,000m<sup>2</sup> site in Perth), DCN (8,000m<sup>2</sup> site in Sydney) and DCS (5,000m<sup>2</sup> in Adelaide) to service our customers quicker, eliminate duplicate inventory and minimise inventory movements
- › Establishment of the first Micro Fulfilment Centre (MFC) in Dandenong, Victoria. This smaller facility will supplement our distribution centres by holding fast-moving items and is located closer to customers
- › Higher inventory levels reflect establishment of the DCs, now holding complete core ranges and higher safety stock levels to ensure ongoing supply. Partially offset by lower inventory levels from exited warehouses
- › Granting of Trusted Trader accreditation by Australian Border Force allows for accelerated processing of imported products
- › Further consolidation of operating footprint planned in FY26 to optimise cost and inventory levels including stock location through creation of MFCs



## Progress on Distribution Centre consolidations

|   | Number of sites <sup>1</sup> |                 |
|---|------------------------------|-----------------|
|   | 31 December 2024             | 31 January 2025 |
| Completed <sup>2</sup>                    | 5                            | 8               |
| Operationally exited – pending completion | 10                           | 7               |
| To be completed – by 30 June 25           | 7                            | 7               |
| <b>Total</b>                              | <b>22</b>                    | <b>22</b>       |

### Notes:

1. A further 4 sites consolidations planned in FY26
2. As 31 December 2024 completed sites – four in Specialist Networks sites and one in Wholesale. As at 31 January 2025 an additional three sites – one in Specialist Networks and two in Wholesale

### Definitions:

Completed = Bapcor has vacated the site and handed the property back to the landlord  
Operationally exited – pending completion = Site is no longer active as a Bapcor warehouse. Site is either in make good, in transition or pending discussions with landlord

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# 1H25 Financial Summary

**George Saoud**

Chief Financial Officer



# Income Statement

| \$M <sup>1</sup>                  | 1H25         | 1H24 <sup>2</sup> | % change      |
|-----------------------------------|--------------|-------------------|---------------|
| <b>Revenue</b>                    | <b>987.8</b> | <b>984.8</b>      | <b>0.3%</b>   |
| Cost of Goods Sold (COGS)         | (524.6)      | (523.9)           | 0.1%          |
| <b>Gross Margin</b>               | <b>463.2</b> | <b>460.8</b>      | <b>0.5%</b>   |
| Cost of Doing Business (CODB)     | (330.8)      | (318.2)           | 4.0%          |
| <b>EBITDA</b>                     | <b>132.5</b> | <b>142.7</b>      | <b>-7.2%</b>  |
| Depreciation and amortisation     | (49.2)       | (48.3)            | 1.8%          |
| <b>EBIT</b>                       | <b>83.3</b>  | <b>94.4</b>       | <b>-11.8%</b> |
| Finance costs                     | (18.7)       | (19.3)            | -3.0%         |
| <b>Profit before tax</b>          | <b>64.6</b>  | <b>75.1</b>       | <b>-14.0%</b> |
| Income tax expense                | (19.1)       | (21.3)            | -10.4%        |
| Non-controlling interest          | 0.1          | 0                 |               |
| <b>NPAT – pro forma</b>           | <b>45.5</b>  | <b>53.7</b>       | <b>-15.2%</b> |
| <b>Significant items</b>          | <b>(4.7)</b> | <b>(6.8)</b>      | <b>-30.9%</b> |
| Significant items                 | (6.7)        | (9.7)             |               |
| Tax adjustment                    | 2.0          | 2.9               |               |
| <b>NPAT - statutory</b>           | <b>40.8</b>  | <b>46.9</b>       | <b>-13.0%</b> |
| <b>Key performance indicators</b> |              |                   |               |
| Gross Margin %                    | 46.9%        | 46.8%             | +10bps        |
| CODB %                            | 33.5%        | 32.3%             | -118bps       |
| EBITDA margin %                   | 13.4%        | 14.5%             | -108bps       |

## Key points

- › Pro-forma NPAT of \$45.5M lower than PCP of \$53.7M due to the combination of relatively flat revenue and increases in CODB
- › Revenue growth of 0.3%, with growth in Trade & Specialist Wholesale offset by declines in Retail & New Zealand (flat in New Zealand dollars)
- › Gross Margin increase due to strong performance in Trade partially offset by declines in Retail and Specialist Wholesale
- › CODB increased \$12.6M largely due to strategic investments in IT, transitional supply chain costs and higher advertising costs in Retail and Specialist Networks
- › The lower finance costs are due to a reduction in interest on lease liabilities associated with the reduction in warehouses within the Group Network and a reassessment of lease option periods
- › 1H25 significant items of \$4.7M post-tax (\$6.7M pre-tax) predominantly relate to MTQ business (trading loss and loss on sale) and trading loss of the other business held for sale

