Bapcor Limited

ABN 80 153 199 912

Appendix 4E and Financial Report – 30 June 2024

Lodged with the ASX under Listing Rule 4.2A

Bapcor Limited
Appendix 4E
Preliminary final report

1. Company details

Name of entity:	Bapcor Limited
ABN:	80 153 199 912
Reporting period:	For the year ended 30 June 2024 ('FY24')
Previous period:	For the year ended 30 June 2023 ('FY23')

2. Results for announcement to the market

			$'000s	%		$'000s
IFRS financial measures						
Revenue	Statutory	Up	15,803	0.8	to	2,036,938
Net profit after tax[1]	Statutory	Down	-264,757	-248.7	to	(158,309)
Earnings per share - basic (cents per share)	Statutory	Down	-78.00 cps	-248.7	to	(46.64) cps
Non-IFRS financial measures[2]						
Earnings before interest, taxes, depreciation and amortisation	Statutory	Down	-64,369	-23.5	to	209,627
	Pro-forma[3]	Down	-30,240	-10.1	to	268,387
Net profit after tax[1]	Pro-forma[3]	Down	-30,470	-24.3	to	94,839
Earnings per share - basic (cents per share)	Pro-forma[3]	Down	-8.98 cps	-24.3	to	27.94 cps

(1) Net profit after tax attributable to the members of Bapcor Limited.
(2) The directors believe the presentation of non-IFRS financial measures are useful for the users of the financial report as they provide additional and relevant information that reflect the underlying financial performance of the business. Non-IFRS financial measures contained within this report are not subject to audit or review. Refer to the directors' report for further details.
(3) Pro-forma results include adjustments from statutory results for transition costs associated with the Distribution Centre consolidation projects, Business restructuring costs and Impairment of assets.

Revenue in FY24 increased by 0.8% compared to FY23. Pro-forma earnings before interest, taxes, depreciation and amortisation ('EBITDA') in FY24 decreased by 10.1% and pro-forma net profit after tax ('NPAT') in FY24 decreased by 24.3% compared to FY23.

Pro-forma earnings per share for FY24 was 27.94 cents per share, down 24.3% compared to FY23.

During the year, Bapcor successfully refinanced $200.0M of debt facilities due to mature in July 2024, with new tranches totalling $300.0M split into tenors maturing in July 2028 and July 2029. Bapcor has access to a total debt facility of $720.0M. Pro-forma net debt at 30 June 2024 was $337.1M representing a leverage ratio of 1.70X (pro-forma net debt / last twelve months pro-forma EBITDA[1]). The level of debt represents an increase of $85.4M compared to 30 June 2023.

For a further explanation of the results above, refer to the Company's ASX/Media Announcement for the year ended 30 June 2024 and the accompanying Directors' Report.

(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. Pro-forma EBITDA excludes any impact of AASB16. This approach is consistent with banking covenant requirements. Refer to note 16 of the financial report for a reconciliation between statutory and pro-forma net debt.

3. Dividends

Record date for determining entitlements to the dividend: 30 August 2024
Date dividend payable: 19 September 2024

	Amount per security Cents	Franked amount per security Cents
2023 Interim dividend	10.5	10.5
2023 Final dividend	11.5	11.5
2024 Interim dividend	9.5	9.5
2024 Final dividend (declared after balance date but not yet paid)	5.5	5.5

4. Dividend reinvestment plan

Bapcor operates a Dividend Reinvestment Plan ('DRP'), which provides shareholders with the opportunity to utilise all or part of their dividends to purchase shares in the Company. Given the financial position of Bapcor, the Board decided to, in accordance with the DRP rules, continue to suspend the DRP for the 2024 final dividend.

5. Net tangible assets

A large proportion of the consolidated entity's assets are intangible in nature, consisting of goodwill, customer contracts and trademarks acquired on business combination as well as software. These assets as well as any deferred taxes, right-of-use assets and lease liabilities are excluded from the calculation of net tangible assets per share.

	2024 Cents	2023 Cents
Net tangible assets per ordinary security	74.1	96.8

6. Status of audit

The financial statements have been audited and an unmodified opinion has been issued.

7. Attachments

The Financial Report of Bapcor Limited for the year ended 30 June 2024 is attached.

The Directors present their report, together with the financial statements, on the consolidated entity ('consolidated entity') consisting of Bapcor Limited ('company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2024 ('FY24').

Directors

The following persons were directors of Bapcor Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Margaret Haseltine	Independent, Non-Executive Chair
Mark Bernhard	Interim Chief Executive Officer and Managing Director ('Interim CEO & MD') effective 5 February 2024. Prior to his appointment as Interim CEO & MD, Mark was an Independent, Non-Executive Director
Mark Powell	Independent, Non-Executive Director
Brad Soller	Independent, Non-Executive Director
Kathryn Spargo	Independent, Non-Executive Director
James Todd	Independent, Non-Executive Director
Noel Meehan	Chief Executive Officer and Managing Director (retired 5 February 2024)
Rebecca Dee-Bradbury	Independent, Non-Executive Director (appointed 1 September 2023 and resigned 31 December 2023)

Principal activities

The principal activities of Bapcor were the sale and distribution of vehicle parts, accessories, automotive equipment, service and solutions.

Bapcor is one of the largest suppliers of vehicle parts, accessories, equipment, service and solutions in Asia Pacific with an operational network covering c. 950 locations and employing approximately 5,500 team members across Australia and New Zealand.

Significant changes in the state of affairs

<u>Management and Board Changes</u>
On 1 February 2024, Bapcor announced that the Chief Executive Officer ('CEO') and Managing Director, Noel Meehan, would step down from his role with effect from 5 February 2024 and Non-Executive Director Mark Bernhard was appointed as Interim CEO & MD. Further, Bapcor announced that the current Chair Margaret Haseltine had indicated to the Board that she would not seek re-election to the Board at the 2024 AGM.

Chief Financial Officer Stefan Camphausen resigned and George Saoud was appointed Interim Chief Financial Officer effective 14 March 2024. Mr Saoud was appointed as Bapcor's Chief Financial Officer on a permanent basis on 1 July 2024.

<u>Better than Before (BTB) Update</u>
BTB was designed to extract value by improving the key areas of procurement, pricing, supply chain and property.

However, the potential benefits of the program have not met expectations. Our ability to achieve the benefits was impacted by the complexity of our business – which has resulted from a lack of integration of the many acquisitions made over multiple years. The decision was made to scale back the program and focus on simplifying the business and setting the appropriate cost structures.

Key initiatives which add value are being delivered through business-as-usual improvements but in a more targeted manner. BTB program benefits will no longer be reported separately.

Key management actions in Q4

Bapcor is undertaking key action to reduce complexity, simplify the business and improve its earnings by:

- Rationalising the supply chain network with a planned closure of approximately 20% of smaller warehouses to reduce costs, optimise its inventory and sell a wider range of products across its customer base
- Reduced its head office headcount by more than 100 people from non-customer facing roles
- Rationalising its Specialist Networks business including consolidating trucking brands into one business and auto electrical businesses into a single operation to optimise our go-to-market strategy, delivering better value for customers and improved efficiencies
- Focusing on core businesses by exiting non-core businesses and emphasising automotive parts

Other
During FY24 the new state-of-the-art distribution centre in Redbank, Queensland commenced operation with three warehouses consolidated into the new site.

There were no other significant changes in the state of affairs of the consolidated entity during the financial year.

Dividends

Fully franked dividends paid during the financial year were as follows:

$M	$M	Cents per Share
Final dividend FY23 on 19 September 2023	39.0	11.5
Interim dividend FY24 on 28 March 2024	32.2	9.5

The Board has declared a final dividend in respect of FY24 of 5.5 cents per share, fully franked. The final dividend will be paid on 19 September 2024 to shareholders registered on 30 August 2024.

The final dividend takes the total dividends declared in relation to FY24 to 15.0 cents per share, fully franked, representing a decrease of 7cps compared to the prior financial year. Dividends paid and declared in relation to FY24 represent 54% of pro-forma net profit after tax.

Review of operations

In FY24, Bapcor has delivered record revenue of $2.0BN, up 0.8% on FY23, with growth across Trade and Specialist Wholesale segments partly offset by declines in the Retail segment. Total gross margin dollars were down 0.2% with growth in Trade and New Zealand offset by declines in the Retail and the Wholesale business within the Specialist Wholesale segment. Cost of doing business increased by 4.4% to $673.6M due to higher employee costs, increases in information technology and occupancy costs. In addition, higher finance costs due to higher interest rates and a higher average debt balance resulted in a 24.3% decline in Pro-forma NPAT to $94.8M.

The statutory loss of $158.3M recorded in FY24 was a decline of 248.7% on FY23. In FY24, significant items of $253.1M (post tax) were booked mainly due to the impairment and write downs intangible and tangible assets in the Retail segment. Further details of the significant items are contained on the following page.

Statutory (versus FY23):

- Revenue increased by 0.8% from $2,021.1M to $2,036.9M
- Statutory earnings before interest, taxes, depreciation and amortisation ('EBITDA') decreased by 23.5% to $209.6M
- Statutory NPAT decreased by 248.7% to ($158.3M) and statutory earnings per share ('EPS') decreased by 248.7% to (46.64) cents per share ('cps')

Pro-forma (versus FY23):

- Revenue increased by 0.8% from $2,021.1M to $2,036.9M
- Pro-forma EBITDA decreased by 10.1% to $268.4M
- Pro-forma NPAT decreased by 24.3% to $94.8M and pro-forma EPS decreased by 24.3% to 27.94 cps

Net debt:

- Net bank debt at 30 June 2024 was $337.1M representing a leverage ratio of 1.70X (Net bank debt: last twelve months pro-forma EBITDA[1]), which is an increase compared to net bank debt of $251.7M and a leverage ratio of 1.12X at 30 June 2023.

The tables below, which are subject to rounding, reconcile the FY24 and FY23 pro-forma results to the statutory results.

		Consolidated	
$M	**Note**	**FY24**	**FY23**
Statutory NPAT	**1**	**(158.3)**	**106.4**
DC rationalisation	2	46.1	7.0
Impairment of assets	3	216.9	-
Restructuring costs	4	15.6	
Net assets available for sale	5	10.3	
Other	6	7.9	19.9
Tax adjustment	7	(43.7)	(8.0)
Pro-forma NPAT		**94.8**	**125.3**

Note 1: NPAT attributable to members of Bapcor Limited.
Note 2: DC consolidations relate to the transition costs incurred in relation to DCV and DCQ and the network rationalisation related to the closure of ~ 20% of smaller warehouses.
Note 3: Impairment of assets largely related to the write-off of goodwill, trademarks and other tangible and intangibles assets in the Retail segment. The remainder is the write-off of decommissioned IT projects and an impairment of our Tye Soon investment.
Note 4: Restructuring costs relate to the cost reduction and efficiency programs and planned closure of 13 stores
Note 5: Net assets available for sale represents an impairment against non-core businesses which will be exited.
Note 6: Other mainly represents BTB one-off costs.
Note 7: Tax adjustment reflects the tax effect of the above adjustments based on local effective tax rates.

		Consolidated	
$M	**Note**	**FY24**	**FY23**
Statutory NPBT		**(162.0)**	**148.4**
Add depreciation and amortisation		93.5	96.7
Add finance costs		40.1	28.9
Statutory EBITDA		**(28.4)**	**274.0**
Significant items	1	296.8	24.6
Pro-forma EBITDA		**268.4**	**298.6**

Note 1: Refer table above for breakdown

[1] Net bank debt is calculated as statutory net debt excluding the impact of lease liabilities and adjusting for the net derivative financial instruments position. Pro-forma EBITDA excludes any impact of AASB16. This approach is consistent with banking covenant requirements. Refer to note 18 of the financial report for a reconciliation between statutory and net bank debt.

The table below, which is subject to rounding, sets out the statutory and pro-forma earnings per share.

		Consolidated			
		FY24		FY23	
$M	Note	Statutory	Pro-forma	Statutory	Pro-forma
NPAT	**1**	**(158.3)**	**94.8**	**106.4**	**125.3**
Weighted average number of ordinary shares		339.4	339.4	339.4	339.4
Earnings per share (cps)		**(46.64)**	**27.94**	**31.36**	**36.92**

The directors' report includes references to pro-forma results to exclude the impact of the adjustments detailed above. The directors believe the presentation of non-IFRS financial measures are useful for the users of this financial report as they provide additional and relevant information that reflect the underlying financial performance of the business. Non-IFRS financial measures contained within this report are not subject to audit or review.

Segment Overview

The table below, with amounts subject to rounding and change percentages based on non-rounded values, presents revenue and pro-forma EBITDA by segment.

		Revenue			Pro-forma EBITDA		
$M	Note	FY24	FY23	Change	FY24	FY23	Change
Trade		767.3	763.2	0.5 %	126.5	124.2	1.8%
Specialist Wholesale		792.2	766.0	3.4%	90.1	102.9	(12.5%)
Retail		420.9	426.2	(1.2%)	49.1	67.6	(27.4%)
New Zealand		176.1	176.1	-	32.1	29.9	7.5 %
Unallocated / Head Office Costs	1	(119.7)	(110.4)		(29.4)	(26.0)	-
Total		**2,036.9**	**2,021.1**	**0.8 %**	**268.4**	**298.6**	**(10.1 %)**

- Note 1: Revenue relates to intersegment sales eliminations. EBITDA relates to Bapcor head office costs, intersegment EBITDA elimination and profit from associates.

Trade

Bapcor's Trade segment is Australia's leading distributor of vehicle parts and equipment solutions for the Trade market. It consists of the Burson Auto Parts, Precision Automotive Equipment and Blacktown Auto Spares in Australia as well as the Thailand operations. This segment is a distributor of:

- Automotive aftermarket parts and consumables to trade workshops for the service and repair of passenger vehicles
- Automotive workshop equipment such as vehicle hoists and scanning equipment, including servicing of the equipment
- Automotive accessories and maintenance products to do-it-yourself vehicle owners

The Trade segment achieved continued revenue growth of 0.5% compared to FY23, largely driven by growth in the resilient general parts category which was up 2.1% year on year. This was partially offset by the decline in equipment sales of 9.2% due to cost-of-living pressures and expiry of prior year tax write off for equipment. Bapcor Trade's EBITDA grew 1.8% year on year, with EBITDA margins improving through strategic pricing initiatives and operational efficiencies implemented across the store network.

Trade continued to expand its store network in FY24 with the number of stores increasing from 226 at 30 June 2023 to 229 at 30 June 2024. Three greenfield stores were opened during FY24 strengthening Bapcor Trade's customer offerings in Portland, Victoria and Cardiff and Silverwater, New South Wales.

Specialist Wholesale

Bapcor's Specialist Wholesale segment is a leader in both the Australian truck and specialist wholesale markets; and acts as aggregator and importer for One Bapcor. It consists of the Specialist Networks business including the Truckline Commercial Vehicle Group, as well as the auto electrical businesses of JAS Oceania and Baxters; and the Wholesale business that is a specialised leader in automotive aftermarket wholesale operations through brands such as AAD, Bearing Wholesalers, Roadsafe, Premier Auto Trade, Federal Batteries, Diesel Distributors, and AADi.

The Specialist Wholesale segment achieved revenue growth of 3.4%, comprising growth in Specialist Networks of 4.5% and growth in Wholesale of 1.2%. EBITDA declined 12.5% compared to FY23 reflecting the challenging trading conditions in the Wholesale business which was impacted by intense competition.

Locations in the Specialist Wholesale network reduced by six to 162 sites at year end, with seven sites consolidations and two closures. Two acquisitions were made during the year in the truck and commercial vehicle business: ATI Parts in Karratha, Western Australia and Brisbane North Truck Spares.

Retail

Bapcor's Retail segment is one of Australia's leading full-offer retailer and service centre. It consists of business units that are retail customer focused, and include the Autobarn, Autopro and Opposite Lock brands as well as the Midas and ABS workshop service brands. This segment is comprised of mostly company-owned flagship stores in the Autobarn channel, with a mix of company-owned and franchised stores and workshops across Retail's other brands.

Revenue in the Retail segment declined 1.2% year on year impacted by challenging economic conditions with lower sales in discretionary categories partly offset by higher sales in non-discretionary categories. Revenue in 2H24 grew by 0.4% following declines of 2.7% in 1H24. EBITDA declined 27.4% compared to FY23, impacted by reduction in sales of higher margin discretionary categories, stock clearance and higher operating costs.

Bapcor Retail has continued to grow the number of company owned stores via both greenfield stores as well as conversion of some franchise stores to company owned stores. The total number of company-owned stores at 30 June 2024 was 124 stores, an increase of 6 from the 118 as at 30 June 2023.

New Zealand

Bapcor's New Zealand segment is the leading integrated trade and wholesale group providing parts and equipment solutions across New Zealand. The trade group consists of Brake & Transmission (BNT), which supplies automotive parts, and Autolign, which specializes in steering and suspension. BNT is the primary supplier of automotive parts and accessories to workshops and also offers commercial parts through the Truck and Trailer Parts brand. The Specialist Wholesale businesses include HCB for batteries, JAS for auto electrical components, and Precision Equipment for automotive workshop equipment. The licensee network features Battery Town, New Zealand's largest network of automotive electricians; Battery Town Marine, the only network of its kind in New Zealand; and the Shock Shop, the largest specialist steering and suspension network in the country.

Revenue in the New Zealand segment was flat compared to FY23, with declines in 2H24 due to the challenging macro environment impacting consumer spending and business confidence. EBITDA growth of 7.5% was driven by procurement benefits, market pricing disciples and effective cost management.

In FY24, the overall New Zealand network remained at 89 locations (excluding Battery Town and Shock Shop locations).

Unallocated / Head Office

The Unallocated / Head Office segment consists of all elimination and head office costs or adjustments that are not in the control of the other segments. It also includes the elimination of intercompany sales and EBITDA. Intercompany sales increased by 8.5% compared to FY23.

Financial Position - Capital and Debt

There have been no issues of new shares during the year. As a result, ordinary shares on issue remain at 339,412,500 as at 30 June 2024.

During FY24, Bapcor refinanced $200M of debt facilities due to mature in July 2025, with new tranches totalling $300M maturing in July 2028 and July 2029, taking advantage of strong lender interest and providing additional funds for general corporate purposes. Following the completion of this refinancing Bapcor has access to a total debt facility of $720.0M, an increase of $100.0M on the prior year, with ANZ, Citi, NAB, MetLife, SMBC and Westpac. Refer to note 18 of the financial report for details on the revised facility tranches.

AASB 16 *Leases* increased reportable net debt by the inclusion of $288.6M of lease liabilities as at 30 June 2024. Given this is excluded from a banking covenant perspective, net bank debt has also been disclosed. Net bank debt at 30 June 2024 was $337.1M, representing a leverage[2] ratio of 1.70X which is well within debt covenants.

Business Priorities

Bapcor's ambition is to be Asia Pacific's most trusted and leading provider of vehicle parts, accessories, equipment, service and solutions. This vision is underpinned by six business priorities:

- Become One Bapcor;
- Deliver capital efficient growth;
- Embed an agile 'Culture of Transformation';
- Connect though digital and data;
- Extend and optimise our customer reach; and
- Embed sustainability into our operations.

Competitive advantages

Team Members – Our team members are the key to our success. Bapcor has a strong and experienced management team and a proven record of attracting and growing key talent across the group. Training and development of team members is a priority for the group.

Diversification – Extensive breadth and depth of product range and capability across the group provides multiple revenue streams and continues to drive intercompany sales and margin improvement opportunities. Increasing the proportion of own brand products is a core target, as these products generally achieve greater margins than the alternatives.

Industry trends

The automotive aftermarket parts market in Australia, NZ and Asia continues to experience growth based on:
- Population growth;
- Increasing number of vehicles;
- Increase in total kilometres driven;
- Change in the age mix and complexity of vehicles (i.e. more vehicles in the four years or older range); and
- An increase in the value of parts sold.

Demand for automotive parts, accessories and services continues to be resilient as maintenance is critical to operating a vehicle. Vehicle servicing is predominately driven by the number of kilometres travelled, with the number of kilometres travelled by passenger and light commercial vehicles not normally significantly impacted by economic conditions. Volatility in new vehicle sales does not directly impact demand as parts distributed by Bapcor are predominantly used to service vehicles after they exit the OEM network. All of these factors lead to ongoing demand for vehicle servicing, replacement parts and maintenance.

Online channels to market are now a common medium for retail businesses albeit only a small percentage of automotive retail sales are online. Through our retail businesses, Bapcor has online sales channels, including 'click and collect' and

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[2] Leverage is calculated by dividing net bank debt by the last twelve months' pro-forma EBITDA. Net bank debt is excluding the impact of lease liabilities and adjusting for the net derivative financial instruments relating to forward exchange contracts position. Pro-forma EBITDA excludes any impact of AASB16. Refer to note 18 of the financial report for a reconciliation between statutory and pro-forma net debt.

'click and deliver'. In the trade and wholesale channels the group offers electronic 'B2B' trading including an extensive parts catalogue. Bapcor is investing in expanding its online capabilities, including in Bapcor's eCommerce platforms.

In the trade business Bapcor's fast delivery capabilities, wide product range and knowledgeable people are the key to Bapcor's customer offering which on-line businesses cannot match at this point in time.

The car parc is always evolving driven by changes in the makes and models in Australia and New Zealand due to technical innovation and changing customer preferences, with the latest being the introduction of electric vehicles. Bapcor has always embraced changes in the car parc, including the introduction of electric vehicles, as both an opportunity and risk. Electric vehicles are adding to the size and complexity of the car parc, with the introduction of new and more makes and models to stock replacement parts for, all of which provides upside to Tier 1 automotive aftermarket providers such as Bapcor.