# Cash Flow

| \$M <sup>1</sup>   | 1H25           | 1H24           |
|--|----------------|----------------|
| <b>EBITDA – Pro Forma</b>  | <b>132.5</b>   | <b>142.7</b>   |
| <b>Operating Cash Flow</b>                                       | <b>143.7</b>   | <b>89.0</b>    |
| <b>Cash conversion %</b>   | <b>108.5%</b>  | <b>62.4%</b>   |
| Interest   | (11.0)         | (9.3)          |
| Finance lease costs <sup>2</sup>                                 | (40.6)         | (41.9)         |
| Transformation/ restructuring                                    | (6.1)          | (8.5)          |
| Tax  | (20.1)         | (28.2)         |
| <b>Operating Cash Flow after Interest, Transaction &amp; Tax</b> | <b>66.0</b>    | <b>1.0</b>     |
| New distribution centres and stores                              | (12.3)         | (10.7)         |
| Other capital expenditure  | (15.8)         | (28.2)         |
| <b>Capital Expenditure</b>                                       | <b>(28.1)</b>  | <b>(38.9)</b>  |
| Proceeds from sale of assets                                     | 8.9            | 1.7            |
| <b>Free Cash Flow</b>  | <b>46.7</b>    | <b>(36.1)</b>  |
| Treasury shares purchased  | (0.4)          | (0.5)          |
| Dividends paid   | (18.7)         | (39.0)         |
| <b>Net Cash Movement</b>   | <b>27.7</b>    | <b>(75.6)</b>  |
| Opening net debt   | (337.1)        | (251.7)        |
| Net cash movement  | 27.7           | (75.6)         |
| FX / Derivatives   | 4.9            | (5.3)          |
| <b>Closing net debt</b>  | <b>(304.5)</b> | <b>(332.7)</b> |

## Key points

- > Improvement in operating cash flow from \$89.0M in 1H24 to \$143.7M largely relates to focus on receivables collection and optimising international supplier payment terms
- > Improvement in operating cash flow through tight management of working capital led to the significant improvement in cash conversion of 108.5% (62.4% in 1H24). Positive free cash flow achieved in 1H25, the first time in 1H in the past 4 years
- > Investment in state-based DCs to build a more efficient national supply chain and network expansion in Trade and Specialist Networks
- > Other capital expenditure relates to PPE in the existing stores and distribution centres and IT software. Expenditure reduced due to tighter controls especially on motor vehicles
- > Proceeds from the sale of assets is predominately from the MTQ divestment
- > Dividends paid reflects the lower FY24 final dividend of 5.5 cps compared to the FY23 final dividend of 11.5 cps



# Balance Sheet

| \$M                                  | 31 Dec 24      | 30 Jun 24      | 31 Dec 23      |
|--------------------------------------|----------------|----------------|----------------|
| Cash                                 | 89.5           | 71.6           | 88.0           |
| Trade and other receivables          | 190.8          | 198.6          | 223.4          |
| Inventories                          | 578.3          | 541.2          | 563.6          |
| Income tax receivable & Other        | 19.3           | 10.9           | 19.8           |
| Assets held for sale                 | 7.0            | 28.3           | -              |
| <b>Total current assets</b>          | <b>884.9</b>   | <b>850.6</b>   | <b>894.8</b>   |
| PP&E                                 | 123.3          | 115.4          | 128.2          |
| Right-of-use assets                  | 196.3          | 249.9          | 281.2          |
| Intangible assets                    | 619.0          | 618.6          | 807.8          |
| Other assets                         | 67.9           | 70.4           | 43.5           |
| <b>Total non-current assets</b>      | <b>1,006.4</b> | <b>1,054.2</b> | <b>1,260.7</b> |
| <b>Total assets</b>                  | <b>1,891.3</b> | <b>1,904.8</b> | <b>2,155.5</b> |
| Trade and other payables             | 260.5          | 214.7          | 234.1          |
| Provisions and other                 | 61.5           | 68.8           | 53.1           |
| Lease liabilities                    | 56.1           | 65.8           | 70.4           |
| Liabilities held for sale            | 4.4            | 15.0           | -              |
| <b>Total current liabilities</b>     | <b>382.5</b>   | <b>364.3</b>   | <b>357.6</b>   |
| Lease liabilities                    | 177.1          | 222.8          | 236.2          |
| Borrowings                           | 395.7          | 405.6          | 416.5          |
| Provisions                           | 16.3           | 17.8           | 15.7           |
| <b>Total non-current liabilities</b> | <b>589.1</b>   | <b>646.2</b>   | <b>668.4</b>   |
| <b>Total liabilities</b>             | <b>971.6</b>   | <b>1,010.5</b> | <b>1,026.0</b> |
| <b>Net assets</b>                    | <b>919.7</b>   | <b>894.3</b>   | <b>1,129.5</b> |