Key business risks

Bapcor is committed to maintaining and continually improving systems and processes to identify and effectively manage risk. Key risks faced by Bapcor that could have a material impact on Bapcor's financial prospects include:

Changes in economic conditions – Any downturn in economic conditions globally or in the markets Bapcor operates in has the potential to impact demand for Bapcor's products and services. Economic downturns can be triggered by a variety of factors, including geopolitical instability and other whole-of-economy risks such as energy supply stability. Bapcor seeks to manage this risk by monitoring economic indicators, and by having agile processes that can respond to changes in demand. Changes in economic conditions include indirect impacts such as rising fuel prices which might reduce road travel.

Changes in consumer demand – Customer demand and preferences can change in response to economic conditions, changes in the type of vehicles manufactured, government legislation to reduce vehicle emissions and digital technology. These changes may impact Bapcor's revenue mix and earnings as consumers purchase electric vehicles or shift purchases online. Bapcor is targeting to mitigate these risks by increasing the aftermarket product range used in electric vehicles and the introduction of online platforms across the businesses.

Competition – The markets and industries Bapcor operates in are competitive and Bapcor may face increased pressure from existing competitors, new competitors that enter the industry, vehicle manufacturers, and new technologies or technical advances in vehicles or their parts. Increased competition could have an adverse effect on the financial performance, industry position and future prospects of Bapcor.

Bargaining power of customers – Bapcor may experience increased bargaining power from customers due to consolidation of existing workshops, greater participation of existing workshops in purchasing and buying groups, and closure of independent workshops resulting in greater market share of larger chains. This may also include changes in end-customer behaviour with regards to vehicle ownership models and changes to overall mobility behaviours. An increase in customer bargaining power may result in a decrease in prices or loss of customer accounts, which may in turn adversely affect Bapcor's sales and profitability.

Suppliers – Bapcor's business model depends on having access to a wide range of automotive parts. Factors such as changes in supplier pricing, product availability, or the quality of Bapcor's relationships with suppliers may increase the prices at which Bapcor procures parts or limit Bapcor's ability to procure parts. Supplier risk factors can also include changes to the demand for parts due to new car construction methods or risks due to the emergence of new players in the supply chain, e.g. direct-to-customer-lifetime service strategies by technology companies entering the automotive sector. Changes in price or availability of parts may result in decreased sales or margins, which in turn may have an adverse effect on Bapcor's financial performance.

Expansion – A key part of Bapcor's growth strategy is to increase the size of its store network via store acquisitions and greenfield developments. If suitable acquisition opportunities or greenfield sites are not available this may limit Bapcor's ability to execute the growth strategy, which could negatively impact Bapcor's financial performance and growth. To mitigate this risk Bapcor senior management takes an active role in the rollout and progress of store expansion.

Managing growth and integration – The integration of acquired businesses and the continued strategy of growing the store network requires Bapcor to continually improve operational and financial systems, procedures and controls. There is a risk of an adverse impact on Bapcor if it is not able to manage its expansion and growth efficiently and effectively, or if the performance of new stores or acquisitions does not meet expectations.

Business disruption – External events such as pandemics or epidemics or unpredictable natural events such as fires and floods can cause significant disruption to businesses, including Bapcor. Bapcor seeks to manage the impact of such risks through a number of means, including robust approaches to crisis and business continuity management. Once such situations are evident, Bapcor will move swiftly to minimise the impact on its revenue, profitability and cash.

People and skills – Bapcor is a highly customer-focussed service business, and its team members are key to maintaining the level of operational service to its customers, as well as executing Bapcor's strategy. In an environment where there are high levels of employment and shortages of certain skill sets the ability to attract and retain team members takes on an increased level of importance. This risk is managed through ongoing investment in brand awareness and strength, and by strong focus on development of knowledge and skills. It is also managed through contractual obligations, succession planning, and incentives schemes.

Safety – While Bapcor is not in the high incident sector of manufacturing or mining, it is exposed to health and safety risks, both to team members and third parties. These risks come from areas including warehouse operations and team members travelling on Bapcor business. Bapcor's safety management system enables us to manage our health and safety processes and risk.

Information technology – Bapcor's business operations rely on information technology platforms. Weaknesses in information technology operations could result in negative outcomes including unplanned downtime, system failures or data breaches, resulting in impacts to customers and team members, and the continuity and security of operations and data. Bapcor manages such risks through IT improvement and maintenance, IT disaster recovery planning, and cyber security management processes. Bapcor also has the challenge of numerous Enterprise Resource Planning (ERP) systems, which adds complexity to the visibility of information. This is currently being reviewed.

Sustainability – An actual or perceived failure to address sustainability-related topics, including climate change and the transition to a net carbon zero economy, could impact Bapcor's financial performance, reputation and operations, either directly within Bapcor's business or due to changing stakeholder expectations. To address this risk, Bapcor seeks to execute its integrated approach towards economic, environmental and social sustainability. Ensuring this approach is effective means ensuring a range of practices are maintained and continually improved, including managing potential issues in our supply chain, sourcing sustainable products and packaging, and reducing carbon emissions.

Exchange rates – A large proportion of Bapcor's parts are sourced from overseas, which exposes Bapcor to potential changes in the purchase price of products due to exchange rate movements. Historically Bapcor has been able to pass on the majority of the foreign exchange movements through price increases. If Bapcor is not able to recoup foreign exchange driven cost increases, it may lead to a decrease in profitability. To mitigate this risk, Bapcor enters into forward exchange contracts based on expected purchases for the upcoming twelve months.

Availability of financing – Access to funding, including ongoing availability of debt finance, helps Bapcor fund business operations and growth initiatives. Any inability to fund operations and growth because of constrained ability to maintain banking facilities, could have a negative impact on financial performance and position. Bapcor manages this risk through careful management of working capital and capital expenditure, maintaining banking facilities with differing maturities and a variety of counterparties, and ongoing monitoring of liquidity.

Franchise regulations – Bapcor has a large franchise network. Changes in franchise law or regulations may have an impact on the responsibilities of the franchisor or the operations of these franchise businesses. Bapcor senior management seek ongoing professional advice to monitor any developments and implement appropriate changes.

Legal and regulatory compliance – Bapcor is required to maintain compliance with all applicable laws and regulations. These include requirements related to Modern Slavery, consumer protection, product quality, chain of responsibility and transport safety. The nature and extent of rules relevant to Bapcor and to businesses more broadly have been increasing, and this trend is likely to continue. Failure to comply with such laws and regulations could result in regulatory action or other claims which could have an adverse impact on the Group's reputation, financial performance and profitability.

Inflation and interest rates – Increasing inflation and changes in interest rates can impact Bapcor's business and funding. Rising inflation can decrease Bapcor's profitability, however, Bapcor will target to mitigate inflation risks by passing on their impact through active category and pricing management. Increases in interest rates can increase Bapcor's cost of funding or limit the availability of funding. To mitigate this risk, Bapcor prudently manages working capital and capital expenditure, maintains banking facilities with differing maturities, and monitors liquidity, as well as considering hedging strategies.

Outlook

Total revenue in the first five weeks of FY25 was up 7.7% while on a like-for-like basis it was up 1.0%[3]. Supported by a strong balance sheet Bapcor is investing for future growth, opening new stores in its Trade segment and making its IT infrastructure more efficient to improve customer and employee experience.

Bapcor's fundamentals remain strong operating in a rational and resilient industry with the top three brands and strong market share in all segments.

Director information

Margaret Haseltine (BA, GradDipTchg(Sec), FAICD)
Independent Non-executive Chair
Margaret (Margie) was appointed to the Board on 30 May 2016 and was appointed Chair from 17 February 2021.

During her career, Margie gained extensive leadership and human capital management skills, which she brings to her role as Chair of the Board. Margie has spent more than 30 years in various senior executive roles in FMCG, including senior roles at Mars Food Australia, a subsidiary of Mars Inc., where she was responsible for strategy, risk management, product innovation & brand launching, and implementation of new systems. From 2002 to 2007, Margie served as the CEO of Mars Food Australia, with responsibility for the APAC market and was also responsible for ensuring sustainability of the business and its supply chain.

Margie currently serves as a non-executive director of Metcash Limited (ASX:MTS), Real Pet Food Company Pty Ltd, Kennards Hire Pty Ltd and Inghams Group Limited (ASX:ING) and was a director of various government and not-for-profit boards, including National Food Precinct, Central Coast Grammar School and AGRIFOOD Skills. Margie is also a non-executive director of Tye Soon Limited (SGX:BFU), a listed Singapore company in which Bapcor owns 25%. Margie was previously a non-executive director of Newcastle Permanent Building Society Limited, Droppoint Australia Pty Ltd and Fairhaven Services Ltd.

Mark Bernhard (BBus (Acc), GAICD, MBA)
Interim CEO & MD (prior to 5 February 2024, Independent Non-executive Director)
Mark was appointed to the Board on 1 March 2022 and announced as Interim CEO & MD effective 5 February 2024.

During his career, Mark has gained significant board and executive management experience in the automotive industry across a range of geographies including Australia, Europe, the United States, South-East Asia and China. Mark has more than 30 years' experience in the automotive industry in finance and various senior executive roles. From 2011 to 2015, Mark was the Chief Financial Officer and Vice-President of Shanghai General Motors, returning to Australia in 2015 as the Chairman and Managing Director of General Motors Holden Australia until 2018.

Mark has been a non-executive director of a not-for-profit, Healthy Male, since 2020 and is chair of their Audit and Risk Committee. Mark was previously a non-executive director of Carbon Revolution Limited (ASX:CBR).

Mark Powell (BSc (Hons), MSc, MBA, BApp. Theol, MA, GAICD, CMInstD (NZ))
Independent Non-executive Director
Mark was appointed to the Board on 1 September 2020.

Mark brings over 30 years of leadership and executive experience in retail, wholesale, logistics and distribution. Mark has held executive roles at Iceland plc, Booker Wholesale and Tesco in the UK, Logistics services provider Tibbett & Britten in Spain and Canada (including running of Walmart Canada's logistics operations), and The Warehouse Group in Australia and New Zealand. Between 2009 and 2016, Mark was CEO of Warehouse Stationary and then Group CEO for NZX-listed retailer The Warehouse Group.

Mark currently serves as a non-executive director of JB Hi-Fi Group Limited (ASX:JBH), STIHL Pty. Ltd (Australia) and My Food Bag (NZX:MFB) and was previously a non-executive director of Kiwi Property Group Limited (NZX:KPG) and 7-Eleven Australia Pty Ltd.

[3] LFL is adjusted for 2 lower trading days in FY25 versus pcp (our non-Retail businesses do not trade on weekends).

Brad Soller (B.Com, B.Acc, M.Com, CA (SA))
Independent Non-executive Director
Brad was appointed to the Board on 1 November 2022.

Brad is a highly experienced executive, having held various CFO positions with public companies in both Australia and the United Kingdom. Brad was Group CFO of Metcash, a position he held for six years, and prior to that served as the CFO of David Jones and as Group CFO of Lendlease. Before moving to Australia, Brad held several senior financial positions in the United Kingdom including Chief Financial Officer at BAA McArthur Glen Limited and Director of Finance at UK listed electrical retailer, Thorn plc.

Brad is a non-executive director of Reliance Worldwide Corporation Limited (ASX: RWC) and Big River Industries Limited (ASX: BRI).

Kathryn Spargo (LLB (Hons), BA, FAICD)
Independent Non-executive Director
Kathryn (Kate) was appointed to the Board on 1 March 2023.

Kate has gained broad business experience both as a legal advisor (working in private practice and government), and over two decades of experience as a non-executive director in the public and private sectors across various industries including infrastructure, energy, renewables, healthcare, engineering services, construction, retail, financial services and intellectual property.

Kate is currently a non-executive director at Sigma Healthcare Ltd (ASX: SIG), Sonic Healthcare Ltd (ASX: SHL), Adairs Ltd (ASX: ADH), CIMIC Group Limited, Geelong Football Club, Jellis Craig Corporation Pty Ltd and Future Fuels CRC Ltd.

James Todd (BCom, LLB, MAICD, F FIN)
Independent Non-executive Director
James was appointed to the Board on 1 September 2020.

James is an experienced company director, corporate adviser, and investor. James has over 30 years' experience in finance across various entities, including Hambros Banking Group and Wolseley Private Equity. James' last executive role was as Managing Director of Wolseley Private Equity, an independent private equity firm which he co-founded in 1999 and served in until 2018. Through his extensive private equity experience, James had exposure across various sectors including retail, media, FMCG, business services, and international supply chains. His corporate transaction and investment experience has been gained across multiple markets including Australia, New Zealand and Asia (including Hong Kong, China, Singapore, Vietnam, Cambodia, Thailand, and Indonesia).

James is currently Chair of IVE Group Limited (ASX:IGL) and non-executive director at Coventry Group Limited (ASX:CYG) and was previously a director of HRL Holdings Limited.

Note: former directorships mandatorily disclosed above are those held in the last 3 years for *listed entities only*. Directors' interests in shares are detailed in section 7.5 of the renumeration report.

Company Secretary and Officers

Stefan Camphausen (MBA, BA)
Chief Financial Officer (4 July 2022 – 14 March 2024)
Stefan commenced as Chief Financial Officer of Bapcor in July 2022, after more than 20 years in Executive Finance roles. Prior to joining Bapcor, Stefan held various other Chief Financial Officer positions, including at ASX-listed CIMIC Group and leading Asian-Pacific contracting service providers CPB Contractors and Thiess.

George Saoud
Interim Chief Financial Officer (14 March – 30 June 2024)
George assumed the role of interim Chief Financial Officer and was permanently appointed to the role on 1 July 2024. George brings over 30 years' experience in senior financial and commercial roles across a range of companies including Coles Group, Metcash Supermarkets, Fantastic Holdings and Delfin Lend Lease.

George Sakoufakis (BCom, LLB, admitted to legal practice in Victoria)
General Counsel (13 May 2019 – present); Company Secretary (1 February 2021 – present)
George commenced with Bapcor on 13 May 2019 as General Counsel and was appointed as Company Secretary on 1 February 2021. George is an Australian legal practitioner and prior to joining Bapcor held various legal and governance roles at the Foster's Group including as Acting General Counsel at Carlton and United Breweries and Legal Director for the Asia Pacific South Zone at AB InBev.

Meetings of directors

The below table shows the number of meetings of the company's Board and of each Board committee during the year ended 30 June 2024. 'Held' represents the number of meetings held during the time the director held office or was a member of the relevant committee.

The number of meetings attended by each director was:

		Board		Audit and Risk Committee		Nomination Committee		Remuneration and ESG Committee	
	Note	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**
Margaret Haseltine		13	13			1	1		
Mark Bernhard	1	13	13	3	3			3	3
Mark Powell	2	13	13					5	5
Brad Soller		13	13	5	5				
Kathryn Spargo	3	13	12	2	2	1	1	5	5
James Todd		13	13	5	5	1	1	5	5
Noel Meehan	4	6	6						
Rebecca Dee-Bradbury	5	2	2	1	1				

Note 1: Mark Bernhard was appointed as Interim CEO & MD on 5 February 2024. On that date, Mark ceased being a member of the Audit and Risk Committee and the Nomination, Remuneration & ESG Committee (as it was known at that time).
Note 2: Mark Powell retired as Chair of the Remuneration and ESG Committee and was appointed as a member of the Remuneration and ESG Committee on 1 May 2024.
Note 3: Kate Spargo was appointed as a member of the Audit & Risk Committee on 5 February 2024. Kate was appointed as Chair of the Remuneration and ESG Committee on 1 May 2024.
Note 4: Noel Meehan retired as Chief Executive Officer and Managing Director on 5 February 2024.
Note 5: Rebecca Dee-Bradbury was appointed as a Director and member of the Audit and Risk Committee on 1 September 2023. Rebecca retired as Director on 31 December 2023.

The Board has three sub-committees, being the Audit and Risk Committee, the Nomination Committee and Remuneration and ESG Committee. The Nomination Committee was formed on 1 May 2024. The Nomination, Remuneration and ESG Committee was amended to the Remuneration and ESG Committee on 1 May 2024

The current members of the Committees are as follows:
- Audit and Risk Committee are Brad Soller (Chair), Kate Spargo and James Todd.
- Nomination Committee are Margie Haseltine (Chair), Kate Spargo and James Todd.
- Remuneration and ESG Committee are Kate Spargo (Chair), Mark Powell and James Todd.

Matters subsequent to the end of the financial year

On 1 July 2024, George Saoud was appointed Bapcor's Chief Financial Officer. George brings over 30 years' experience in senior financial and commercial roles across a range of companies including Coles Group, Metcash Supermarkets, Fantastic Holdings and Delfin Lend Lease.

As announced on 9 July 2024, Angus McKay will commence as Executive Chair and Chief Executive Officer (Executive Chair & CEO) effective 22 August 2024. Mr McKay brings over 30 years of executive experience with a proven track record of improving operational performance and increasing shareholder value across a range of industries nationally and internationally.

To ensure an orderly transition, the following changes will occur from Mr McKay's commencement on 22 August 2024:

- Margie Haseltine will assume the role of Non-Executive Director to support the transition, noting she does not intend to seek re-election to the Board at the 2024 AGM.
- Mr Powell has been elected to the new position of Lead Independent Director of the Bapcor Board.
- Mark Bernhard will step down from his role as Interim MD & CEO and return to his Non-Executive Director role.

On 9 July 2024, Bapcor's Board rejected the Bain Proposal (which was announced to the ASX on 11 June 2024). The Board said the proposal did not represent fair value for Bapcor, and was not in the best interests of its shareholders.

Apart from the final dividend declared, there has been no further matters or circumstances to note that have significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Environmental regulation

The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Indemnity and insurance of officers

Bapcor has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, Bapcor paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Bapcor, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Auditor

PricewaterhouseCoopers continues in office in accordance with section 327 of the Corporations Act 2001.

Non-audit services

Non-audit services totalling $4,800 were provided during the financial year by the auditor.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 34 of the directors' report.

Indemnity of auditor

The company has agreed to indemnify their auditors, PricewaterhouseCoopers, to the extent permitted by law, against any claim by a third party arising from the company's breach of their agreement with PricewaterhouseCoopers. The indemnity stipulates that the company will meet the full amount of any such liabilities including a reasonable amount of legal costs. No liability has arisen under this indemnity.

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Remuneration report

Dear Shareholder,

On behalf of the Board, I am pleased to present the Remuneration Report for the year ended 30 June 2024 (FY24). I assumed the role of Chair of the Remuneration and Environment, Social and Governance Committee (RESGC) on 1 May 2024. I wish to extend my sincere appreciation to my predecessor, Mark Powell, for his leadership and contributions during his term which commenced in February 2021. Mark's insights and guidance were instrumental in aligning our remuneration structure with the best interests of our shareholders, customers and team members. The groundwork laid under Mark's leadership provides a solid foundation for future improvements.

Notwithstanding the challenging business environment, Bapcor's FY24 results have been below expectations and the BTB program did not deliver the expected benefits.

Since our trading update in May 2024, Bapcor's management has taken decisive action to right-size the company's cost base and reduce operational complexity to set our business back on the right path. This included scaling back the BTB program, restructuring and rationalising the business and addressing the inventory issues.

Change in Executive Key Management Personnel (KMP)

With effect from 5 February 2024, Noel Meehan retired as Managing Director and Chief Executive Officer (MD & CEO) and Mark Bernhard, Bapcor Non-Executive Director, was appointed as interim MD & CEO. Mr Bernhard joined the Bapcor Board in March 2022, bringing over 30 years of senior executive experience in the automotive industry.

On 16 January 2024, Stefan Camphausen resigned as Chief Financial Officer (CFO) and officially stepped down on 14 April 2024. George Saoud commenced as an external consultant to provide expertise and consistency following Mr Camphausen's resignation and was appointed interim CFO on 14 March 2024. During this interim period Mr Saoud was not considered a KMP.

Company performance and remuneration outcomes

In FY24, Bapcor has delivered revenue of $2.0BN, up 0.8% on FY23, with growth across Trade and Specialist Wholesale segments partly offset by declines in the Retail segment. Total gross margin dollars were down 0.2% with growth in Trade and New Zealand offset by declines in the Retail and the Wholesale business within the Specialist Wholesale segment. Cost of doing business increased by 4.4% to $673.6M due to higher employee costs, increases in information technology and occupancy costs. In addition, higher finance costs due to higher interest rates and a higher average debt balance resulted in a 24.3% decline in Pro-forma NPAT to $94.8M.

The statutory loss of $158.3M recorded in FY24 was a decline of 248.7% on FY23. In FY24, significant items of $253.1M (post tax) were booked mainly due to the impairment and write downs intangible and tangible assets in the Retail segment.

Below is a summary of Fixed Remuneration, STI and LTI outcomes:

FY24 Fixed Remuneration

Mr Bernhard commenced as Interim MD & CEO with an annual Fixed Remuneration of $900,000. Upon the completion of his tenure, Mark will receive a one-off ex gratia payment of $117,000 in August 2024 (details in Q&A section).

FY24 Short-Term Incentive (STI)

No STI payments were paid to Executives in FY24.

Long term Incentive Plans

- FY22-24 Long-Term Incentive (LTI) - as the company did not meet threshold rTSR and EPS performance targets over the plan period, no performance rights vested.

- Better Than Before (BTB) Incentive Plan - the potential benefits of the program have not met expectations to the extent originally envisaged. Based on results at 30 June 2024, it has become clear that threshold ROIC performance – the 'gate' to any incentive being paid is highly unlikely to be achieved by 30 June 2025.The BTB Incentive Plan will be discontinued in early FY25 and BTB rights held on-foot by Mr Meehan will be cancelled. The BTB rights held by Mr Camphausen were forfeited on resignation

Looking ahead

Appointment of Angus McKay, Executive Chair and Chief Executive Officer

As announced on 9 July 2024, Angus McKay will commence as Executive Chair and Chief Executive Officer (Executive Chair & CEO) effective 22 August 2024. Mr McKay brings over 30 years of executive experience with a proven track record of improving operational performance and increasing shareholder value across a range of industries nationally and internationally.

The decision to appoint Angus as Executive Chair & CEO was taken after considering the views of our major shareholders and ultimately securing a candidate whose experience and approach enables this structure. In light of Bapcor's current operating context and Mr McKay's expertise and experience, we believe this arrangement will enhance accountability and speed of decision-making. It will also strengthen Bapcor's ability to reset its cost-base to drive a more efficient business and at the same time identify growth opportunities.

In combining the responsibilities of Chair and CEO, Bapcor can deliver a clearer vision, increased efficiency and a balanced focus on long-term planning and daily operations.

Appointment of Mark Powell, Lead Independent Director

To ensure Bapcor continues to have clear separation of Board and Management and open communication in relation to governance requirements, the Board has appointed Mark Powell as Lead Independent Director with effect from 22 August 2024.

Transitioning to new leadership structure

The Board is confident this leadership structure provides the stability and strategic oversight needed to guide Bapcor through this pivotal period.

To ensure an orderly transition, the following changes will occur from Mr McKay's commencement on 22 August 2024:

- Margie Haseltine will assume the role of Non-Executive Director to support the transition, noting she does not intend to seek re-election to the Board at the 2024 AGM.
- As noted above, Mr Powell has been elected to the new position of Lead Independent Director of the Bapcor Board. Mr Powell will fulfill the role of Chair whenever the Executive Chair & CEO is conflicted, assist the Board in reviewing the performance of Mr McKay as Executive Chair & CEO and provide a separate channel of communication for investors (especially where those communications relate to governance matters or the Executive Chair & CEO).
- Mark Bernhard will step down from his role as Interim MD & CEO and return to his Non-Executive Director role. We appreciate Mr Bernhard's dedication and exceptional leadership during this transitional time.

Appointment of George Saoud, Chief Financial Officer

In addition, we note that Mr Saoud commenced as Bapcor's Chief Financial Officer on a permanent basis from 1 July 2024 and is considered KMP from this date.

Changes to the FY25 executive remuneration framework

To support Bapcor's focus on revitalisation and efficiency and for ongoing alignment with shareholder interests, Bapcor is making a number of refinements to its FY25 executive remuneration framework.

These include removing duplication of the ROIC measure across our STI and LTI plans, and exclusively delivering STI deferral in equity for executives who report into the Executive Chair & CEO.

Please refer to the Q&A section of this report for further information.

Looking ahead, Bapcor's fundamentals remain strong. We have a great business in a rational and resilient industry. We have good brands and market share in each of our segments with competitive strength in our fulfilment model. With a new Executive Chair & CEO and CFO in place, positive actions already underway and trading momentum, we are confident in the future of Bapcor and its ability to deliver improved financial performance.

We welcome shareholder feedback on this Remuneration Report and thank you for your support.

Sincerely,

Kate Spargo
Chair of the Remuneration and Environmental, Social & Governance Committee
21 August 2024
Melbourne

Questions and answers

The following is intended to assist readers to better understand key aspects of Bapcor's FY24 remuneration approach and changes for FY25.

QUESTION	ANSWER
FY24	
What are the former MD & CEO's remuneration arrangements on cessation?	Mr Meehan retired as MD & CEO effective from 5 February 2024. He is available in a strategic support capacity to the Bapcor Board (and to the new Executive Chair & CEO) until 5 February 2025. For this period, he will be paid $1,250,000 per annum inclusive of superannuation, with no additional remuneration or benefits. All statutory accrued leave entitlements will be paid upon his cessation. Mr Meehan's unvested LTI awards under the 2022, 2023 and 2024 plans will be pro-rated based on his service during the relevant performance periods and will be assessed in the ordinary course, subject to applicable performance conditions. His FY23 deferred STI rights will be released per the applicable STI plan terms. Mr Meehan is ineligible for any FY24 STI award and any future STI or LTI awards or grants. The BTB Incentive Plan will be cancelled in early FY25, as such the BTB rights held on-foot by Mr Meehan will be cancelled.
What are the remuneration arrangements for the interim MD & CEO?	Mr Bernhard received $900,000 Fixed Remuneration per annum from his commencement as interim MD & CEO on 5 February 2024. Mr Bernhard stepped in as Interim CEO for an initial three-month term, ending on 30 April 2024, when a new CEO was expected to commence. When this did not eventuate, Mr Bernhard agreed to extend his tenure until 22 August 2024, when Mr McKay will assume the Executive Chair & CEO role. The Board expresses its gratitude to Mr Bernhard for his leadership during this period and will award him a one-off ex gratia payment of $117,000 upon the conclusion of his executive tenure in August 2024. Mr Bernhard does not participate in any incentive plans
Why is the interim CFO not considered Key Management Personnel (KMP)?	Prior to Mr Saoud's permanent appointment as Bapcor's CFO, he was an external contractor and acting in an interim capacity to maintain the continuity and stability of the organisation's financial operations. Mr. Saoud oversaw financial management, compliance, and reporting activities. However, as these activities were directed and overseen by the Interim CEO throughout this period, the interim CFO role did not meet KMP criteria. Mr Saoud has been permanently appointed to the CFO role from 1 July 2024 and will be reported as a KMP from this date.
What changes have been made to the Executive remuneration framework in FY24?	Changes to the remuneration framework for FY24 are as follows: STI: - Group financial and non-financial measures and targets were extended to non-KMP executives, emphasising the importance of collaborative decision-making and prioritising Group over individual segment performance. LTI: - A 'stretch-max' performance level within the FY24 plan was introduced, with the aim to focus Executives on delivering exceptional long-term returns that significantly outperform in favour of shareholders. To achieve the stretch-max target, an extraordinary improvement in ROIC and rTSR is required. As such, the Former CEO's maximum earning potential increased from 100% to 150% of Fixed Remuneration and the Former CFO's maximum earning potential increased from 50% to 75% of Fixed Remuneration. An outline of the plan, including targets, is summarised in the table below:

MEASURE	MEASURED BY	PERFORMANCE HURDLE	RATIONALE
ROIC (50% of total rights)	Simple average over the preceding three years during the performance period	Threshold 12.5% **Stretch-max 13.5%** Straight line pro rata vesting between.	Significant stretch compared to the ROIC achieved at 30 June over the previous five years: FY19 10.2% FY20 9.3% FY21 11.6% FY22 10.6% FY23 10.4%
rTSR (50% of total rights)	ASX200	Threshold 50th percentile **Stretch-max ≥ 87.5th percentile** Vesting scale: Between 50th to 75th percentile – straight line pro-rata vesting for each percentile movement in outcomes. Between 75th to 87.5th percentile – straight line pro-rata vesting for each percentile movement in outcomes.	Attaining the 87.5th percentile presents a substantial stretch for executives. Vesting accelerates when the 75th percentile is reached.

Why does the Board intend on cancelling the BTB Incentive Plan in early 2025?	BTB was designed to extract value in the improvements in pricing, procurement, supply chain and property. The program involved numerous initiatives which required investment of both resources and capital. The potential benefits of the program have not met expectations to the extent originally envisaged. Our ability to achieve the benefits was impacted by the complexity of our business – a result of a lack of integration of the many acquisitions Bapcor has made over multiple years. Key initiatives which add value remain in place but will be delivered through business-as-usual improvements in a more targeted manner, and the BTB program benefits will no longer be reported separately. In light of this decision and based on performance at 30 June 2024, the BTB Incentive Plan will be cancelled in early FY25.
FY25	
What are the remuneration arrangements for the incoming Executive Chair and CEO for FY25?	Mr McKay will commence as Executive Chair and Chief Executive Officer effective 22 August 2024. As previously announced to the market, Mr McKay's remuneration will comprise: • Fixed Remuneration (including superannuation) of $1,900,000. • LTI: Maximum award of 250% of Fixed Remuneration, subject to agreed performance conditions in line with the Company's LTI plan. In the event of a change of control occurring in FY25 or FY26, a total of no less than equivalent to 150% of Fixed Remuneration will vest. The FY25 LTI will be made subject to shareholder approval at the FY24 Annual General Meeting. Further details will be provided in the Notice of Meeting • STI: No participation in the Short-Term Incentive Plan; and • Sign-on award: $950,000 by way of rights to receive fully paid ordinary shares in the Company. One-third of the rights will vest on each of the first, second and third anniversaries of the commencement. No dividends are payable on unvested rights. Unvested rights are subject to continuous service until the third anniversary of commencement. In the event of a change of control, any unvested rights will vest. In line with the Board's expectation that Mr McKay focus on the long-term interests of the Company and shareholders, Mr McKay will not participate in the Short-Term Incentive Plan. The LTI award and sign-on award provide Mr McKay with immediate shareholder alignment, subject to relevant performance and / or service conditions. Mr McKay's total remuneration package has been agreed taking into consideration the dual nature of the role, Mr McKay's experience across more than 30 years in executive roles and his proven track record of improving operating performance and increasing shareholder value.
What are the FY25 remuneration arrangements for the CFO?	For FY25, Mr Saoud's remuneration will comprise: • Fixed Remuneration (including superannuation) of $780,000: • Short-term incentive opportunity up to a maximum of 75% of Fixed Remuneration, subject to agreed financial and non-financial performance conditions. Half of any STI award will be deferred in equity for one year. • Long-term incentive opportunity up to 75% of Fixed Remuneration subject to agreed performance and service conditions. In addition to the above, Mr Saoud is entitled to a sign-on bonus of rights to receive shares in Bapcor. The number of rights are equal to $390,000 divided by the volume weighted average price at which shares in Bapcor are traded on the ASX over the 10 ASX trading days prior to and including 7 June 2024.
What are the remuneration arrangements for the new Lead Independent Director role?	The Lead Independent Director role enhances governance by acting as a liaison between the Executive Chair & CEO and independent directors, leading evaluations of the Executive Chair & CEO, presiding over independent sessions (including acting as an alternative channel of communication for investors), and advising on strategic matters. In recognition of the additional time and work required to fulfill the role, the Lead Independent Director will receive $30,000 in addition to the base Board and Committee fees.
Are further changes to the remuneration approach being made?	In FY25, further enhancements to Bapcor's remuneration approach will include: > STI: - Replacement of ROIC with a Group Revenue measure to emphasise top-line growth and provide clearer, more immediate performance indicators in current market conditions. This change enhances executive motivation and engagement by focusing on short-term targets they can directly influence, while also meeting investor expectations. ROIC, being more suitable for long-term value creation, will be better utilised in the LTI plan to ensure sustained performance. - Exclusive delivery as equity of the 50% of STI deferred, with no option for cash payment, even if minimum shareholding requirements have been met. This change strengthens alignment with shareholder value, increases executive equity ownership, and promotes long-term commitment to Bapcor's performance and strategic goals. > LTI: - The FY25 ROIC measure will be reset to ensure a realistic performance target for executives and will be disclosed in the 2024 Notice of Meeting.

Remuneration report 2024

In this section

The information provided in this Remuneration Report, which forms part of the Directors' Report, has been audited as required by section 308(3C) of the *Corporations Act 2001*.

1. Key Management Personnel

This Report outlines Bapcor's remuneration approach and outcomes for Key Management Personnel (KMP), who have the authority and responsibility for planning, directing and controlling the activities of the Company during FY24.

NAME	POSITION
Non-Executive Directors (NEDs)	
Margaret Haseltine	Non-Executive Chair
Mark Powell	Non-Executive Director
James Todd	Non-Executive Director
Mark Bernhard	Non-Executive Director (until 4 February 2024)
Brad Soller	Non-Executive Director
Kathryn Spargo	Non-Executive Director
Rebecca Dee-Bradbury	Non-Executive Director (from 1 September until 31 December 2023)
Executive Director	
Mark Bernhard	Interim Chief Executive Officer and Managing Director (from 5 February 2024)
Former Executive KMP	
Noel Meehan	Managing Director and Chief Executive Officer (until 4 February 2024)
Stefan Camphausen	Chief Financial Officer (until 14 April 2024)

2. Remuneration and Environment, Social & Governance Committee

The Remuneration and Environment, Social and Governance Committee (RESGC) operates under the delegated authority of the Board of Directors. The RESGC charter is included on the Bapcor website (www.bapcor.com.au). While remuneration is the focus of this report, the Committee also oversees the Company's ESG requirements.

The Non-Executive Directors who were members of the RESGC are as follows:

Kathryn Spargo	Committee Member (until 30 April 2024) and Committee Chair (from 1 May 2024)
Mark Powell	Committee Chair (until 30 April 2024) and continued as Committee Member (from 1 May 2024)
James Todd	Committee Member
Mark Bernhard[1]	Committee Member (until 4 February 2024)

1 Mark Bernhard assumed duties as Interim Managing Director and Chief Executive Officer from 5 February 2024.

The Committee is authorised by the Board to obtain external professional advice, and to secure the attendance of advisers with relevant experience and expertise if it considers this necessary.

3. Remuneration governance

The following diagram outlines Bapcor's approach to remuneration governance.

BAPCOR BOARD

- Overall accountability for Bapcor's remuneration approach.
- Determines remuneration quantum and structure for executive and non-executive KMP after considering recommendations made by the RESGC.
- Discretion in determining the outcomes of incentive arrangements.
- Has discretion to exercise clawback provisions should any material financial misstatements arise.

REMUNERATION, ENVIRONMENT, SOCIAL & GOVERNANCE COMMITTEE ('RESGC')

Meets regularly to:

- Understand and review the effectiveness of the remuneration arrangements.
- Review the remuneration framework to ensure it is fit for purpose and make recommendations to the Board on any changes.
- Determine recommendations to the Board regarding fixed remuneration, STI outcomes and LTI outcomes.
- Consider exercising any discretion, both positive and negative, in determining the outcomes of incentive arrangements.
- Assess executive KMP performance.

EXTERNAL ADVISORS

- RESGC seeks external advice and assistance from independent remuneration consultants as it considers appropriate with protocols in place to ensure independence from Management.
- In FY24 the RESGC engaged Godfrey Remuneration Group (GRG) to provide benchmarking reports and remuneration recommendations (as defined in the section 9B of the Corporations Act). GRG was engaged directly by the RESGC Chair under delegated authority from the Board, and the report was provided to the RESGC Chair. GRG was paid $20,000 excluding GST for their services. The Board is satisfied the recommendations made are free from any undue influence.

Each year, the Board actively engages with major shareholders and proxy advisors to enhance understanding of Bapcor's remuneration approach and decisions.

4. Executive remuneration framework

4.1 Executive remuneration strategy and link to company performance

Bapcor's FY24 executive remuneration framework applies to KMP and non-KMP members of the Group Leadership Team. In FY25 (and as outlined in the Q&A section of this report) the Executive Chair & CEO has been appointed with a remuneration mix of Fixed Remuneration and Long-Term Incentives.

Purpose: Be there for what matters most

Strategic priorities:

- Become One Bapcor
- Deliver capital efficient growth
- Extend and optimise our customer reach
- Embed an agile culture of transformation
- Connect through digital and data
- Embed sustainability into our operations

Supported by our remuneration principles:

Market competitive
Attract, motivate and retain high calibre talent within a competitive industry

Alignment
Remuneration outcomes align with company performance and shareholder value creation

Fairness
Appropriate and reasonable outcomes balanced in the best interests of shareholders and Management

Consistency
Maintaining clarity and consistency of application of outcomes

Alignment of our strategy with our remuneration framework:

Fixed Remuneration (FR)

Comprises base salary, superannuation, and car allowance.

Set relative to external benchmarks with consideration given to expertise, scope of role, complexity, internal relativities and market changes.

Acknowledges demonstrated individual performance and daily operational contributions.

Structured to attract, motivate and retain high calibre talent to shape and execute company strategy.

Short-Term Incentive (STI)

Annual incentive opportunity:
- KMP: 50% cash and 50% deferred rights, restricted for 12 months. Upon meeting minimum shareholding requirements, a choice of deferred equity or cash applies.

Group performance measured against an STI scorecard consisting of:
- Financial Measures (70%)
- Non-financial measures (30%)

Aligned with annual company priorities and long-term strategy execution.

Equity-based deferral provides alignment between executives and shareholders.

Long-Term Incentive (LTI)

Delivered in Performance rights subject to a three-year vesting period.
Group performance assessed against measures which drive sustainable performance outcomes.

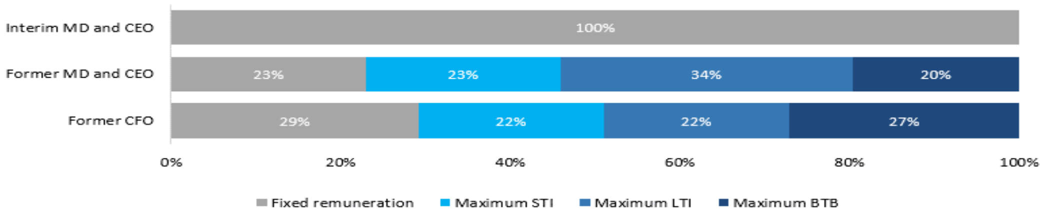
Current plans:
- FY22: 1 Jul 2021 to 30 Jun 2024
  - rTSR (50%), EPS (50%)
- FY23: 1 Jul 2022 to 30 Jun 2025
  - rTSR (50%), ROIC (50%)
- FY24: 1 Jul 2023 to 30 Jun 2026
  -rTSR (50%), ROIC (50%)

The three-year vesting period aligns executives' interests with long-term company performance and shareholder interests, while enhancing retention.

4.2 Remuneration Mix

The FY24 Executive KMP remuneration mix at maximum opportunity is illustrated below.

FY24 Executive KMP potential maximum pay mix



From time to time the Board may consider awarding additional incentives which are aligned to deliverables that create further shareholder value.

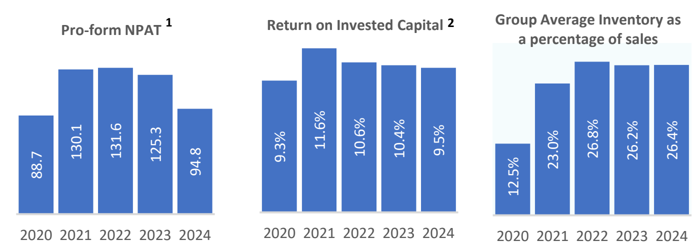
5. Financial performance and relationship to remuneration

The Board maintains its focus on ensuring there is a strong relationship in place between Executive performance and remuneration outcomes. This section provides an overview of Bapcor's financial performance over the past five years and how it relates to remuneration outcomes.

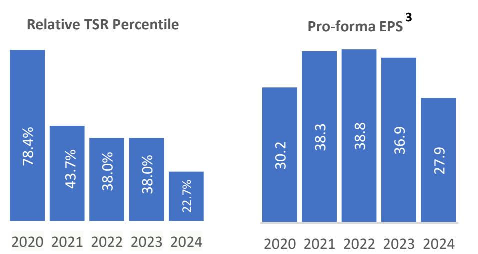
5.1 Company Five-year Financial Performance

Over the past five years, Bapcor has continued to grow revenue however in FY24, cost growth exceeded revenue growth, resulting in a decline in profitability.

Short-Term Performance Measures



FY22 Long-Term Performance Measures



Further details of the Company's financial performance are provided in the table below.

	2020[4]	2021	2022	2023	2024
Revenue from continuing operations $m	1,462.7	1,761.7	1,841.9	2,021.1	2,036.9
Increase/(decrease) in revenue	12.8%	20.4%	4.6%	9.7%	0.8%
Statutory NPAT $m[1]	79.2	118.8	125.8	106.4	(158.3)
Increase/(decrease) in statutory NPAT	(18.4%)	50.0%	5.9%	(15.4%)	(248.7%)
Statutory EPS (cents)[3,4]	26.97	34.99	37.05	31.36	(46.6)
Increase/(decrease) in statutory EPS[3,4]	(21.6%)	29.8%	5.9%	(15.4%)	(248.7%)
Dividend declared (cents per share)	17.5	20.0	21.5	22.0	15.0
Increase/(decrease) in dividend declared	2.9%	14.3%	7.5%	2.3%	(31.8%)
Share price 30 June $	5.90	8.50	6.08	5.94	5.14
Market capitalisation $m 30 June	2,003	2,885	2,064	2,016	1,745

1 NPAT attributable to members of Bapcor Limited (please refer to bar graph above)
2 ROIC has been calculated as Proforma EBIT after Tax on Net Debt + Equity (please refer to bar graph above)
3 Where appropriate, EPS has been adjusted to take into consideration the impact of rights issues performed and the impact on the number of shares as per AASB 133 Earnings Per Share
4 Issued shares increased by 55.4M shares or 20% in April/May 2020.

5.2 Five-year Remuneration outcomes

Executive KMP remuneration outcomes are aligned to core short-term and long-term performance outcomes. The table below provides the remuneration outcomes for Executive KMP over a five-year period.

REMUNERATION OUTCOMES	FY20	FY21	FY22	FY23	FY24
STI outcome (average % of maximum)	53%	89%	48%	23%	N/A
LTI vesting outcome (% of maximum)	78%	0%	0%	0%	0%

5.3 Fixed remuneration

Fixed remuneration comprises base salary, superannuation, and non-cash benefits such as a motor vehicle allowance. It is reviewed annually and set competitively to attract and retain high calibre talent. Consideration is given to expertise, scope and complexity of the role, performance, internal relativities, and market changes.

An independent market benchmarking exercise was conducted in FY24. Market benchmarks are typically set with reference to relevant comparator groups, as determined by the RESGC each year. Adjustments were made to the former MD & CEO and CFO to align with industry and peer company benchmarks, enabling Bapcor to remain competitive.