## Key performance indicators<sup>1</sup>

|                                       |       |       |       |
|---------------------------------------|-------|-------|-------|
| Average net working capital / revenue | 22.9% | 22.2% | 25.9% |
| Average inventory / revenue           | 28.3% | 26.4% | 26.6% |

### Notes:

1. All P&L KPIs on pro-forma basis unless indicated otherwise
2. NWC/ sales % = (Average of current year and prior year NWC)/ preceding 12 months revenue
3. Inventory/ Sales % = (Average of current year and prior year net closing inventory)/ preceding 12 months revenue

## Key points

- > Working Capital improvement due to continued focus on receivables collections, improvement in trade and other payables (largely due to better trading terms with suppliers and better management and governance of overseas suppliers) partially offset by higher inventory levels
- > Inventory build driven by the stock in the new state-based distribution centres (DCN and DCW), the new Victorian Micro Fulfilment Centre, new Trade and Specialist Networks stores and range expansions
- > PP&E increased due to investment in IT infrastructure and new Trade and Specialist Networks stores
- > Right-of-use assets reduced in-line with the reduction in lease liabilities from exiting smaller warehouses and the review of option periods
- > Intangible asset reduction from Dec 23 due to the write-off of goodwill and other intangibles in the Retail segment at 30 June 24
- > Assets and Liabilities held for sale reduced with the completion of the MTQ business sale on 28 November 2024

# Net Debt - including debt facilities and maturity profile

**\$304.5M**

NET BANK DEBT

**>\$290M**

UNDRAWN COMMITTED FACILITIES

**~3.2 years**

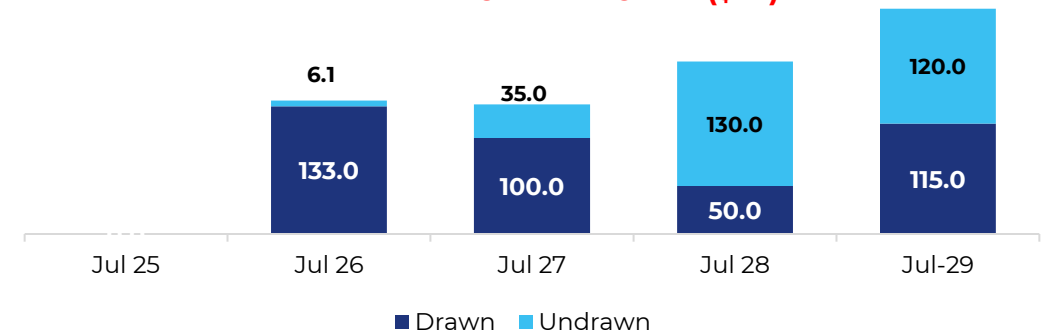
AVERAGE REMAINING TENOR

**1.65x**

NET LEVERAGE RATIO

- > Net debt decreased \$32.6m (9.7%) from June 2024 driven by improvement in working capital and strong cash conversion
- > Tenor decreased from ~3.7 years to ~3.2 years. Refinancing is underway for facilities expiring July 2026
- > Significant headroom with >\$290m undrawn committed facilities and covenants
  - > Interest cover 7.69x
  - > FCCR 2.66

**DEBT MATURITY PROFILE (\$'M)**



**As at 31 December 2024**

| Maturity | Facility amount | Drawn        | Undrawn      |
|----------|-----------------|--------------|--------------|
| Jul-2026 | 39.1            | 33.0         | 6.1          |
| Jul-2026 | 100.0           | 100.0        | -            |
| Jul-2027 | 135.0           | 100.0        | 35.0         |
| Jul-2028 | 65.0            | 50.0         | 15.0         |
| Jul-2028 | 115.0           | -            | 115.0        |
| Jul-2029 | 235.0           | 115.0        | 120.0        |
|          | <b>689.1</b>    | <b>398.0</b> | <b>291.1</b> |

**Notes:**

1. Total facilities available at 31 December 2024 was \$720M, whereas the amount presented as available above excludes parts of the facility which relate to bank overdraft, credit cards and bank guarantees
2. Net leverage ratio = pre-AASB 16 net debt / pre-AASB 16 Pro-forma EBITDA (see reconciliation in appendix)
3. FCCR (fixed cover charge ratio) = pre-AASB 16 EBITDA plus rent / interest plus rent
4. Interest cover = pre-AASB 16 EBITDA / Interest

# 1H25 Summary and Outlook

**Angus McKay**

Executive Chair and CEO





# Summary & outlook

## Strong earnings growth in Trade with cost out program delivering results

### Summary

- › Trade had a strong 1H25 performance with Revenue and EBITDA growth of 1.9% and 12.3% respectively
- › Continued focus on simplifying the business is key to improving long-term margins
- › Disciplined capital management has delivered strong cash conversion and lower net debt
- › Strategic update to be provided in week commencing 28 April 2025