The table below outlines the annual fixed remuneration entitlements for Executive KMP in FY23 and FY24, effective 1 July.

EXECUTIVE KMP	POSITION	FY23	FY24	% CHANGE
M Bernhard[1]	Interim Managing Director and Chief Executive Officer	N/A	$900,000	0.0%
FORMER EXECUTIVE KMP				
N Meehan	Managing Director and Chief Executive Officer	$1,073,568	$1,250,000	16.4%
S Camphausen	Chief Financial Officer	$700,000	$750,000	7.1%

1 M Bernhard commenced on 5 February 2024.

5.4 Short-Term Incentive (STI) Plan

The STI is an annual incentive plan designed to motivate and reward Executive KMP for the achievement of pre-determined financial and non-financial measures, as set by the Board. These performance-based outcomes provide an appropriate link between Executive KMP remuneration and the creation of shareholder wealth.

Delivery of award

Following the performance assessment, the STI award will be delivered as 50% cash and the remaining 50% as deferred equity for a period of 12 months. Should the participant hold the equivalent of one year's fixed remuneration in equity (per minimum shareholding requirements) the award can be delivered as deferred cash for a period of 12 months.

If a participant resigns or leaves the Company before the receipt of any deferred STI, they will remain entitled to the deferred component which will be released per the applicable STI plan terms unless it is subject to the Company's "clawback" policy (please refer to 'Clawback' section for further details).

No dividends are attached to any deferred equity until the twelve-month period has concluded. In recognition that the award has already been earned, a dividend equivalent will be paid to participants.

STI opportunity

The STI opportunity is set in accordance with the scope, complexity and accountability within each role. Market benchmarks are also taken into consideration.
The table below outlines the Executive KMP STI opportunity at Target and Maximum:

ROLE	TARGET STI OPPORTUNITY	MAXIMUM STI OPPORTUNITY
Former MD & CEO	50% of Fixed Remuneration	100% of Fixed Remuneration
Former CFO	50% of Fixed Remuneration	75% of Fixed Remuneration

The interim MD & CEO is ineligible to participate in the STI Plan.

In the STI plan, Executive KMP must reach 115% of the target performance level to attain the maximum earning potential, incentivising and encouraging outperformance.

Performance measures and weightings

STI outcomes are determined by the Board at the end of each financial year, based on the achievement of pre-determined financial and non-financial metrics, through a balanced scorecard. The performance measures are aligned with Group and Segment targets as well as key strategic priorities for the twelve-month period, complementing the achievement of the Group's long-term strategy.

CATEGORY	PERFORMANCE MEASURE	WEIGHTING
Financial	Group NPAT	40%
	Average Group Return On Invested Capital	15%
	Average Group Inventory to Sales Percentage	15%
Non-Financial	ES&G	15%
	Culture	15%
	STI Behaviours Modifier: 80%-100% of overall STI earned	

In FY24, Group financial and non-financial measures and targets have been applied, emphasising the importance of collaborative decision-making and prioritising collective achievements over individual segment performance.

An STI Behaviours Modifier emphasises Bapcor's values by ensuring focus on both 'what' is achieved and 'how' it is achieved, promoting a positive company culture. This modifier can reduce, but not increase, the STI earned if cultural and values expectations are not met.

Calculation of the STI award	The STI award is calculated as follows: Fixed remuneration $ x STI Opportunity % x Performance Outcome % x Behaviours Modifier % = **STI award $**
Determination of the STI award	The STI award is determined after the end of the financial year following a review of performance against the STI performance measures.
Cessation of employment	If an Executive KMP ceases employment with Bapcor prior to the STI payment being paid, the Executive KMP will forfeit any awards that were to be received for the performance period, unless the Board determines otherwise. Should an Executive KMP be dismissed for serious misconduct post the STI payment date, any deferred amount will be forfeited in accordance with the Claw back policy.
Change of control	If a 'Change of Control' occurs or the Company sells the whole or a substantial part of Bapcor Limited, the Board may in its discretion determine whether and in what amount to pay any STI awards.
Clawback	The Board retains the discretion to adjust, forfeit or recover a payment or issue if, in their opinion, the participant; › Acts fraudulently, or dishonestly. › Wilfully breaches their duties to the Group; or › Is responsible for material financial misstatements, major negligence, significant legal, regulatory and/or policy non-compliance, or a significant harmful act.

5.5 Short-term incentive – performance outcomes

The following tables show the actual STI performance outcomes for Executive KMP in FY24:

PERFORMANCE MEASURE	WEIGHTING	OBJECTIVE	SCORECARD PERFORMANCE	FY24 PERFORMANCE LEVEL OF ACHIEVMENT
Financial				
Group pro-forma NPAT	40.0%	Increase group pro-forma NPAT subject to market conditions	Statutory loss after tax, and underlying Group EBIT below threshold.	Not achieved
Average Group ROIC	15.0%	Focus on capital efficiency	Group ROIC on an underlying basis below threshold.	Not achieved
Average Group Inventory as a % of Sales	15.0%	Improve performance by increasing inventory turns	Elevated inventory position during the year has recommended no achievement in this KPI.	Not achieved
Non-financial				
Environmental, Social and Governance (ESG)	15.0%	Progress strategy as articulated in 2023 Annual Report.	ESG requirements are now part of master service agreements, with over 200 suppliers onboarded and self-assessments doubling from last year. Focus on improving data integrity and carbon accounting across Scopes 1, 2 and 3, and have scoped a renewable energy strategy for FY25. Diversion from landfill has significantly improved and the number of products with the Australian Recycling Label continues to grow monthly.	Achieved
Culture	15.0%	Improvement in organisation health	Bapcor Purpose launched, and culture roadmap developed. A Diversity, Equity, and Inclusion strategy was developed and received Board endorsement. An OHI survey was withheld considering the company's material change over the year and transition activity.	Partially achieved

FY24 Executive KMP STI outcomes

The following table outlines the Executive KMP FY24 STI outcomes. As per the FY24 STI plan, 50% of the awarded STI is allocated in Equity, with vesting deferred for an additional 12 months from the date of grant.

EXECUTIVE KMP	MAXIMUM STI AS A % OF FAR	ACTUAL STI AS A % OF MAXIMUM	STI FORFEITED AS A % OF MAXIMUM	ACTUAL STI AWARDED $	DEFERRED STI (50% ACTUAL STI)
Current					
Mark Bernhard[1]	N/A	N/A	N/A	N/A	N/A
Former					
Noel Meehan[2]	N/A	N/A	N/A	N/A	N/A
Stefan Camphausen[3]	N/A	N/A	N/A	N/A	N/A

1 No STI opportunity is applicable within the Interim MD & CEO Remuneration package.
2 The former MD & CEO ceased to be a KMP on 4 February 2024 and is ineligible for an FY24 STI payment.
3 The former CFO ceased employment form 14 April 2024 and is ineligible for an FY24 STI payment

FY23 Deferred STI outcome

The table below provides details of the 2023 deferred shares that have vested within FY24.

GRANT DATE	VESTING DATE	EXPIRY DATE	FAIR VALUE PER SHARE RIGHT AT GRANT DATE	NUMBER OF SHARE RIGHTS AT GRANT DATE	% VESTED
3/11/2023	3/11/2023	3/11/2023	$5.19	31,070	100

5.6 FY24 Long-Term Incentive (LTI) plan

The LTI plan rewards Executive KMP for generating sustainable long-term value over a three-year performance period. The plan serves to attract and retain key executives while aligning their interests with shareholders by promoting long-term growth and value creation.

The key features of the FY24 LTI plan under which grants were made to Former Executive KMP in FY24 are as follows:

Participants under the plan	Executives who were employed at the commencement of the financial year were invited to participate.
LTI opportunity	The LTI opportunity is set in reflection of scope, accountabilities and impact that a role would make over a three-year performance period. Market benchmarks are also taken into consideration when determining the opportunity. The maximum face value of LTI opportunity that can be granted, expressed as a percentage of Fixed Remuneration is: ROLE — MAXIMUM (CAP) MD & CEO — 150% of Fixed Remuneration CFO — 75% of Fixed Remuneration In FY24, a 'stretch-max' performance level within the plan was introduced with the aim to focus Executives on delivering exceptional long-term returns that significantly outperform in favour of shareholders. To achieve the stretch-max target, an extraordinary improvement in ROIC and rTSR would be required. As such, the MD & CEO's maximum earning potential increased from 100% to 150% of Fixed Remuneration and the CFO's maximum earning potential increased from 50% to 75% of Fixed Remuneration.
Instrument	Performance rights will vest upon the Board's satisfaction of the performance conditions being met, and do not carry any voting rights or dividend entitlements.
Allocation of performance rights	The number of performance rights issued to each executive is determined by dividing the participants maximum LTI value by the face value basis using a 10-day volume weighted average price (VWAP) of Bapcor shares prior to 30 June 2023.
Performance period	The performance period is three years.
Performance measures	The performance measures and their relative weightings are given below: PERFORMANCE MEASURE — WEIGHTING % Relative Total Shareholder Return (rTSR) — 50% Return On Invested Capital (ROIC) — 50%

The relative Total Shareholder Return (rTSR) comparator group consists of the broader S&P/ASX 200 index. The Board considers that the S&P/ASX 200 index provides a more reliable comparative basis for the purposes of measuring relative total shareholder return (rather than a fixed set of comparator companies, which may be subject to significant corporate actions that may result in distortion of total shareholder return). In addition, it is a simpler to apply approach, and provides greater visibility and alignment for participants.

rTSR will be tested by comparing the Company's rTSR performance over the performance period relative to the ASX 200 index as at 30 June 2023. The test will be conducted by an independent, external provider. rTSR incorporates both share appreciation and dividends. For Bapcor and the ASX 200 Index constituents as at 30 June 2023, the share price at the start and end of the performance period will be the 10-day VWAP of the Company's shares preceding the start and end of the performance period. Dividends will be assumed to have been reinvested on the ex-dividend date.

Return on Invested Capital focuses on capital efficiency and returns, which complements Bapcor's other existing remuneration key performance indicators, including those that continue to be focused on growth and expansion.

The ROIC hurdle will be calculated as the simple average of the Company's ROIC as at 30 June 2024, 30 June 2025 and 30 June 2026 (Average ROIC).

Vesting Scales

MEASURE	PERFORMANCE LEVEL	VESTING %
rTSR	Below the 50th percentile	Nil
	At the 50th percentile	50%
	Between the 50th and 75th percentiles	Pro rata vesting on a straight-line basis with 2% point difference in outcomes
	Between the 75th and 87.5th percentiles	Pro rata vesting on a straight-line basis with 4% points difference in outcomes
	At or above the 87.5th percentile	100%
ROIC	Below 12.5%	Nil
	At 12.5%	50%
	Between 12.5% and 13.5%	Pro rata vesting on a straight-line basis
	At and above 13.5%	100%

Amendments	To the extent permitted by the ASX Listing Rules, the Board retains the discretion to vary the terms and conditions of the LTI. This includes varying the number of Performance Rights or the number of shares to which a participant is entitled upon a reorganisation of the capital of Bapcor.
Other terms	Shares acquired on the conversion of vested Performance Rights cannot be sold for a period of twelve months from the date the rights satisfied the performance hurdles. Performance rights cannot be transferred, encumbered, or hedged.
Cessation of employment	The LTI performance rights are subject to the participant being employed (or contracted) for the full performance period of 3 years. If the participant is a "good leaver", the prorate number of months completed may vest if the performance hurdles are achieved. If the participant is not a "good leaver", any unvested rights will automatically lapse on the date of the cessation of employment, subject to any determination otherwise by the Board in its sole and absolute discretion.
Clawback	Where, in the opinion of the Board, the participant: › acts fraudulently, or dishonestly; › wilfully breaches their duties to the Group; or › is responsible for material financial misstatements, major negligence, significant legal, regulatory and/or policy non-compliance, or a significant harmful act. The Board may, at its sole and absolute discretion, deem some or all of the unvested, or vested but unconverted, performance rights granted to that participant to be forfeited and to have lapsed. under specific circumstances any vested equity can be clawed back from the participant.

5.7 FY22 Long-term incentive plan outcomes

During FY24, the performance outcomes for the FY22-24 LTI plan were independently tested by third parties and resulted as follows:

MEASURE	WEIGHTING	THRESHOLD TARGET	PERFORMANCE OUTCOME	VESTING OUTCOME
rTSR	50%	50th percentile ranking	23rd percentile ranking relative to TSR peer group.	0.0%
EPS	50%	7.5%	(9.99%)	0.0%

As a result of not meeting threshold targets, no vesting has occurred for the FY22 LTI plan.

6. Executive KMP realised remuneration (non-statutory)

The following table provides a summary of remuneration received by Executive KMP during FY24. This information provides further transparency to give shareholders a clearer understanding of Executive KMP remuneration and is supplementary to the Statutory details of remuneration given in the subsequent section of this report.

					PREVIOUS YEAR AWARDS THAT VESTED DURING FY24			
EXECUTIVE KMP	YEAR	FIXED REMUN-ERATION[1] $	TERMI-NATION PAYMENTS $	CASH STI[2] $	PRIOR YEAR DEFERRED STI $	VESTED AND UNRE-STRICTED LTI[3] $	NON-MONETARY	TOTAL RECEIVED $
M Bernhard[4]	FY24	374,203	-	-	-	-	-	374,203
	FY23	N/A	-	N/A	N/A	N/A	N/A	N/A
Former KMP								
N Meehan[5]	FY24	1,250,000		125,071	97,608	-	-	1,472,679
	FY23	1,073,568	-	125,071	70,482	-	-	1,269,121
S Camphausen[6]	FY24	596,563	-	81,550	63,645	-	63,977	805,735
	FY23	764,247	-	81,550	-	-	111,789	957,586
Total	**FY24**	**2,220,766**	**-**	**206,621**	**161,253**	**-**	**63,977**	**2,652,617**
	FY23	**1,837,815**		**206,621**	**70,482**	**-**	**111,789**	**2,226,707**

1 Fixed remuneration is the aggregate of cash salary, superannuation, and fringe benefits.

2 Cash STI is the amount accrued in the year ended 30 June 2023 and paid in August 2023.

3 Vested and unrestricted LTI is the value of the vested LTI on the day it is no longer under restriction from sale.

4 M Bernhard was appointed as Interim MD & CEO on 5 February 2024 with a fixed remuneration of $900,000.

5 N Meehan ceased to be a KMP on 4 February 2024. He will support the Bapcor Board and the new MD & CEO in a strategic support capacity for the period 5 February 2024 to 5 February 2025. The fixed remuneration figure given represents Mr Meehan's earnings up to his time as a KMP and up to 30 June 2024. All statutory accrued leave entitlements will be paid upon his termination date of 5 February 2025.

6 S Camphausen ceased employment on 14 April 2024. During his employment, he received fully paid travel and accommodation for commute from Sydney to Melbourne as an employment condition. In FY23, Mr Camphausen's fixed remuneration included a $70,000 allowance for higher duties.

7. Statutory details of remuneration

The statutory remuneration disclosures for the year ended 30 June 2024 are detailed below under the following headings and are prepared in accordance with Australian Accounting Standards (AASBs).

7.1 Remuneration of KMP

		SHORT-TERM BENEFITS			POST-EMPLOYMENT BENEFITS	LONG TERM BENEFITS	SHARE BASED PAYMENTS	OTHER		PERCENTAGE OF REMUNERATION FIXED AND AT RISK		
NAME	YEAR	CASH SALARY AND FEES[1] $	CASH STI $	NON-MONETARY $	SUPERANNUATION $	ANNUAL & LONG SERVICE LEAVE $	EQUITY SETTLED[2] $	TERM PAYMENTS $	TOTAL $	FIXED %	AT RISK – STI %	AT RISK – LTI %
NED												
M Haseltine	FY24	307,601	–	–	27,399	–	–	–	335,000	100%	–	–
	FY23	274,708	–	–	19,057	–	–	–	293,765	100%	–	–
J Todd	FY24	153,153	–	–	16,847	–	–	–	170,000	100%	–	–
	FY23	136,826	–	–	14,388	–	–	–	151,214	100%	–	–
M Powell	FY24	150,901	–	–	16,599	–	–	–	167,500	100%	–	–
	FY23	140,271	–	–	14,754	–	–	–	155,025	100%	–	–
M Bernhard[3]	FY24	90,517	–	–	9,957	–	–	–	100,474	100%	–	–
	FY23	136,826	–	–	14,388	–	–	–	151,214	100%	–	–
B Soller	FY24	153,153	–	–	16,847	–	–	–	170,000	100%	–	–
	FY23	93,335	–	–	9,800	–	–	–	103,135	100%	–	–
K Spargo	FY24	147,419	–	–	16,216	–	–	–	163,635	100%	–	–
	FY23	42,232	–	–	4,434	–	–	–	46,666	100%	–	–
R Dee Bradbury[4]	FY24	46,546	–	–	5,120	-	–	–	51,666	100%	–	–
	FY23	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
T Ryan[5]	FY24	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	FY23	35,607	–	–	3,762	–	–	–	39,369	100%	–	–
J McDonald[5]	FY24	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	FY23	46,746	–	–	4,935	–	–	–	51,681	100%	–	–
Executive Director												
M Bernhard[3]	FY24	356,660	-	-	17,543	33,870	-	-	408,073	100%	–	–
	FY23	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Former KMP												
N Meehan[6]	FY24	1,949,892	3,494	–	47,354	71,941	517,038	–	2,589,719	80%	0%	20%
	FY23	1,048,275	242,321	-	25,292	21,485	403,874	–	1,741,247	63%	14%	23%
S Camphausen[7]	FY24	571,447	-	63,977	25,116	(8,297)	(196,067)	–	456,176	143%	0%	(43%)
	FY23	742,031	81,550	111,789	25,292	47,055	259,712	–	1,267,429	73%	6%	20%
Total	**FY24**	**3,927,289**	**3,494**	**63,977**	**198,998**	**97,514**	**320,971**	**–**	**4,612,243**			
	FY23	**2,696,857**	**323,871**	**111,789**	**136,102**	**68,540**	**663,586**	**–**	**4,000,745**			

1 Cash salary and fees excludes accrued annual leave.

2 Equity settled includes the BTB incentive plan. The total expense is based on market and non-market vesting conditions, considering the terms and conditions of the granted instruments.

3 M Bernhard was appointed Interim MD & CEO on 5 February 2024 with a fixed remuneration of $900,000.

4 R Dee Bradbury commenced on 1 September 2023 and retired on 31 December 2023.

5 T Ryan and J Macdonald retired on 30 September 2022 and 19 October 2022 respectively.

6 N Meehan ceased to be a KMP on 4 February 2024. He will support the Bapcor Board and new MD & CEO in a strategic support capacity for the period 5 February 2024 to 5 February 2025. During this period, he will receive an annual salary of 1,250,000 inclusive of superannuation, split between cash salary and superannuation, with no additional remuneration or benefits. All statutory accrued leave entitlements will be paid upon his termination date of 5 February 2025. Mr Meehan's share-based payments reflects acceleration of amortisation expense to his cessation date as KMP on 5 February 2024.

7 S Camphausen ceased to be KMP on 14 April 2024, thus his performance rights were forfeited. During his employment, he received fully paid travel and accommodation for commute from Sydney to Melbourne as an employment condition. In FY23, Mr Camphausen's fixed remuneration included a $70,000 allowance for higher duties.

7.2 Service agreements

Remuneration and other terms of employment for Executive KMP are formalised in service agreements. Details of these agreement are as follows.

CONTRACT TERMS	INTERIM CHIEF EXECUTIVE OFFICER
Commencement date	5 February 2024
Term of agreement	Until terminated by the company
Fixed annual remuneration ('FAR')	Contract specifies the FAR inclusive of superannuation, motor vehicle, non-cash benefits and FBT thereon.
Review of FAR	Subject to annual review with no obligation on the company to make changes.
Variable pay	Ineligible to participate in the company's incentive arrangements.
Notice period	Subject to a two-weeks' notice period both by the company and by the Executive.
Confidentiality	Contract includes provisions requiring the Executive to maintain the confidentiality of company information.
Leave	Contract provides for leave entitlements, as a minimum, in accordance with respective legislation.

Former Executive KMP

The provisions of the employment agreements for former Executive KMP include:

CONTRACT TERMS	FORMER MD & CEO	FORMER CFO
Commencement date in role	8 February 2022	4 July 2022
Term of agreement	Open ended	
Fixed annual remuneration ('FAR')	Contract specifies the FAR inclusive of superannuation, motor vehicle, non-cash benefits and FBT thereon.	
Review of FAR	Subject to annual review with no obligation on the company to make changes.	
Variable pay	Eligible to participate in the company's incentive arrangements that can vary from time to time. The maximum STI opportunity is 100% of the executive's FAR and the maximum LTI opportunity is 150% of the executive's FAR in FY24.	Eligible to participate in the company's incentive arrangements that can vary from time to time. The maximum STI opportunity is 75% of the executive's FAR and the maximum LTI opportunity is 75% of the executive's FAR in FY24.
Notice period	Subject to a six-month notice period both by the company and by the Executive.	
Confidentiality	Contract includes provisions requiring the Executive to maintain the confidentiality of company information.	
Leave	Contract provides for leave entitlements, as a minimum, in accordance with respective legislation.	
Restraint of trade	Contract includes restraint of trade provision for a period of twelve months after termination of employment.	
Termination payments	Contract includes termination payments relating to amounts accrued and earned such as annual leave, long service leave, STI and LTI (subject to vesting conditions and Board approval).	

Bapcor or the Executive KMP may terminate the employment contract by giving the other six months' written notice before the proposed date of termination, or in Bapcor's case, payment in lieu of notice. Bapcor may terminate the Executive KMP employment immediately and without payment in lieu of notice in certain circumstances including for any serious misconduct. Other than any amounts accrued and earned such as annual leave, long service leave, STI and LTI (subject to vesting conditions and Board approval) there are no termination payments included in the Executive KMP contracts.

7.3 NED remuneration

Fees and payments to NEDs reflect the demands and the responsibilities of the directors. NED fees and payments are reviewed annually by the RESGC. The RESGC seeks to set fees at a level that will attract and retain high calibre NEDs who have a diverse range of experience, skills and qualifications to enable effective oversight of management and the company. The RESGC may, from time to time, receive advice from independent remuneration consultants to ensure NED fees and payments are competitive, appropriate and in line with the market. Refer section five for more details on independent remuneration consultancy received in FY24.

The maximum aggregate fee pool of $1,500,000 was approved by shareholders at the AGM on 20 October 2020.

The following fee policy for the Board and Committees took effect from 1 July 2023:

NED TYPE[1]	BOARD $	RESGC $	ARC $
Chair	335,000	30,000	30,000
Member	140,000	15,000	15,000

1 All fee amounts are inclusive of compulsory superannuation obligations.

Fees paid to NEDs in FY24 are set out in the following table. Fees are paid in cash and NEDs were not granted options or share rights. NEDs are not entitled to any payment on retirement or resignation from the Board. Directors may also be reimbursed for expenses properly incurred by the director in connection with the affairs of Bapcor including travel and other expenses whilst attending to company affairs.

NED	FINANCIAL YEAR	BOARD FEES[6] $	COMMITTEE FEES[6] $	SUPER-ANNUATION $	TOTAL $
M Haseltine	2024	307,601	N/A	27,399	335,000
	2023	274,708	N/A	19,057	293,765
M. Powell[1]	2024	126,126	24,775	16,599	167,500
	2023	111,875	28,396	14,754	155,025
J. Todd	2024	126,126	27,027	16,847	170,000
	2023	111,875	24,951	14,388	151,214
M Bernhard[2]	2024	74,544	15,974	9,957	100,475
	2023	111,875	24,951	14,388	151,214
B Soller	2024	126,126	27,027	16,847	170,000
	2023	74,175	19,160	9,800	103,135
K Spargo[3]	2024	126,126	21,292	16,216	163,634
	2023	37,394	4,838	4,434	46,666
R Dee-Bradbury[4]	2024	42,042	4,504	5,120	51,666
	2023	N/A	N/A	N/A	N/A

1 M Powell stepped down as Chair of the RESGC on 1 May 2024, however remained a member of the Committee.
2 M Bernhard was appointed as Interim CEO & MD on 5 February 2024. From this date he stepped down from his role as a Non-Executive Director.
3 K Spargo was appointed as a member of the ARC on 5 February 2024 and Chair of the RESGC on 1 May 2024.
4 R Dee Bradbury was a Non-Executive Director from 1 September 2023 to 31 December 2023.
5 Following external benchmarking, from 1 July 2023 the fee for the Board Chair increased to $335,000 and the Members' fees increased to $140,000.

Shares held by NEDs

The Board has a guideline that Non-Executive Directors acquire a holding of shares in the company so that within three years of appointment it reaches a minimum level of one times the base board fees. The current shareholding interests of the NEDs is set out in section 7.5.

7.4 Share-based compensation

The following table outlines the details of the LTI grants outstanding for each Executive KMP participant and other movements in performance rights in the year. As performance rights will not vest if the performance conditions are not satisfied, the minimum value of the performance right yet to vest is nil. From FY21 the weighted average face value of shares is used to calculate the number of LTI performance rights granted. There were no amounts paid and there were no amounts outstanding or due from KMP in relation to the grant of performance rights during the year.

KMP	Grant Date	Balance at start of year (number)	Granted during the year	Vest date	Exercise price	Value at grant date[1]	Quantity vested	Vested %	Quantity forfeited/ lapsed	Forfeited/ Lapsed %	Other changes	Quantity remaining (unvested)	Value expensed this year[2]	Maximum total value of grant yet to be expensed
Meehan Noel Anthony[3]	30/08/2021	51,316	-	30/06/2024	-	270,948	-	0.0%	-	0.0%	(51,316)	N/A	32,158	-
	29/03/2022	27,040	-	30/06/2024	-	117,624	-	0.0%	-	0.0%	(27,040)	N/A	12,168	-
	19/10/2022	184,297	-	30/06/2025	-	903,978	-	0.0%	-	0.0%	(184,297)	N/A	212,063	-
	17/10/2023	-	156,268	30/06/2025	-	867,287	-	0.0%	-	0.0%	(156,268)	N/A	(193,766)	-
	3/11/2023	-	18,807	03/11/2023	-	97,608	(18,807)	100.0%	-	-	-	-	1,360	-
	3/11/2023	-	314,623	30/06/2026	-	1,239,616	-	0.0%	-	0.0%	(314,623)	N/A	453,056	-
Camphausen Stefan[4]	12/10/2022	60,083	-	30/06/2025	-	299,515	-	0.0%	(60,083)	100.0%	-	-	(53,453)	-
	8/03/2023	101,892	-	30/06/2025	-	620,318	-	0.0%	(101,892)	100.0%	-	-	(143,502)	-
	3/11/2023	-	12,263	03/11/2023	-	63,645	(12,263)	100.0%	-	0.0%	-	-	888	-
	3/11/2023	-	94,388	30/06/2026	-	371,889	-	0.0%	(94,388)	100.0%	-	-	-	-
Total		**424,628**	**596,349**			**4,852,428**			**(256,363)**		**(733,544)**		**320,971**	-

1. Value at grant date has been determined as the fair value of performance rights at grant.
2. Value expensed this year is the current year expense calculated by allocating the fair value (determined at grant), of the performance rights, over the relevant vesting period as required by the Accounting Standards.
3. N Meehan ceased to be a KMP on 4 Feb 2024 and therefore Noel's unvested balance as at 30 June 2024 has been adjusted to reflect no further holdings as an Executive KMP.
4. S Camphausen ceased to be KMP on 14 April 2024 thus his performance rights were forfeited.

7.5 Equity instrument disclosures relating to KMP

The numbers of ordinary voting shares in the company held during the financial year by each director and other KMP, including their personally related parties, are set out below.

2024	BALANCE AT START OF THE YEAR	RECEIVED DURING THE YEAR	DIVIDEND REINVESTMENT PLAN	PURCHASE OF SHARES	SALE OF SHARES	RESIGNED/ CEASED TO BE KMP	BALANCE AT THE END OF THE YEAR
Directors							
M Haseltine	74,229	–	–	6,500	–	–	80,729
J Todd	27,500	–	–	5,000	–	–	32,500
M Powell	25,000	–	–	–	–	–	25,000
M Bernhard[1]	22,500	–	–	5,000	–	–	27,500
K Spargo	10,000	–	–	20,000	–	–	30,000
B Soller	7,500	–	–	11,000	–	–	18,500
Former Directors							
R Dee-Bradbury	-	–	–	10,000		(10,000)	–
Former KMP							
N Meehan	81,205	11,117	–	80,420	–	–	172,742
S Camphausen	–	–	–	–	–	–	–
Total	**247,934**	**11,117**	–	**137,920**		**(10,000)**	**386,971**

1 M Bernhard ceased to be a Non-Executive Director on 4 February 2024 and commenced as Interim MD & CEO on 5 February 2024.

7.6 Total shares under right to KMP

DATE GRANTED	VEST DATE	EXPIRY DATE	EXERCISE PRICE OF RIGHTS	QUANTITY[1,2]
Performance rights				
30/08/2021	30/06/2024	30/08/2036	-	N/A
29/03/2022	30/06/2024	29/03/2036	-	N/A
12/10/2022	30/06/2025	12/10/2037	-	N/A
19/10/2022	30/06/2025	19/10/2037	-	N/A
17/10/2023	30/06/2025	17/10/2038	-	N/A
03/11/2023	03/11/2023	03/11/2038	-	N/A
03/11/2023	30/06/2026	30/06/2038	-	N/A

1 N Meehan ceased to be a KMP on 4 February 2024 and therefore his unvested balance as at 30 June 2024 has been adjusted to reflect no further holdings as an Executive KMP.
2 S Camphausen ceased to be a KMP on 14 April 2024 thus his performance rights were forfeited.

7.7 Equity granted in the 2024 financial year

The information provided below provides a list of performance rights granted during the 2024 financial year.

7.7.1 Long-term incentive plan and BTB incentive plan

Equity plan	Grant date	Performance measure	Quantity Granted[1]	Fair value $	Performance period	Exercise price	Test date	Expiry Date	Share price on valuation date $	Volatility	Dividend Yield	Risk free rate	Other conditions
FY24 LTI Plan (former MD & CEO)	03/11/2023	Relative TSR	157,311	2.88	01/07/2023 - 30/06/2026	Nil	30/06/2026	03/11/2038	5.54	28.45%	3.97%	4.30%	Sale restriction to 30/06/2027
		ROIC	157,312	5.00									
FY24 LTI Plan (former CFO)	03/11/2023	Relative TSR	47,194	2.88	01/07/2023 - 30/06/2026	Nil	30/06/2026	03/11/2038	5.54	28.45%	3.97%	4.30%	Sale restriction to 30/06/2027
		ROIC	47,194	5.00									
BTB Incentive Plan (former MD & CEO)	17/10/2023	Net Ebit	78,134	5.55	22/11/2022 - 30/06/2025	Nil	30/06/2025	17/10/2038	5.91	N/A	3.72%	N/A	Sale restriction to 30/06/2027
		ROIC	78,134										

1 Due to rounding the total shares per tranche are not exactly 50/50 split but approximate that.
2 The fair value represents the value used to calculate the accounting expense as required by accounting standards.

7.8 Loans and other transactions with KMP

No loans were made to any KMP in FY24 and there are no outstanding loans to any KMP. No other transactions occurred in FY24 with any KMP.

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors.

____
Margaret Haseltine
Chair

21 August 2024
Melbourne

Auditor's Independence Declaration

As lead auditor for the audit of Bapcor Limited for the year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Bapcor Limited and the entities it controlled during the period.

Alison Tait Milner

Alison Tait Milner
Partner
PricewaterhouseCoopers

Melbourne
21 August 2024

PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
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General information

The financial statements cover Bapcor Limited as a consolidated entity consisting of Bapcor Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Bapcor Limited’s functional and presentation currency.

Bapcor Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

127-139 Link Road, Melbourne Airport VIC 3045 Australia.

A description of the nature of the consolidated entity’s operations and its principal activities are included in the Directors’ Report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 21 August 2024. The directors have the power to amend and reissue the financial statements.

Bapcor Limited
Consolidated statement of comprehensive income
For the year ended 30 June 2024

	Note	Consolidated 2024 $'000	Consolidated 2023 $'000
Revenue	4	2,036,938	2,021,135
Share of profits of associates accounted for using the equity method	15	1,101	1,937
Other income	5	1,126	2,182
Expenses			
Cost of sales		(1,113,342)	(1,077,325)
Employee expenses		(487,643)	(446,749)
Freight		(31,050)	(34,839)
Advertising		(39,442)	(36,668)
Other expenses		(106,096)	(107,984)
Motor vehicles		(18,202)	(17,351)
IT and communications		(33,763)	(30,342)
Depreciation and amortisation expense	6	(94,467)	(96,657)
Finance costs	6	(40,097)	(28,932)
Impairment of assets	7	(233,518)	-
Impairment of investments	15	(3,500)	-
Profit/(loss) before income tax (expense)/benefit		(161,955)	148,407
Income tax (expense)/benefit	8	3,330	(42,238)
Profit/(loss) after income tax (expense)/benefit for the year		(158,625)	106,169
Other comprehensive income			
Items that may be reclassified to profit or loss			
Foreign currency translation		460	3,681
Changes in the fair value of cash flow hedges		(2,489)	(2,021)
Other comprehensive income for the year, net of tax		(2,029)	1,660
Total comprehensive income for the year		(160,654)	107,829
Profit/(loss) for the year is attributable to:			
Non-controlling interest		(316)	(279)
Owners of Bapcor Limited	24	(158,309)	106,448
		(158,625)	106,169
Total comprehensive income for the year is attributable to:			
Non-controlling interest		-	104
Owners of Bapcor Limited		(160,654)	107,725
		(160,654)	107,829
		Cents	**Cents**
Basic earnings per share	27	(46.64)	31.36
Diluted earnings per share	27	(46.64)	31.23

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes

Bapcor Limited
Consolidated statement of financial position
As at 30 June 2024

	Note	Consolidated 2024 $'000	Consolidated 2023 $'000
Assets			
Current assets			
Cash and cash equivalents		71,594	78,634
Trade and other receivables	9	198,587	239,593
Inventories	10	541,213	519,659
Derivative financial instruments	20	394	3,381
Income tax receivable		10,483	17,149
Assets classified as held for sale	11	28,285	-
Total current assets		850,556	858,416
Non-current assets			
Right-of-use assets	12	249,897	283,775
Property, plant and equipment	13	115,372	115,218
Intangibles	14	618,605	798,740
Investments accounted for using the equity method	15	7,569	10,997
Deferred tax	8	62,806	25,229
Total non-current assets		1,054,249	1,233,959
Total assets		1,904,805	2,092,375
Liabilities			
Current liabilities			
Trade and other payables	16	214,741	259,940
Provisions	17	68,001	47,506
Lease liabilities	19	65,784	72,095
Derivative financial instruments	20	763	243
Liabilities classified as held for sale	11	15,008	-
Total current liabilities		364,297	379,784
Non-current liabilities			
Provisions	17	17,788	17,164
Borrowings	18	405,554	331,138
Lease liabilities	19	222,824	239,184
Total non-current liabilities		646,166	587,486
Total liabilities		1,010,463	967,270
Net assets		894,342	1,125,105
Equity			
Issued capital	22	867,722	867,972
Reserves	23	3,712	4,458
Retained profits	24	22,079	251,665
Equity attributable to the owners of Bapcor Limited		893,513	1,124,095
Non-controlling interest	25	829	1,010
Total equity		894,342	1,125,105

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Bapcor Limited
Consolidated statement of changes in equity
For the year ended 30 June 2024

Consolidated	Contributed equity $'000	Other $'000	Reserves $'000	Retained earnings $'000	Non-controlling Interests $'000	Total equity $'000
Balance at 1 July 2022	878,652	(10,680)	3,149	219,888	1,248	1,092,257
Profit/(loss) after income tax expense for the year	-	-	-	106,448	(279)	106,169
Other comprehensive income for the year, net of tax	-	-	1,619	-	41	1,660
Total comprehensive income for the year	-	-	1,619	106,448	(238)	107,829
Transactions with owners in their capacity as owners:						
Share-based payments (note 36)	-	-	(310)	-	-	(310)
Dividends paid (note 26)	-	-	-	(74,671)	-	(74,671)
Balance at 30 June 2023	878,652	(10,680)	4,458	251,665	1,010	1,125,105

Consolidated	Contributed equity $'000	Other $'000	Reserves $'000	Retained earnings $'000	Non-controlling Interests $'000	Total equity $'000
Balance at 1 July 2023	878,652	(10,680)	4,458	251,665	1,010	1,125,105
Loss after income tax benefit for the year	-	-	-	(158,309)	(316)	(158,625)
Other comprehensive income for the year, net of tax	-	-	(2,163)	-	134	(2,029)
Total comprehensive income for the year	-	-	(2,163)	(158,309)	(182)	(160,654)
Transactions with owners in their capacity as owners:						
Share-based payments (note 36)	-	-	1,418	-	-	1,418
Treasury shares (note 22)	-	(250)	-	-	-	(250)
Dividends paid (note 26)	-	-	-	(71,277)	-	(71,277)
Balance at 30 June 2024	878,652	(10,930)	3,713	22,079	828	894,342

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

	Note	Consolidated 2024 $'000	Consolidated 2023 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		2,264,034	2,202,621
Payments to suppliers and employees (inclusive of GST)		(2,057,334)	(1,881,913)
		206,700	320,708
Payments for new store initial inventory purchases		(8,819)	(14,535)
Payments for restructuring activities		(15,530)	(4,803)
Payments for transformation activities		(4,960)	(19,934)
Borrowing costs		(23,119)	(14,378)
Transaction costs relating to acquisition of business		(943)	(329)
Income taxes paid		(27,526)	(53,000)
Net cash from operating activities	28	125,803	213,729
Cash flows from investing activities			
Payment for purchase of business, net of cash and cash equivalents	31	(2,087)	(19,381)
Payment for deferred settlements		-	(1,007)
Payments for property, plant and equipment	13	(32,354)	(33,751)
Payments for intangibles	14	(24,908)	(7,594)
Proceeds from disposal of property, plant and equipment		1,727	2,727
Net cash used in investing activities		(57,622)	(59,006)
Cash flows from financing activities			
Purchase of treasury shares	22	(250)	-
Proceeds from borrowings		170,000	5,000
Repayment of borrowings		(95,000)	(20,000)
Dividends paid	26	(71,277)	(74,671)
Repayment of lease liabilities		(61,352)	(52,067)
Interest and finance charges on lease liabilities		(16,978)	(14,223)
Borrowing transaction costs		(1,407)	(1,255)
Net cash used in financing activities		(76,264)	(157,216)
Net decrease in cash and cash equivalents		(8,083)	(2,493)
Cash and cash equivalents at the beginning of the financial year		78,634	80,213
Effects of exchange rate changes on cash and cash equivalents		1,043	914
Cash and cash equivalents at the end of the financial year		71,594	78,634

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Material accounting policy information

The accounting policies that are material to the consolidated entity are set out either in the respective notes or below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted
The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The amendments related to deferred tax must be applied immediately and retrospectively in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors,* however the Group has applied the temporary exception. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023. The potential exposure, if any, to Pillar Two income taxes is currently not known or reasonably estimable. The Group expects to be in a position to report the potential exposure in it next financial statements for the interim period ending 31 December 2024.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Reclassifications in prior year
The financial statements contain some reclassifications of prior year disclosures to ensure comparability with the current year and are detailed in the respective notes where they have occurred.

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the AASB and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards (‘IFRS’) as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income and derivative financial instruments.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are material to the financial statements, are disclosed in note 2.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 31.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Bapcor Limited ('company' or 'parent entity') as at 30 June 2024 and the results of all subsidiaries for the year then ended. Bapcor Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

Note 1. Material accounting policy information (continued)

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Associates
Associates are entities over which the consolidated entity has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates reduce the carrying amount of the investment.

When the consolidated entity's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the consolidated entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The consolidated entity discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Foreign currency translation
The financial statements are presented in Australian dollars, which is Bapcor Limited's functional and presentation currency.

Transactions and balances
Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Foreign operations
The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

Note 1. Material accounting policy information (continued)

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within twelve months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within twelve months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Impairment of assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a material risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are included in the following notes to the consolidated financial statements:

Note 2. Critical accounting judgements, estimates and assumptions (continued)

- Note 9 - Trade and other receivables
- Note 10 - Inventories
- Note 13 - Property, plant and equipment
- Note 14 - Intangibles
- Note 17 - Provisions
- Note 19 - Lease liabilities
- Note 36 - Share-based payments

Note 3. Segment information

Description of segments
The consolidated entity has identified four operating segments based on the internal reports that are reviewed and used by the CEO (who is identified as the Chief Operating Decision Maker ('CODM')) and is supported by the other members of the executive team and the Board of Directors where required in assessing performance and in determining the allocation of resources including capital allocations.

The operating results of the consolidated entity are currently reviewed by the CODM and decisions are based on four operating segments which also represent the four reporting segments, as follows:

Bapcor Trade	Represents the trade focused automotive aftermarket parts distribution to independent and chain mechanic workshops. Includes the operations of Burson Auto Parts, Precision Automotive Equipment, Blacktown Auto Spares and the Thailand based operations.
Bapcor Specialist Wholesale	Includes the specialised wholesale distribution and network channel areas of the organisation that focus on a specific automotive area. Includes the operations of AAD, Baxters, Bearing Wholesalers, MTQ Engine Systems, Roadsafe, Diesel Distributors, Federal Batteries, JAS Oceania, Premier Auto Trade, Toperformance, Truckline and WANO.
Bapcor Retail	Represents the retail focused accessory stores that are positioned as the first choice destination for both the everyday consumer and automotive enthusiast as well as the service areas of Bapcor. Includes the operations of Autobarn, Autopro, Midas, ABS and Opposite Lock.
Bapcor NZ	Includes the operations of Brake & Transmission ('BNT'), Autolign and HCB Technologies.

Segment revenue
Intersegment transactions are carried out at arm's length and eliminated on consolidation. The revenue from external parties reported to the CODM is measured in a manner consistent with that in the statement of comprehensive income.

Segment EBITDA
Segment performance is assessed on the basis of segment EBITDA. Segment EBITDA comprises expenses which are incurred in the normal trading activity of the segments and excludes the impact of depreciation, amortisation, interest, tax and other items which are determined to be outside of the control of the respective segments.

Note 3. Segment information (continued)

Operating segment information

Consolidated - 2024	Bapcor Trade $'000	Bapcor Specialists Wholesale $'000	Bapcor Retail $'000	Bapcor NZ $'000	Unallocated / Head Office* $'000	Total $'000
Revenue						
Sales	767,315	792,218	420,925	176,144	66	2,156,668
Total segment revenue	767,315	792,218	420,925	176,144	66	2,156,668
Intersegment sales						(119,730)
Total revenue						2,036,938
EBITDA (pre-impairment)	126,512	90,077	49,114	32,129	(88,213)	209,619
Intersegment EBITDA						8
Depreciation and amortisation						(94,467)
Finance costs						(40,097)
Impairment of assets (note 7)						(233,518)
Impairment of investment						(3,500)
Loss before income tax benefit						(161,955)
Income tax benefit						3,330
Loss after income tax benefit						(158,625)
Assets						
Segment assets	458,744	671,018	243,032	259,380	272,631	1,904,805
Total assets						1,904,805
Liabilities						
Segment liabilities	123,523	160,206	112,435	47,702	566,597	1,010,463
Total liabilities						1,010,463

(*) Unallocated / Head Office costs include restructuring costs (note 17), and inventory write-off related to network rationalisation (note 10) and impairments of assets classified as held for sale (note 11).