### Outlook

- › Sales from 1 January to 14 February 2025 were up 0.5% <sup>1</sup> with Trade up 3.7% <sup>1</sup> offset by weakness in Retail and Wholesale
- › Group tracking to be at the top end of \$20m-\$30m range in targeted savings with 2H25 weighting, from the continuation of the warehouse consolidation project



#### Note

1. Gross sales, excluding intercompany eliminations and the impact of foreign currency translation and adjusted for the business held for sale and trading days





# Appendices





# Statutory to pro-forma reconciliation

## 1H 25 Consolidated

| \$M                      | Statutory | Significant Items <sup>1</sup> | Pro-Forma |
|--------------------------|-----------|--------------------------------|-----------|
| Revenue                  | 1,012.4   | (24.6)                         | 987.8     |
| EBITDA                   | 127.0     | 5.5                            | 132.5     |
| D&A                      | (50.5)    | 1.3                            | (49.2)    |
| EBIT                     | 76.5      | 6.7                            | 83.3      |
| Finance Cost             | (18.7)    | -                              | (18.7)    |
| Profit before tax        | 57.8      | 6.7                            | 64.6      |
| Income tax expense       | (17.1)    | (2.0)                          | (19.1)    |
| Non-controlling interest | 0.1       | -                              | 0.1       |
| NPAT                     | 40.8      | 4.7                            | 45.5      |

## 1H 24 Consolidated

| \$M                      | Statutory | Significant Items <sup>2</sup> | Pro-Forma |
|--------------------------|-----------|--------------------------------|-----------|
| Revenue                  | 1,017.5   | (32.7)                         | 984.8     |
| EBITDA                   | 133.5     | 9.2                            | 142.7     |
| D&A                      | (48.9)    | 0.6                            | (48.3)    |
| EBIT                     | 84.7      | 9.7                            | 94.4      |
| Finance Cost             | (19.3)    | -                              | (19.3)    |
| Profit before tax        | 65.4      | 9.7                            | 75.1      |
| Income tax expense       | (18.5)    | (2.8)                          | (21.3)    |
| Non-controlling interest | 0.0       | -                              | 0.0       |
| NPAT                     | 46.9      | 6.8                            | 53.7      |

### Notes:

1. H1 25 significant items predominately relate to MTQ business sold in November 2024 and the other business held for sale
2. H1 24 significant items predominately relate to DC consolidations, BTB one off opex, restructuring costs and businesses sold or held for sale in 1H25

# Leverage calculation reconciliation

- › The following tables reconcile statutory to pro forma net debt, statutory EBITDA to pre-AASB16 EBITDA and the Net Leverage calculation

|  | Consolidated   |                |
|--|----------------|----------------|
| \$M  | 31 Dec 24      | 30 Jun 24      |
| Cash and cash equivalents                                  | 89.5           | 71.6           |
| Lease liabilities  | (233.2)        | (288.6)        |
| Borrowings excl. unamortised transaction costs capitalised | (398.0)        | (408.3)        |
| <b>Statutory net debt</b>                                  | <b>(541.7)</b> | <b>(625.3)</b> |
| Lease liabilities  | 233.2          | 288.6          |
| Net derivative financial instruments                       | 4.0            | (0.4)          |
| <b>Proforma net debt</b>                                   | <b>(304.5)</b> | <b>(337.1)</b> |

|  | Consolidated |              |
|--|--------------|--------------|
| \$M (last 12 months)                   | 1H 25        | 1H 24        |
| <b>Statutory EBITDA</b>                | <b>203.1</b> | <b>269.8</b> |
| Proforma EBITDA adjustments            | 53.9         | 26.4         |
| <b>Proforma EBITDA</b>                 | <b>257.0</b> | <b>296.2</b> |
| AASB-16 adjustment                     | (73.5)       | (74.9)       |
| Share-based payment expense adjustment | 1.6          | (0.4)        |
| <b>Proforma EBITDA pre-AASB 16</b>     | <b>185.1</b> | <b>220.8</b> |

|                                 | Consolidated |              |
|---------------------------------|--------------|--------------|
| \$M                             | 1H 25        | 1H 24        |
| Pro-forma Net Debt (A)          | 304.5        | 332.7        |
| Proforma EBITDA pre-AASB 16 (B) | 185.1        | 220.8        |
| <b>Net Leverage (A) / (B)</b>   | <b>1.65x</b> | <b>1.51x</b> |

## Notes

1. Pro-forma net debt is calculated as statutory net debt excluding the impact of lease liabilities and adjusting for the net derivative financial instruments position. This approach is consistent with banking covenant requirements.
2. Leverage ratio is calculated by dividing pro-forma net debt by the last twelve months' pro-forma EBITDA.

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