Note 3. Segment information (continued)

Consolidated - 2023	Bapcor Trade $'000	Bapcor Specialists Wholesale $'000	Bapcor Retail $'000	Bapcor NZ $'000	Unallocated / Head Office $'000	Total $'000
Revenue						
Sales	763,158	765,953	426,185	176,087	14	2,131,397
Total segment revenue	763,158	765,953	426,185	176,087	14	2,131,397
Intersegment sales						(110,262)
Total revenue						2,021,135
EBITDA (pre-impairment)	124,246	102,891	67,648	29,880	(50,368)	274,297
Intersegment EBITDA						(301)
Depreciation and amortisation						(96,657)
Finance costs						(28,932)
Profit before income tax expense						148,407
Income tax expense						(42,238)
Profit after income tax expense						106,169
Assets						
Segment assets	431,262	659,678	500,051	286,373	215,011	2,092,375
Total assets						2,092,375
Liabilities						
Segment liabilities	147,986	158,274	157,065	51,188	452,757	967,270
Total liabilities						967,270

Geographical information

	Geographical non-current assets	
	2024 $'000	**2023 $'000**
Australia	870,016	1,022,573
New Zealand	180,626	185,408
Other	3,608	734
	1,054,250	1,208,715

The geographical non-current assets above are exclusive of, where applicable, financial instruments, deferred tax assets and balances such as intercompany and investments that are eliminated on consolidation.

Material accounting policies

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Note 4. Revenue

	Consolidated	
	2024	**2023**
	$'000	**$'000**
Revenue from contracts with customers	2,036,938	2,021,135

Disaggregation of revenue
The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	
	2024	**2023**
	$'000	**$'000**
Geographical regions		
Australia	1,971,455	1,947,961
New Zealand	176,144	176,087
Thailand	9,069	7,349
Intersegment sales	(119,730)	(110,262)
	2,036,938	2,021,135
Timing of revenue recognition		
Goods transferred at a point in time	2,121,829	2,097,632
Services transferred over time	34,839	33,765
Intersegment sales	(119,730)	(110,262)
	2,036,938	2,021,135

Material accounting policies

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Sale of goods
Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Rendering of services - franchise and service fees
Revenue from services is recognised over time as the services are rendered in line with the customer contract terms.

Note 5. Other income

	Consolidated	
	2024	**2023**
	$'000	**$'000**
Rental income	1,126	2,182

Rental income relates to rental recoveries from franchise locations related to sub-leases (refer note 12).

Note 6. Expenses

	Consolidated 2024 $'000	2023 $'000
Profit/(loss) before income tax includes the following specific expenses:		
Depreciation and amortisation expense		
Plant and equipment	14,604	16,056
Motor vehicles	6,244	7,620
Properties right-of-use assets	59,816	63,769
Motor vehicles right-of-use assets	216	487
Amortisation of intangibles	13,587	8,725
	94,467	96,657
Finance costs		
Interest and finance charges paid/payable	23,119	14,709
Interest and finance charges paid/payable on lease liabilities	16,978	14,223
	40,097	28,932
Superannuation expense		
Defined contribution superannuation expense	36,716	32,442

Note 7. Impairment of assets

During the year, the following impairment losses were recognised in the profit and loss:

	Consolidated 2024 $'000	2023 $'000
Retail CGU		
Goodwill	146,106	-
Trademarks	34,257	-
Customer contracts	10,223	-
Right-of-use assets	10,549	-
Property, plant and equipment	3,390	
Other assets	4,075	-
	208,600	-
*Business Restructuring: Network rationalisation**		
Right-of-use assets (including lease make good)	16,836	-
Property, plant and equipment	3,251	-
	20,087	-

(*****) Network rationalisation relates to the closure of circa 20% of smaller warehouses with operations transferred to large-scale distribution centres DCV, DCQ and establishment of a mini DC-NSW.

Other Intangible Assets		-
IT projects (Computer software – refer note 14)	4,832	-
	4,832	-
	233,518	-

Note 7. Impairment of assets (continued)

Impairment of Right-of-use assets and Property, plant and equipment

For impairment testing purposes the Group has determined that each store or branch is a separate Cash Generating Unit (CGU). Each store/branch is assessed as to whether any indicators of impairment have been identified. Stores that were identified with impairment indicators were assessed for impairment.

Retail stores
During the year, there were 41 Retail stores identified as having impairment indicators. The recoverable value for each store was determined based on a value in use assessment using estimated future cash flows for the remaining lease term. The recoverable amount for the portfolio of stores was $31.0M and resulted in an impairment of $10.5M to Right-of-use assets and $3.4M to Property, plant and equipment.

The cash flows used within the impairment models are based on assumptions which are sources of estimation uncertainty and movements in these assumptions could lead to further impairment. The key assumptions in the value in use calculations are average EBIT growth rates and the pre-tax discount rate of 12.6%.

A change in the EBIT growth rate over the lease term to negative 1% would be a further impairment of $0.2M. A change in the discount rate of 1% would result in a further impairment of $0.7M.

Note 8. Income tax

	Consolidated	
	2024 $'000	2023 $'000
Income tax expense/(benefit)		
Current tax on profits for the year	32,313	40,758
Deferred tax expense	(35,578)	3,769
Adjustment recognised for prior periods	(65)	(2,289)
Aggregate income tax expense	(3,330)	42,238
Deferred tax included in income tax expense/(benefit) comprises:		
(Increase) / decrease in deferred tax assets	(7,604)	(16,254)
Increase / (decrease) in deferred tax liabilities	(27,974)	20,023
Deferred tax expense / (benefit)	(35,578)	3,769
Numerical reconciliation of income tax expense/(benefit) and tax at the statutory rate		
Profit/(loss) before income tax (expense)/benefit	(161,955)	148,407
Tax at the statutory tax rate of 30%	(48,586)	44,522
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Impairment of goodwill	43,832	-
Other	1,600	454
	(3,154)	44,976
Adjustment recognised for prior periods	(65)	(2,289)
Difference in overseas tax rates	(111)	(449)
Income tax expense/(benefit)	(3,330)	42,238

Note 8. Income tax (continued)

	Consolidated 2024 $'000	Consolidated 2023 $'000
Deferred tax asset		
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Property, plant and equipment	2,545	2,567
Employee benefits	14,299	13,051
Trade and other receivables	2,589	2,164
Inventory	18,531	18,394
Lease liabilities	83,755	92,854
Restructure provision	4,402	867
Lease make good	7,035	4,820
Other	14,338	5,403
	147,494	140,120
Amounts recognised in equity:		
Transaction costs on share issue	278	278
Share-based payment	1,501	620
	1,779	898
Deferred tax asset	149,273	141,018
Movements:		
Opening balance	141,018	120,800
Credited to profit or loss	7,604	16,254
Charged to equity	(278)	(289)
Additions through business combinations	-	1,167
Charged to other comprehensive income	-	(57)
Adjustment recognised for prior periods	929	3,143
Closing balance	149,273	141,018
Set-off against Deferred tax liability	(86,467)	(115,789)
Net Deferred tax asset	62,806	25,229

Note 8. Income tax (continued)

	Consolidated 2024 $'000	Consolidated 2023 $'000
Deferred tax liability		
Deferred tax liability comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Property, plant and equipment	3,993	8,806
Customer contracts	970	4,685
Trademarks	5,961	17,064
Right-of-use assets	75,742	84,293
	86,666	114,848
Amounts recognised in equity:		
Cash flow hedge	(199)	941
Deferred tax liability	86,467	115,789
Movements:		
Opening balance	115,789	96,866
Charged to profit or loss	(29,322)	20,023
Charged to other comprehensive income	-	(855)
Additions through business combinations	-	(245)
Closing balance	86,467	115,789

Material accounting policies

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets is reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Note 9. Trade and other receivables

	Consolidated	
	2024 $'000	2023 $'000
Current assets		
Trade receivables	170,453	199,873
Less: Allowance for credit notes	(1,679)	(1,726)
Less: Allowance for expected credit losses	(6,612)	(4,694)
	162,162	193,453
Customer loans	70	129
Less: Allowance for expected credit losses	(70)	(129)
	-	-
Other receivables	21,068	35,733
Prepayments	15,357	10,407
	36,425	46,140
	198,587	239,593

Trade receivables are non-interest bearing and repayment terms vary by business unit. The total allowance for expected credit losses is $6,682,676 (2023: $4,823,000).

Customer loans relate to loans with franchisees. Loans with repayment terms of less than twelve months are classified as current. Total customer loans are non-interest bearing and balance is $70,000 (2023: $129,000).

Other receivables relate to rebates and other non-trading receivables which are non-interest bearing. Receivables with repayment terms of less than twelve months are classified as current. These receivables are all neither past due nor impaired.

The ageing of the net trade receivables above are as follows:

	Consolidated	
	2024 $'000	2023 $'000
Current and not due	102,244	126,827
31 - 60 days	45,104	46,620
61 - 90 days	8,923	8,275
91+ days	12,258	11,731
	168,529	193,453

Note 9. Trade and other receivables (continued)

The loss allowance was determined for trade receivables above as follows:

30 June 2024	Current $'000	31 - 60 days $'000	61 - 90 days $'000	91+ days $'000	Total $'000
Expected loss rate	0.3%	0.6%	1.6%	60.8%	
Gross amount	103,412	45,620	9,024	12,397	170,453
Loss allowance	(341)	(274)	(141)	(7,535)	(8,291)

30 June 2023	Current $'000	31 - 60 days $'000	61 - 90 days $'000	91+ days $'000	Total $'000
Expected loss rate	1.6%	0.4%	1.8%	32.8%	
Gross amount	126,864	48,382	8,707	15,920	199,873
Loss allowance	(2,097)	(193)	(154)	(3,977)	(6,420)

Movements in the allowance for expected credit losses of trade receivables and customer loans are as follows:

	Consolidated 2024 $'000	2023 $'000
Opening balance	4,823	6,993
Net additional provisions recognised/(de-recognised)	3,190	(371)
Amounts utilised for debt write-off	(1,334)	(1,801)
Foreign currency translation	3	2
Closing balance	6,682	4,823

Bapcor recognised a net loss of $3,190,000 (2023: de-recognised $(371,000)) in respect of impaired receivables during the financial year.

Material accounting policies

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for specific debtors and general expected credit losses. Trade receivables are generally due for settlement within 30 to 60 days.

Other receivables are recognised at amortised cost, less any allowance for specific debtors and general expected credit losses.

Note 9. Trade and other receivables (continued)

Impairment
The impairment methodology applied depends on whether there has been a material increase in credit risk, whereby specific provision will be applied to trade and other receivables not expected to be collected and expected credit losses associated with the trade and other receivables.

In assessing the expected credit losses, the consolidated entity first considers any specific debtors that have objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of the receivables, taking into consideration the indicators of significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or delinquency in payments. The consolidated entity then applies the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance, on the balance of receivables. To measure the expected credit losses, trade receivables have been grouped based on aging.

Critical accounting judgements, estimates and assumptions

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is assessed by taking into account the ageing of receivables, historical collection rates and specific knowledge of the individual debtor's financial position.

Note 10. Inventories

	Consolidated	
	2024* $'000	2023 $'000
Current assets		
Stock in transit - at cost	32,485	23,722
Stock on hand - at cost	564,527	550,102
Less: Provision for slow moving inventory	(55,799)	(54,165)
	508,728	495,937
	541,213	519,659

The net inventory value of $541.2M at 30 June 2024 excludes $17.3M of stock classified as assets held for sale (see Note 11).

Total inventories have increased by net $21.5M since 30 June 2023, due to stock injection from own brand program (Drive Together).

Movements in provision for slow moving inventory

	Consolidated	
	2024 $'000	2023 $'000
Opening balance	(54,165)	(58,436)
Additional provisions released / (recognised)	(17,788)	4,523
Additions through business combinations	(257)	(2,518)
Inventory written off against provision	16,492	2,378
Foreign currency translation	(81)	(112)
Closing balance	(55,799)	(54,165)

(*) During FY24, inventory of $13.4M was written off and included in cost of sales in the Consolidated statement of comprehensive income which relates to business restructuring (network rationalisation).

Note 10. Inventories (continued)

Material accounting policies

Stock in transit is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Stock on hand is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

The provision for slow moving inventory represents inventory held in excess of expected sales over defined periods or where the net realisable value is expected to be negligible.

Critical accounting judgements, estimates and assumptions

The provision for slow moving inventory assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience and other factors that affect inventory obsolescence.

Note 11. Assets and liabilities classified as held for sale

	Consolidated	
	2024 $'000	2023 $'000
Current assets		
Assets classified as held for sale	28,285	-
Reconciliation		
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:		
Opening balance	-	-
Trade and other receivables	6,367	-
Inventories	17,274	-
Right-of-use assets	2,633	-
Property, plant and equipment	2,011	-
Closing balance	28,285	-
Current liabilities		
Liabilities classified as held for sale	15,008	-
Reconciliation		
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:		
Opening balance	-	-
Trade and other payables	9,539	-
Provisions	2,188	-
Lease liabilities	3,281	-
Closing balance	15,008	-

Note 11. Assets and liabilities classified as held for sale (continued)

During FY24, the consolidated entity Group determined certain business assets as non-core to the Group. These are being actively marketed for sale at a sales price reasonable in relation to their fair value.

The impairment of assets held for sale was $10.3M which has been included in other expenses in the Consolidated statement of comprehensive income.

Refer to Note 29 for information relating to the determination of the fair value of the assets and liabilities held for sale.

Note 12. Right-of-use assets

	Consolidated	
	2024	**2023**
	$'000	**$'000**
Non-current assets		
Properties - right-of-use	530,649	504,785
Less: Accumulated depreciation	(280,794)	(221,275)
	249,855	283,510
Motor vehicles - right-of-use	4,444	4,531
Less: Accumulated depreciation	(4,402)	(4,266)
	42	265
	249,897	283,775

The decrease in the carrying value of Property right-of-use assets in FY24 was due to the impairment of Retail stores and impairment for Business restructuring from Network rationalisation and consolidation of warehouses.

Note 12. Right-of-use assets (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Property $'000	Motor vehicles $'000	Total $'000
Balance at 1 July 2022	229,570	629	230,199
Additions	66,298	-	66,298
Additions through business combinations (note 31)	816	-	816
Disposals	(3,693)	-	(3,693)
Remeasurements[1]	54,024	119	54,143
Foreign currency translation	263	5	268
Depreciation expense	(62,279)	(487)	(62,766)
Accelerated depreciation expense[2]	(1,490)	-	(1,490)
Balance at 30 June 2023	283,509	266	283,775
Additions	17,444	-	17,444
Disposals	(1,292)	-	(1,292)
Assets classified as held for sale	(2,633)	--	(2,633)
Remeasurements[1]	40,096	(9)	40,087
Foreign currency translation	(68)	1	(67)
Depreciation expense	(59,816)	(216)	(60,032)
Impairment - Retail	(10,549)	-	(10,549)
Impairment – Network rationalisation including make good	(16,836)	-	(16,836)
Balance at 30 June 2024	249,855	42	249,897

(1) Remeasurements occur when options to renew that were previously excluded are subsequently included or when rentals change due to non-fixed rent reviews, causing an adjustment to both right-of-use asset (ROUA) and lease liability balances. Remeasurements also includes a reclassification between ROUA and lease liability for $10.3M.
(2) Accelerated depreciation relates to the DC Consolidation projects and is based on the estimated exit dates of each site.

The ROUA balance includes offset amounts for sub-leased property totalling $9.6M (2023: $10.3M).

Payments for leases in holdover (i.e.: lease terms which are on a monthly basis) during the year was $7.7M (2023: $7.1M) during the year and included in Other expenses in the Consolidated statement of comprehensive income.

Material accounting policies
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of twelve months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Note 13. Property, plant and equipment

	Consolidated	
	2024	**2023**
	$'000	**$'000**
Non-current assets		
Plant and equipment - at cost	188,128	173,195
Less: Accumulated depreciation and impairment	(99,323)	(83,455)
	88,805	89,740
Motor vehicles - at cost	56,042	51,804
Less: Accumulated depreciation	(29,475)	(26,326)
	26,567	25,478
	115,372	115,218

The amount of work in progress included in plant and equipment is $22,372,000 (2023: $10,402,000) and relates to projects that are not yet completed and therefore are not being depreciated.

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Plant and equipment $'000	Motor vehicles $'000	Total $'000
Balance at 1 July 2022	83,469	23,455	106,924
Additions	31,803	10,472	42,275
Additions through business combinations (note 31)	55	-	55
Disposals	(9,594)	(829)	(10,423)
Foreign currency translation	60	2	62
Accelerated depreciation expense[1]	(822)	-	(822)
Depreciation expense	(15,233)	(7,620)	(22,853)
Balance at 30 June 2023	89,738	25,480	115,218
Additions	23,945	8,409	32,354
Additions through business combinations (note 31)	20	-	20
Classified as held for sale	(2,011)	-	(2,011)
Disposals	(1,673)	(1,077)	(2,750)
Impairment - Retail	(3,390)	-	(3,390)
Impairment – Network rationalisation	(3,251)	-	(3,251)
Foreign currency translation	31	(1)	30
Accelerated depreciation expense[1]	(813)	-	(813)
Depreciation expense	(13,791)	(6,244)	(20,035)
Balance at 30 June 2024	88,805	26,567	115,372

(1) Accelerated depreciation relates to the DC Consolidation projects and is based on the estimated exit dates of each site.

Note 13. Property, plant and equipment (continued)

Material accounting policies

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the consolidated entity and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of plant and equipment over their expected useful lives as follows:

Plant and equipment	2-15 years
Motor vehicles	3-7 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Critical accounting judgements, estimates and assumptions

The consolidated entity determines the estimated useful lives and related depreciation charges for its property, plant and equipment assets. The useful lives could change materially as a result of technical innovations or some other event. The depreciation will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Note 14. Intangibles

	Consolidated	
	2024 $'000	2023 $'000
Non-current assets		
Goodwill	551,961	697,374
Trademarks	59,078	59,058
Less: Accumulated amortisation and impairment	(35,627)	(1,346)
	23,451	57,712
Customer contracts	25,900	25,900
Less: Accumulated amortisation and impairment	(25,889)	(13,891)
	11	12,009
Software	80,559	57,436
Less: Accumulated amortisation and impairment	(37,377)	(25,791)
	43,182	31,645
	618,605	798,740

Note 14. Intangibles (continued)

The amount of work in progress included in software is $17,007,000 (2023: $5,549,000) and relates to eCommerce, inventory and management projects that are not yet completed and therefore are not being amortised.

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Goodwill $'000	Trademarks $'000	Customer contracts $'000	Computer software $'000	Total $'000
Balance at 1 July 2022	677,382	57,627	13,808	30,971	779,788
Additions	-	-	-	7,594	7,594
Additions through business combinations (note 31)	17,489	-	-	-	17,489
Disposals	-	-	-	(2)	(2)
Foreign currency translation	2,503	85	1	7	2,596
Amortisation expense	-	-	(1,800)	(6,925)	(8,725)
Balance at 30 June 2023	697,374	57,712	12,009	31,645	798,740
Additions	1,532	20	-	23,356	24,908
Disposals	-	-	-	(233)	(233)
Foreign currency translation	(839)	(24)	(1)	-	(864)
Impairment - Retail assets	(146,106)	(34,257)	(10,223)	-	(190,586)
Impairment - IT projects	-	-	-	(4,832)	(4,832)
Amortisation expense	-	-	(1,774)	(6,754)	(8,528)
Balance at 30 June 2024	551,961	23,451	11	43,182	618,605

Impairment testing
Impairment testing of assets including goodwill and other intangible assets occurs each year on 31 March balances or when impairment indicators arise. The recoverable amount of assets including goodwill and other indefinite useful life intangible assets is determined based on value-in-use calculations at an individual or a combination of cash-generating units ('CGU') up to the operating segment level. These calculations require the use of key assumptions on which management has based its cash flow projections, as well as post-tax discount rates. The testing was updated at the date of this financial report.

Cash flow projections were based on management forecast expectations aligned to budget and five-year forecast models. This has been compiled based on past experience, current performance and market position as well as structural changes and economic factors which have been derived based on external data and internal analysis.

The following key assumptions were used in testing for impairment:

- Pre-tax discount rate: 12.60% for Australian CGUs;13.20% for New Zealand CGU (2023:13.00% for Australian CGUs and 13.75% for New Zealand CGUs)
- Terminal value growth rate beyond 5 years: 2.50% for Australian CGUs and 2.00% for New Zealand CGUs (2023: 2.50% for Australian CGUs and 2.00% for New Zealand CGUs)
- Forecast year on year revenue and EBITDA margin growth ranges as follows:

CGU	Revenue growth average	EBITDA margin growth average
Bapcor Trade	4.4%	0.3% percentage points
Bapcor Specialist Wholesale	6.1%	-0.1% percentage points
Bapcor Retail	5.4%	-0.3% percentage points
Bapcor New Zealand	4.2%	0.3% percentage points

Note 14. Intangibles (continued)

A reasonable possible change in assumptions would not cause the carrying value of any CGU to exceed its recoverable amount, except for the Bapcor New Zealand CGU which remains relatively more sensitive to changes in trading conditions. It is noted that the Bapcor Retail CGU incurred a full impairment charge against its carrying value for goodwill and other intangible assets during the year ended 30 June 2024.

Bapcor New Zealand CGU (NZD)

The recoverable amount of the Bapcor New Zealand CGU is estimated to exceed its carrying amount at 30 June 2024 by $48.1M. The following table shows sensitivities based on a set of possible changes in assumptions to the major financial metric percentages within the calculations, and the resulting change to the headroom.

Financial metric	+5% change	-5% change
Discount rate	Decrease headroom to $31.3m	Increase headroom to $66.5M
Revenue growth (average)	Increase headroom to $51.4M	Decrease headroom to $45.3M
EBITDA margin (average)	Increase headroom to $53.0M	Decrease headroom to $43.7M
Terminal growth rate	Increase headroom to $51.0M	Decrease headroom to $45.6M

(*) The percentage change is a relative change to the financial metric.

The recoverable amount of the New Zealand CGU would equal its carrying amount if the key assumptions were to change as follows:

Financial metric	From	To
Discount rate	13.2%	15.3%
Revenue	Reduced by 12.6%	
EBITDA	Reduced by 11.6%	
Terminal growth rate	2.0%	-0.3%

Bapcor Specialist Wholesale CGU

The recoverable amount of the Bapcor Specialist Wholesale CGU is estimated to exceed its carrying amount at 30 June 2024 by $227.3M. The recoverable amount of the Specialist Wholesale CGU would equal its carrying amount if the average Revenue growth rate was -0.4%.

Bapcor Retail CGU

The cash flows for the Bapcor Retail CGU have been adversely affected by underperformance of the business from lower revenue growth with challenging economic conditions and lower sales in discretionary categories and increasing operating costs resulting in impairment.

The recoverable amount of the Bapcor Retail CGU is estimated to be less than its carrying amount at 30 June 2024 by $208.6M. As a result, an impairment of $190.6M has been recognised against intangible assets (comprising $146.1M Goodwill, $34.3M Trademarks and $10.2M Customer contracts), $10.2M against Right-of-use assets, $3.4M against Property, plant & equipment and $4.1M against Other assets. The cash flows for the Bapcor Retail CGU have been adversely affected by underperformance of the business from low revenue growth and increasing operating costs resulting in the impairment.

The impairment assessment and impact of change in assumptions for store assets (Right-of-use assets and Property plant and equipment) is disclosed in Note 7.

Note 14. Intangibles (continued)

The balances of goodwill and other intangible assets excluding computer software allocated to each segment as at 30 June were:

	Consolidated 2024 $'000	Consolidated 2023 $'000
Goodwill:		
Trade	117,048	117,048
Specialist Wholesale	288,119	286,617
Retail	-	146,077
Bapcor NZ	146,794	147,632
	551,961	697,374

	Consolidated 2024 $'000	Consolidated 2023 $'000
Other intangible assets:		
Trade	-	9
Specialist Wholesale	18,097	18,097
Retail	-	46,330
Bapcor NZ	5,366	5,285
	23,463	69,721

Impairment of Computer software
The Group ceased a number of IT projects during FY24 resulting in an impairment of $4.8M.

Material accounting policies

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill
Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Trademarks
Tradenames (including brands) are recognised as intangible assets where a registered trademark is acquired with attributable value. They are valued using a relief from royalty method and are considered indefinite life intangibles and are not amortised unless there is an intention to discontinue their use in which it is amortised over the estimated remaining useful life.

Customer contracts
Customer contracts have been fully impaired during FY24. In the prior year, they were amortised on a straight-line basis over the period of their expected benefit, being their finite life which is currently between 10 and 20 years.

Note 14. Intangibles (continued)

Computer Software
Costs incurred in acquiring, developing, and implementing new software are recognised as intangible assets only when it is probable that future economic benefits associated with the item will flow to the consolidated entity and the cost of the item can be measured reliably. The expenditure capitalised comprises all directly attributable costs, including costs of materials, services, licenses and direct labour. Software is amortised on a straight-line basis over the period of their expected benefit, being their finite life which is currently between 2 and 5 years. Large scale projects are individually assessed as part of the approval process and determination of finite life may exceed this range.

Costs relating to the configuration and customisation of application software relating to a Software as a Service ('SaaS') arrangement are expensed when services are received, unless an asset that is under control of the consolidated entity can be separately identified.

Critical accounting judgements, estimates and assumptions

The consolidated entity determines the estimated useful lives and related amortisation charges for its finite life intangible assets. The useful lives could change materially as a result of technical innovations or some other event. The amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

The consolidated entity tests annually, or more frequently, if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy above. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Note 15. Investments accounted for using the equity method

	Consolidated	
	2024 $'000	2023 $'000
Non-current assets		
Investment in Tye Soon Limited	7,569	10,997

Reconciliation
Reconciliation of the carrying amounts at the beginning and end of the current and previous financial year are set out below:

	2024 $'000	2023 $'000
Opening carrying amount	10,997	9,071
Profit after income tax	1,101	1,937
Other comprehensive income	(705)	(672)
Foreign currency translation	(18)	661
Impairment	(3,500)	-
Dividends paid	(306)	-
Closing carrying amount	7,569	10,997

Note 15. Investments accounted for using the equity method (continued)

Bapcor assessed the recoverable amount of this investment for impairment as at 30 June 2024 under the methodologies prescribed by AASB 136 *Impairment of Assets* utilising the publicly available share price on that date. The carrying value of the investment in Tye Soon is currently based on SGD $0.30 per share. The closing share price on 30 June 2023 was SGD $0.37 per share.

The reported total of profit after income tax and other comprehensive income of $396,000 (FY23: $1,265,000) has been calculated using the publicly available audited information on the Singapore Securities Exchange which is the Tye Soon Limited full-year financial report ended 31 December 2023.

Note 16. Trade and other payables

	Consolidated	
	2024 $'000	2023 $'000
Current liabilities		
Trade payables	191,964	210,624
Accrued expenses	22,777	49,316
	214,741	259,940

Refer to note 29 for further information on financial risk management.

Material accounting policies

Trade payable and accrued expense amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 to 90 days of recognition.

Note 17. Provisions

	Consolidated	
	2024 $'000	2023 $'000
Current liabilities		
Employee benefits	43,082	40,940
Lease make good	10,244	3,675
Restructuring	14,675	2,891
	68,001	47,506
Non-current liabilities		
Employee benefits	4,582	3,649
Deferred settlements	-	1,125
Lease make good	13,206	12,390
	17,788	17,164
	85,789	64,670

Note 17. Provisions (continued)

Deferred settlements
This provision represents the obligation to pay consideration following the acquisition of a business. It is measured at the present value of the estimated liability.

Lease make good
The provision represents the present value of the estimated costs to make good the premises leased by the consolidated entity at the end of the respective lease terms. The increase of $7.4M in FY24 primarily relates to locations comprised in the business restructuring program for Network rationalisation.

Restructuring
This provision represents the costs for Business restructuring in relation to Network rationalisation and cost reduction initiatives. It includes the estimated costs relating to the closure of a number of locations and consolidation into the Victorian and Queensland DC. The restructuring costs primarily includes termination payments, which have been included in employee benefits in the Consolidated statement of comprehensive income.

Movements in provisions
Movements in each class of provisions during the current financial year, other than employee benefits, are set out below:

Consolidated – 2024	Deferred settlements $'000	Lease make good $'000	Restructuring $'000
Carrying amount at the start of the year	1,125	16,065	2,891
Additional provisions recognised	-	580	-
Additions through business combinations (note 31)	-	159	-
Amounts used	(1,125)	(3,610)	(1,705)
Foreign currency translation	-	12	-
Business restructuring	-	10,244	15,677
Liabilities classified as held for sale			(2,188)
Carrying amount at the end of the year	-	23,450	14,675

Amounts not expected to be settled within the next 12 months
The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the consolidated entity does not have an unconditional right to defer settlement. However, based on past experience, the consolidated entity does not expect all employees to take the full amount of accrued leave or require payment within the next twelve months.

The following amounts reflect leave that is not expected to be taken within the next twelve months:

	Consolidated	
	2024 $'000	**2023 $'000**
Employee benefits obligation expected to be settled after twelve months	5,703	3,456

Note 17. Provisions (continued)

Material accounting policies

Provisions
Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within twelve months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within twelve months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Critical accounting judgements, estimates and assumptions

Lease make good
Costs arise from contractual obligations in lease agreements. At the end of the reporting period, an assessment is performed to evaluate the likelihood of site closures and to estimate future costs of the lease make-good liability in accordance with the requirements of AASB 137 Provisions, Contingent Liabilities and Contingent Assets. This assessment includes determining the existence of a present obligation, the probability that an outflow will be required, and the reliable estimation of the make-good obligation.

Restructuring
Costs for Business restructuring include the estimated costs relating to the closure of a number of locations and consolidation into the Victorian and Queensland DC. To the extent the actual amounts vary from the estimates, the Group may have additional costs in future periods or a reversal of the provision if costs are less than estimated.

Note 18. Borrowings

	Consolidated	
	2024	**2023**
	$'000	**$'000**
Non-current liabilities		
Secured bank loans	408,285	333,468
Less: unamortised transaction costs capitalised	(2,731)	(2,330)
	405,554	331,138

Refer to note 29 for further information on financial risk management.

Note 18. Borrowings (continued)

Refinancing

In June 2024, Bapcor successfully refinanced $200M of debt facilities due to mature in July 2025, with two new tranches totalling $300M split into tenors maturing in July 2028 and July 2029. Following the completion of this debt refinance, Bapcor has access to a $720M debt facility with a staggered maturity profile of Jul-26, Jul-27, Jul-28 and Jul-29 with ANZ, Westpac, NAB, Citi, SMBC and MetLife. The revised debt facility comprises the following tranches:

- $100M seven year tranche (existing), available for general corporate purposes - expires July 2026
- $70M four year tranche (existing), available for working capital purpose - expires July 2026
- $135M four year tranche (existing), available for general corporate purpose - expires July 2027
- $115M five year tranche (existing), available for general corporate purposes - expires July 2028
- $65M five year tranche (revised), available for general corporate purposes - expires July 2028
- $235M five year tranche (revised), available for general corporate purposes - expires July 2029

The facility is secured by way of a fixed and floating charge over Bapcor's assets. There were no changes to the debt covenants with the net leverage ratio being less than 3.0X and the fixed cover charge ration being greater than 1.75X (on a pre-AASB 16 basis).

Establishment costs incurred during the refinancing are capitalised and amortised over the life of the refinanced tranches (extended periods only) and will be expensed to finance costs as effective interest expense in the statement of comprehensive income. As part of the refinancing process, no pre-existing capitalised borrowing costs were required to be expensed as the refinancing costs incurred relate to the extension periods of the tranche tenor only, and as such the pre-existing capitalised borrowing costs will continue to be amortised as per the original amortisation period identified.

Financing arrangements
Unrestricted access was available at the reporting date to the following lines of credit:

	Consolidated	
	2024	**2023**
	$'000	**$'000**
Total facilities		
Bank loans[1]	689,000	589,100
Used at the reporting date		
Bank loans[1]	408,285	333,468
Unused at the reporting date		
Bank loans[1]	280,715	255,632

(1) Total facilities available at 30 June was $720.0M (2023: $620.0M). The amount used in the above table is net of $31.0M (2023: $30.9M) ancillary facilities which relate to bank overdraft $25.0M (2023: $25.0M), credit cards $1.1M (2023: $1.1M) and bank guarantees $4.9M (2023: $4.8M).

Net debt reconciliation

	Consolidated	
	2024	**2023**
	$'000	**$'000**
Cash and cash equivalents	71,594	78,634
Lease liabilities	(288,608)	(311,279)
Borrowings excluding unamortised transaction costs capitalised	(408,285)	(333,468)
Net debt	(625,299)	(566,113)

Note 18. Borrowings (continued)

Add: Lease liabilities	288,608	311,279
Add: Net derivative financial instruments	(369)	3,138
Pro-forma net debt as per debt facility agreement	(337,060)	(251,696)

Material accounting policies

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least twelve months after the reporting date, the loans or borrowings are classified as non-current.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is amortised on a straight-line basis over the term of the facility.

Note 19. Lease liabilities

	Consolidated	
	2024 $'000	2023 $'000
Current liabilities		
Lease liability - Properties	65,772	71,863
Lease liability - Motor vehicles	12	232
	65,784	72,095
Non-current liabilities		
Lease liability - Properties	222,789	239,138
Lease liability - Motor vehicles	35	46
	222,824	239,184
	288,608	311,279

Material accounting policies
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Note 19. Lease liabilities (continued)

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Critical accounting judgements, estimates and assumptions
In determining the lease term, the consolidated entity considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated) and the option is due within the next 12-24 months. The assessment is reviewed on an ongoing basis as well as if there is a material event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) any option to renew.

Note 20. Derivative financial instruments

	Consolidated	
	2024 **$'000**	**2023** **$'000**
Current assets		
Forward foreign exchange contracts - cash flow hedges	394	3,381
Current liabilities		
Forward foreign exchange contracts - cash flow hedges	(763)	(243)
	(369)	3,138

Refer to Note 29 for further information on financial risk management.

Refer to Note 21 for further information on fair value measurement.

Material accounting policies

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Derivatives are classified as current or non-current depending on the expected period of realisation.

Cash flow hedges
Cash flow hedges are used to cover the consolidated entity's exposure to variability in cash flows that is attributable to particular risks associated with a recognised asset or liability or a firm commitment which could affect profit or loss. The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income through the cash flow hedges reserve in equity, whilst the ineffective portion is recognised in profit or loss. Amounts taken to equity are transferred out of equity and included in the measurement of the hedged transaction when the forecast transaction occurs.

Cash flow hedges are tested for effectiveness on a regular basis both retrospectively and prospectively to ensure that each hedge is highly effective and continues to be designated as a cash flow hedge. If the forecast transaction is no longer expected to occur, the amounts recognised in equity are transferred to profit or loss.

Note 20. Derivative financial instruments (continued)

If the hedging instrument is sold, terminated, expires, exercised without replacement or rollover, or if the hedge becomes ineffective and is no longer a designated hedge, the amounts previously recognised in equity remain in equity until the forecast transaction occurs.

Note 21. Fair value measurement

Fair value hierarchy
The following tables detail the consolidated entity's financial instruments, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is material to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

Consolidated - 2024	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Derivative financial instruments	-	394	-	394
Assets classified as held for sale			28,285	28,285
Total assets	-	394	28,285	28,679
Liabilities				
Derivative financial instruments	-	763	-	763
Liabilities classified as held for sale	-	-	15,008	15,008
Total liabilities	-	763	15,771	15,771

Consolidated – 2023	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Derivative financial instruments	-	3,381	-	3,381
Assets classified as held for sale	-	-	-	-
Total assets	-	3,381	-	3,381
Liabilities				
Derivative financial instruments	-	243	-	243
Deferred settlements	-	-	1,125	1,125
Liabilities classified as held for sale	-	-	-	-
Total liabilities	-	243	1,125	1,368

There were no transfers between levels during the financial year.

Derivative financial instruments carried at fair value are forward foreign exchange contracts and floating interest rate to fixed interest rate swaps. These are considered to be Level 2 financial instruments because their measurement is derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Assets classified as held for sale are considered to be a Level 3 financial instrument because inputs in valuing this instrument are not based on observable market data. The fair value of this instrument is determined based on an estimated discounted cash flow analysis.

Note 21. Fair value measurement (continued)

Material accounting policies

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is material to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be material. External valuers are selected based on market knowledge and reputation. Where there is a material change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Note 22. Issued capital

	Consolidated			
	2024 Shares	2023 Shares	2024 $'000	2023 $'000
Ordinary shares	339,412,500	339,412,500	878,652	878,652
Treasury shares	-	-	(10,930)	(10,680)
	339,412,500	339,412,500	867,722	867,972

There was no movement in ordinary share capital during the current year.

Movements in treasury shares

Details	Date	Shares	$'000
Balance	1 July 2022	-	(10,680)
Balance	30 June 2023	-	(10,680)
Purchase of treasury shares	05 October 2023	41,122	(250)
Utilisation of treasury shares	10 October 2023	(41,122)	-
Balance	30 June 2024	-	(10,930)

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

Note 22. Issued capital (continued)

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Treasury shares
The average purchase price of treasury shares during the period was $250k (2023: nil) per share.

Material accounting policies

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Note 23. Reserves

	Consolidated	
	2024 $'000	2023 $'000
Foreign currency reserve	(9,491)	(9,816)
Cash flow hedge reserve	(258)	2,232
Share-based payments reserve	13,461	12,042
	3,712	4,458

Foreign currency reserve
This reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars.

Cash flow hedge reserve
This reserve is used to recognise the effective portion of the gain or loss of cash flow hedge instruments that is determined to be an effective hedge.

Share-based payments reserve
This reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Note 23. Reserves (continued)

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Foreign currency reserve $'000	Cash flow hedge reserve $'000	Share-based payments reserve $'000	Total $'000
Balance at 1 July 2022	(13,456)	4,253	12,352	3,149
Revaluation	-	(3,023)	-	(3,023)
Deferred tax	-	1,002	(51)	951
Share-based payment expense	-	-	(259)	(259)
Foreign currency translation	3,640	-	-	3,640
Balance at 30 June 2023	(9,816)	2,232	12,042	4,458
Revaluation	-	(3,507)	-	(3,507)
Deferred tax	-	1,013	180	1,193
Share-based payment expense	-	-	1,237	1,237
Foreign currency translation	326	5	-	331
Balance at 30 June 2024	(9,490)	(257)	13,459	3,712

Note 24. Retained profits

	Consolidated 2024 $'000	Consolidated 2023 $'000
Retained profits at the beginning of the financial year	251,665	219,888
Profit/(loss) after income tax (expense)/benefit for the year	(158,309)	106,448
Dividends paid (note 26)	(71,277)	(74,671)
Retained profits at the end of the financial year	22,079	251,665

Note 25. Non-controlling interest

Investment in Car Bits Asia, Thailand

	Consolidated 2024 $'000	Consolidated 2023 $'000
Opening balance	1,010	1,248
Non-controlling interest loss for the financial year	(316)	(279)
Foreign currency translation	135	41
Closing balance	829	1,010

In March 2018, the consolidated group entered into a tri-party joint venture in Thailand of the incorporated entity Car Bits Asia., Co. Ltd for the purposes of opening Burson stores in Thailand. The consolidated group currently holds 58% of the shares and is considered to have effective control.

Note 26. Dividends

Dividends
Dividends paid during the financial year were as follows:

	Consolidated	
	2024 $'000	2023 $'000
Final dividend for the year ended 30 June 2023 of 11.5 cents (2022: 11.5 cents) per ordinary share	39,032	39,033
Interim dividend for the year ended 30 June 2024 of 9.5 cents (2023: 10.5 cents) per ordinary share	32,245	35,638
	71,277	74,671

The Board has declared a final dividend in respect of FY24 of 5.5 cents per share, fully franked. The final dividend will be paid on 19 September 2024 to shareholders registered on 30 August 2024.

The final dividend takes the total dividends declared in relation to FY24 to 15.0 cents per share, fully franked, representing a decrease of dividends paid of 31.8% compared to the prior financial year. Dividends paid and declared in relation to FY24 represent 53.7% of pro-forma net profit after tax.

Franking credits

	Consolidated	
	2024 $'000	2023 $'000
Franking credits available for subsequent financial years based on a tax rate of 30%	127,444	137,742

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:
- franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date

Material accounting policies

Dividends are recognised when declared during the financial year and no longer at the discretion of the company.

Note 27. Earnings per share

	Consolidated 2024 $'000	2023 $'000
Profit/(loss) after income tax	(158,625)	106,169
Non-controlling interest	316	279
Profit/(loss) after income tax attributable to the owners of Bapcor Limited	(158,309)	106,448
	Cents	**Cents**
Basic earnings per share	(46.64)	31.36
Diluted earnings per share	(46.64)	31.23
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	339,412,500	339,412,500
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares	3,209,673	1,389,679
Weighted average number of ordinary shares used in calculating diluted earnings per share	342,622,173	340,802,179

Material accounting policies

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Bapcor Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year and excluding treasury shares.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Note 28. Reconciliation of profit/(loss) after income tax to net cash from/(used in) operating activities

	Consolidated	
	2024 $'000	2023 $'000
Profit/(loss) after income tax (expense)/benefit for the year	(158,625)	106,169
Adjustments for:		
Depreciation and amortisation	94,467	96,657
Impairment of investments	3,500	-
Impairment of Retail CGU	208,600	-
Impairment of IT projects	4,831	-
Impairment of right-of-use assets for restructuring: network rationalisation	20,087	-
Net gain on disposal of property, plant and equipment	1,255	(826)
Share of profit - associates	1,237	(1,937)
Amortisation of capitalised borrowing costs	1,005	514
Non-cash share-based payment expense	(1,101)	(259)
Lease liabilities interest unwind	16,978	14,223
Change in operating assets and liabilities:		
(Increase)/ decrease in trade and other receivables	19,949	(18,709)
(Increase)/ decrease in inventories	(38,305)	22,001
Increase/ (decrease) in other assets	(25,969)	(6,189)
Increase/ (decrease) in trade and other payables	(35,660)	16,841
Increase/ (decrease) in other provisions	(9,671)	1,408
Increase / (decrease) in other liabilities	9,948	(16,164)
Increase / (decrease) in assets classified as available for sale	28,285	-
(Increase) / decrease in liabilities classified as available for sale	(15,008)	-
Net cash from/(used in) operating activities	125,803	213,729

Material accounting policies

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an immaterial risk of changes in value.

Note 29. Financial risk management

Financial risk management objectives

The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Note 29. Financial risk management (continued)

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and manages financial risks within the consolidated entity's operating units. Finance reports to the Board on a monthly basis.

The consolidated entity holds the following financial instruments:

	Consolidated 2024 $'000	Consolidated 2023 $'000
Financial assets		
Cash and cash equivalents	71,594	78,634
Trade and other receivables[1]	198,587	229,186
Derivative financial instruments	394	3,381
Total financial assets	270,575	311,201
Financial liabilities		
Trade and other payables	230,062	259,940
Derivative financial instruments	763	243
Deferred settlements	-	1,125
Borrowings[2]	408,285	333,468
Lease liabilities	298,608	311,279
Total financial liabilities	927,718	906,055

(1) Trade and other receivables in the table excludes prepayments which are not classified as financial instruments.
(2) Borrowings excludes any unamortised transaction costs capitalised.

Market risk

Foreign currency risk
The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations, primarily with respect to the United States dollar and the New Zealand dollar.

Foreign exchange risk arises from future commercial transactions, primarily the purchase of inventory for sales, recognised financial assets and financial liabilities and net investments in foreign operations.

In order to protect against exchange rate movements, the consolidated entity has entered into forward foreign exchange contracts. These contracts are hedging highly probable forecasted cash flows for the ensuing financial year. Management has a risk management policy to hedge between 25% and 100% of anticipated foreign currency transactions for the subsequent twelve months.

The following table demonstrates the sensitivity to a change in the Australian dollar against other currencies, with all other variables held constant. The impact on profit before tax is due to changes in the fair value of monetary assets and liabilities. The pre-tax impact on equity is due to changes in the fair value of forward exchange contracts designated as cash flow hedges as well as foreign currency loans designated as net investment hedges.

	AUD strengthened			AUD weakened		
Consolidated – 2024	**% change**	**Effect on profit before tax**	**Effect on equity**	**% change**	**Effect on profit before tax**	**Effect on equity**
Derivative financial instruments	1%	-	664	-1%	-	(830)
Other financial assets	1%	(346)	-	-1%	525	-
Other financial liabilities	1%	422	-	-1%	(430)	-
		76	664		95	(830)

Note 29. Financial risk management (continued)

Consolidated – 2023	AUD strengthened % change	Effect on profit before tax	Effect on equity	AUD weakened % change	Effect on profit before tax	Effect on equity
Derivative financial instruments	1%	-	1,637	-1%	-	(775)
Other financial assets	1%	(689)	-	-1%	703	-
Other financial liabilities	1%	590	-	-1%	(602)	-
		(99)	1,637		101	(775)

Price risk
The consolidated entity is not exposed to any material price risk.

Interest rate risk
The consolidated entity's main interest rate risk arises from long-term borrowings. The interest rate and term for bank borrowings is determined at the date of each drawdown.

Borrowings obtained at variable rates expose the consolidated entity to cash flow interest rate risk. The consolidated entity, from time to time, enters into interest rate swap contracts under which it receives interest at variable rates and pays interest at fixed rates to manage the risk of adverse fluctuations in the floating interest rate on its borrowings. The consolidated entity continued to hold interest rate swap contracts acquired during the year ended 30 June 2023.

As at the reporting date, the consolidated entity had the following fixed and variable rate borrowings outstanding:

Consolidated	2024 Weighted average interest rate %	2024 Balance $'000	2023 Weighted average interest rate %	2023 Balance $'000
Borrowings (fixed)	3.77%	100,000	3.77%	100,000
Borrowings (variable)	5.56%	305,554	4.04%	233,468
Net exposure to cash flow interest rate risk		405,554		333,468

As at 30 June, if the weighted average interest rate of the variable bank borrowings component had changed by a factor of +/- 10%, interest expense would increase / decrease by $1,715,301 (2023: $943,000).

During FY24, the consolidated entity had interest rate swaps to hedge against risk of intertest rate increases on the variable borrowings, The total notional value of these interest rate swaps was $120M, which mature beyond 12 months from the 30 June 2024 reporting date.

Note 29. Financial risk management (continued)

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. Credit risk is managed in the following ways:

1) The consolidated entity has a strict code of credit for all customers, including obtaining agency credit information, confirming references and setting appropriate credit limits.
2) Derivative counterparties and cash transactions are limited to high quality independently rated financial institutions with a minimum credit rating of 'A'.
3) Concentrations of credit risk are minimised by undertaking transactions with a large number of customers.
4) In some instances the consolidated entity holds collateral over its trade receivables and loans in the form of personal guarantees and charges under the Personal Property Securities Register.

The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and note 8. No trade receivables have an external credit rating, and management classify trade receivables on aging profiles.

As well as identifying specific expected credit losses, the consolidated entity has adopted a lifetime expected loss allowance in estimating expected credit losses on the remaining trade receivable balances through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the consolidated entity based on recent sales experience, historical collection rates and forward-looking information that is available.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than one year.

Liquidity risk
Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Financing arrangements
Unused borrowing facilities at the reporting date:

	Consolidated	
	2024	**2023**
	$'000	**$'000**
Bank loans[1]	280,715	255,632

(1) Total facilities available at 30 June was $720M (2023: $620M). The available amount used to determine the unused amount used in the above table is net of $31.0M (2023: $30.9M) ancillary facilities which relate to bank overdraft $25.0M (2023: $25.0M), credit cards $1.1M (2023: $1.1M) and bank guarantees $4.9M (2023: $4.8M)

Note 29. Financial risk management (continued)

Remaining contractual maturities
The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated – 2024	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Trade and other payables	230,062	-	-	-	230,062
Borrowings[1]	22,704	155,705	308,603	-	487,012
Lease liabilities	69,064	62,717	101,284	189,947	423,012
Total non-derivatives	321,830	218,422	409,887	189,947	1,140,086
Derivatives					
Interest rate swaps	-	-	-	-	-
Forward foreign exchange contracts	763	-	-	-	763
Total derivatives	763	-	-	-	-

Consolidated – 2023	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Trade and other payables	259,940	-	-	-	259,940
Borrowings[1]	14,849	214,849	141,885	-	371,583
Deferred settlements	1,125	-	-	-	1,125
Lease liabilities	72,095	63,504	110,997	215,675	462,271
Total non-derivatives	348,009	278,353	252,882	215,675	1,094,919
Derivatives					
Interest rate swaps	-	-	-	-	-
Forward foreign exchange contracts	243	-	-	-	243
Total derivatives	243	-	-	-	243

(1) Borrowings contractual cash flows include an interest component based on the drawn/undrawn ratio and interest rate applicable as at reporting date until maturity of the loan facility.

Fair value of financial instruments
The fair value of financial assets and liabilities disclosed in the statement of financial position do not differ materially from their carrying values.

Capital risk management
The consolidated entity's policy is to maintain a capital structure for the business which ensures sufficient liquidity and support for business operations, maintains shareholder and market confidence, provides strong stakeholder returns, and positions the business for future growth. In assessing capital management both equity and debt instruments are taken into consideration.

The ongoing maintenance of this policy is characterised by:

Note 29. Financial risk management (continued)

- ongoing cash flow forecast analysis and detailed budgeting processes which, combined with continual development of banking relationships, is directed at providing a sound financial positioning for the consolidated entity's operations and financial management activities; and
- a capital structure that provides adequate funding for potential acquisition and investment strategies, building future growth in shareholder value. The loan facility can be partly used to fund material investments as part of this growth strategy.

The consolidated entity is not subject to externally imposed capital requirements, other than contractual banking covenants[1] and obligations. All bank lending requirements have been complied with during the year and at the date of this report, which include the following covenants:

- Net leverage ratio not exceeding 3.00:1 (Net Debt : EBITDA); and
- Fixed charge cover ratio not below 1.75:1 (EBITDA plus Rent : Net Total Cash Interest plus Rent)

(1) Banking covenants calculations exclude the impacts of AASB 16 Leases.

Note 30. Related party transactions

Parent entity
Bapcor Limited is the parent entity. Refer to Note 33 for supplementary information about the parent entity including internal dividends received.

Subsidiaries
Interests in subsidiaries are set out in Note 34.

Key management personnel
Disclosures relating to key management personnel are set out in Note 35 and the remuneration report included in the directors' report.

Note 31. Business combinations

Current financial year acquisitions
The consolidated entity acquired the following businesses for a total consideration of $2.1M:

- Autobarn Nowra
- ATI Parts
- North Brisbane Truck Spares

Prior financial year acquisitions
On 12 May 2023, Bapcor completed the acquisition of E-Max Australia, a leading specialist product provider in the Australian truck market for a total consideration of $11.9M.

Note 31. Business combinations (continued)

Material accounting policies

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition-date. On an acquisition-by-acquisition basis, any non-controlling interest in the acquiree is recognised either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred and the amount of any non-controlling interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

Note 32. Deed of cross guarantee

The following entities are party to a deed of cross guarantee entered into in August 2020 under which each company guarantees the debts of the others. The companies below represent a 'Closed Group' for the purposes of the class order outlined below.

Bapcor Limited
Bapcor Finance Pty Ltd
Bapcor Services Pty Ltd
Bapcor Logistics Services Pty Ltd
Bapcor International Pty Ltd[1]
Burson Automotive Pty Ltd
Car Bitz & Accessories Pty Ltd
Aftermarket Network Australia Pty Ltd
Bapcor Retail Pty Ltd
Midas Australia Pty Ltd
Specialist Wholesalers Pty Ltd
MTQ Engine Systems (Aust) Pty Ltd
Baxters Pty Ltd
AADi Australia Pty Ltd
Diesel Distributors Australia Pty Ltd
Ryde Batteries (Wholesale) Pty Ltd
Federal Batteries Qld Pty Ltd
Premier Auto Trade Pty Ltd
JAS Oceania Pty Ltd
Australian Automotive Electrical Wholesale Pty Ltd
Low Voltage Pty Ltd
Don Kyatt Spare Parts (QLD) Pty Ltd
He Knows Truck Parts Pty Ltd
I Know Parts and Wrecking Pty Ltd
Commercial Parts Pty Ltd
Commercial Spares Pty Ltd
Bapcor Australia Pty Ltd
Blacktown Auto Engineers Pty Ltd

By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare financial statements and directors' report under Corporations Instrument 2016/785 issued by the Australian Securities and Investments Commission.

Note 32. Deed of cross guarantee (continued)

Set out below is a consolidated statement of comprehensive income and statement of financial position of the Closed Group.

Statement of comprehensive income	**2024 $'000**	**2023 $'000**
Revenue	1,850,362	1,837,699
Share of profits of associates accounted for using the equity method	1,101	1,937
Other income	1,126	2,182
Expenses	(2,038,606)	(1,716,346)
Profit before income tax expense	(186,017)	125,472
Income tax expense	9,998	(35,795)
Profit after income tax expense	(176,019)	89,677
Other comprehensive income		
	(3,585)	1,620
Other comprehensive income for the year, net of tax	(3,585)	1,620
Total comprehensive income for the year	(179,604)	91,297

Equity – retained profits	**2024 $'000**	**2023 $'000**
Retained profits at the beginning of the financial year	158,168	143,162
Profit after income tax expense	(176,019)	89,677
Dividends paid	(71,277)	(74,671)
Retained profits at the end of the financial year	(89,128)	158,168

Note 32. Deed of cross guarantee (continued)

Statement of financial position	2024 $'000	2023 $'000
Current assets		
Cash and cash equivalents	55,207	46,919
Trade and other receivables	178,941	214,018
Inventories	493,810	470,711
Derivative financial instruments	295	3,281
Income tax receivable	2,490	18,814
Assets classified as held for sale	13,924	-
	744,667	753,743
Non-current assets		
Right-of-use assets	242,872	259,963
Property, plant and equipment	109,329	106,085
Intangibles	465,977	645,543
Deferred tax	19,539	14,456
Other	344,895	348,345
	1,182,612	1,374,392
Total assets	1,927,279	2,128,135
Current liabilities		
Trade and other payables	203,543	235,933
Provisions	64,201	45,007
Lease liabilities	62,033	64,789
Derivative financial instruments	666	163
	330,443	345,892
Non-current liabilities		
Provisions	17,022	16,102
Borrowings	405,269	330,670
Lease liabilities	207,542	220,758
	629,833	567,530
Total liabilities	960,276	913,422
Net assets	967,003	1,214,713
Equity		
Issued capital	867,722	867,972
Reserves	188,409	188,573
Retained profits	(89,128)	158,168
Total equity	967,003	1,214,713

Note 33. Parent entity information

Set out below is the supplementary information about the parent entity.

	Parent 2024 $'000	Parent 2023 $'000
Statement of comprehensive income		
Loss after income tax	(2,025)	(28,203)
Internal dividend income [1]	40,634	18,008
Total comprehensive income	38,609	(10,195)

	Parent 2024 $'000	Parent 2023 $'000
Statement of financial position		
Total current assets	-	-
Total assets	877,990	909,491
Total current liabilities	-	-
Total liabilities	-	-
Equity		
Issued capital	867,724	867,974
Other reserves	13,460	12,043
Current year profits/(losses)	(2,025)	(28,203)
Internal dividend income [1]	40,634	18,008
Dividends paid	(71,277)	(74,671)
Prior years retained earnings	29,474	114,340
Total equity	877,990	909,491

(1) The parent entity has received additional internal dividend income of $267M after the reporting period on 16 August 2024.

Note 34. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policies of the consolidated entity:

Name	Principal place of business / Country of incorporation	Ownership interest 2024 %	Ownership interest 2023 %
Bapcor Finance Pty Ltd	Australia	100.0%	100.0%
FiiViQ Pty Ltd	Australia	50.5%	50.5%
Bapcor Services Pty Ltd	Australia	100.0%	100.0%
Bapcor Logistics Services Pty Ltd	Australia	100.0%	100.0%
Bapcor International Pty Ltd	Australia	100.0%	100.0%
Bapcor Asia Pte Ltd	Singapore	100.0%	100.0%
Car Bits Asia Co. Ltd	Thailand	57.8%	57.8%
Burson Automotive Pty Ltd	Australia	100.0%	100.0%
Blacktown Auto Engineers Pty Ltd	Australia	100.0%	100.0%
Car Bitz & Accessories Pty Ltd	Australia	100.0%	100.0%
Aftermarket Network Australia Pty Ltd	Australia	100.0%	100.0%
Bapcor Retail Pty Ltd	Australia	100.0%	100.0%
Midas Australia Pty Ltd	Australia	100.0%	100.0%
Specialist Wholesalers Pty Ltd	Australia	100.0%	100.0%
MTQ Engine Systems (Aust) Pty Ltd	Australia	100.0%	100.0%
Baxters Pty Ltd	Australia	100.0%	100.0%
AADi Australia Pty Ltd	Australia	100.0%	100.0%
A&F Drive Shaft Repair Queensland Pty Ltd[1]	Australia	100.0%	100.0%
Diesel Distributors Australia Pty Ltd	Australia	100.0%	100.0%
Ryde Batteries (Wholesale) Pty Ltd	Australia	100.0%	100.0%
Federal Batteries Qld Pty Ltd	Australia	100.0%	100.0%
Premier Auto Trade Pty Ltd	Australia	100.0%	100.0%
JAS Oceania Pty Ltd	Australia	100.0%	100.0%
Australian Automotive Electrical Wholesale Pty Ltd	Australia	100.0%	100.0%
Low Voltage Pty Ltd	Australia	100.0%	100.0%
Don Kyatt Spare Parts (Qld) Pty Ltd	Australia	100.0%	100.0%
He Knows Truck Parts Pty Ltd	Australia	100.0%	100.0%
I Know Parts and Wrecking Pty Ltd	Australia	100.0%	100.0%
Commercial Spares Pty Ltd	Australia	100.0%	100.0%
Commercial Parts Pty Ltd	Australia	100.0%	100.0%
HDRJ Holdings Pty Ltd	Australia	100.0%	100.0%
Bapcor New Zealand Ltd	New Zealand	100.0%	100.0%
Bapcor Automotive Ltd	New Zealand	100.0%	100.0%
Brake & Transmission NZ Ltd	New Zealand	100.0%	100.0%
Diesel Distributors Ltd	New Zealand	100.0%	100.0%
Bapcor Services New Zealand Ltd	New Zealand	100.0%	100.0%
HCB Technologies Ltd	New Zealand	100.0%	100.0%
Renouf Corporation International[1]	United States	100.0%	100.0%
Benequity Properties, LLC[1]	United States	100.0%	100.0%
Bapcor Australia Pty Ltd[1]	Australia	100.0%	100.0%
Precision Equipment New Zealand Ltd	New Zealand	100.0%	100.0%
Hellaby Resource Services Ltd[1]	New Zealand	100.0%	100.0%

(1) These subsidiaries are non-trading.

Note 35. Related party transactions - key management personnel disclosures

Compensation

	Consolidated 2024 $'000	Consolidated 2023 $'000
Short-term employee benefits	3,343	3,132
Post-employment benefits	180	136
Long-term benefits	120	69
Share-based payments	321	664
	3,964	4,001

Refer to the audited Remuneration Report within the Directors' Report for further details on key management personnel compensation. There are no other transactions with key management personnel.

Note 36. Share-based payments

The Long-Term Incentive ('LTI') plan is intended to assist in the motivation, retention and reward of nominated senior executives. The LTI is a payment contingent on three year performance and the payments are rights to acquire shares ('Performance Rights'). Refer to the audited Remuneration Report within the Directors' Report for further information on the LTI.

In relation to the FY24 year an offer to participate in the LTI was made to Bapcor senior executives. These allocated Performance Rights have a performance period that ends on 30 June 2025 and 30 June 2026 at which time the performance hurdles are tested.

A summary of the terms for the Performance Rights granted in the current financial year is in the following table:

Grant date	17/10/2023	27/10/2023	03/11/2023
Performance hurdle	ROIC EBIT	ROIC EBIT	TSR ROIC
Performance period	22/11/2022 to 30/06/2025	22/11/2022 to 30/6/2025	01/07/2023 to 30/06/2026
Test date	30/06/2025	30/06/2025	30/06/2026
Expiry date	17/10/2038	27/10/2038	03/11/2038
Quantity granted	150,234	156,268	1,054,627
Exercise price	Nil	Nil	Nil
Fair value at grant date[1]	$5.55	$5.04	$2.88 $5.00
Other conditions	Restriction on sale to 30/06/2026	Restriction on sale to 30/06/2026	Restriction on sale to 30/06/2027
Share price on valuation date	$5.91	$5.40	$5.54
Volatility	N/A	N/A	28.45%
Dividend yield	3.72%	4.07%	3.97%
Risk free rate	N/A	N/A	4.30%

(1) The fair value represents the value used to calculate the accounting expense as required by accounting standards.

Note 36. Share-based payments (continued)

Relative total shareholder return ('TSR') hurdle

Fifty per cent of the Performance Rights granted to a participant will vest subject to a TSR performance hurdle that assesses performance by measuring capital growth in the share price together with income returned to shareholders, measured over the performance period against a Comparator Group of companies. The Performance Rights will vest by reference to Bapcor's TSR performance ranking against this Comparator Group of companies, as follows:

Bapcor's TSR relative to the Comparator Group over the performance period	Percentage of TSR Rights vesting
Less than 50th percentile	Nil
Equal to 50th percentile	50%
Greater than 50th percentile and less than 75th percentile	Pro-rata straight-line vesting
Equal to or greater than 75th percentile	100%

Return on Invested Capital ('ROIC')

Return on Invested Capital ('ROIC') Fifty per cent of the Performance Rights granted to a participant will vest by reference to a ROIC performance hurdle over the performance period (being the simple average of the ROIC as at 30 June 2024, 30 June 2025 and 30 June 2026. Each tranche of Performance Rights subject to the ROIC hurdle will vest as follows:

Bapcor's ROIC	Percentage of ROIC Rights Vesting
Less than 12.5%	Nil
12.5%	50%
Greater than 12.5% and less than 13.5%	Pro-rata straight-line vesting
Equal to or greater than 13.5%	100%

Metric for Performance Rights granted

Vesting of Performance Rights granted on 17/10/2023 and 27/10/2023 are subject to continued service and meeting the return on invested capital (ROIC) hurdle and net earnings before interest and tax (EBIT) hurdle as set out below. Satisfaction of the net EBIT benefit hurdle applies on a straight-line vesting basis between threshold and maximum EBIT performance.

The Board has determined that the ROIC Hurdle will be calculated as the simple average of the ROIC as at 30 June 2023, 30 June 2024 and 30 June 2025.

The Board has determined that the Net EBIT Hurdle will be calculated as the EBIT benefit in FY25 from initiatives included in Better than Before and after deducting the costs of this incentive program.

If the vesting conditions are met, the Performance Rights are converted into fully paid ordinary shares of the Company at the election of the Participant. As per the Bapcor Employee Equity Plan, the expiry date is during 2035 (12 years subsequent to the closing date), however the Performance Rights lapse if vesting condition are not met.

Shares will be subject to a restriction on sale for twelve months from vesting of the Performance Rights.

Note 36. Share-based payments (continued)

Set out below are summaries of Performance Rights granted under the LTIP:

2024

Grant date	Vesting date	Exercise price	Balance at the start of the year	Granted	Vested/ Exercised	Expired/ forfeited/ other	Balance at the end of the year
30/08/2021	30/06/2024	$0.00	186,782	-	-	(186,782)	-
29/03/2022	30/06/2024	$0.00	27,040	-	-	-	27,040
12/10/2022	30/06/2025	$0.00	343,427	-	-	(106,055)	237,372
19/10/2022	30/06/2025	$0.00	184,297	-	-	-	184,297
08/03/2023	30/06/2025	$0.00	1,716,516	-	-	(378,374)	1,338,142
17/10/2023	30/06/2025	$0.00	-	150,234	-	(11,008)	139,226
27/10/2023	30/06/2025	$0.00	-	156,268	-	-	156,268
03/11/2023	30/06/2026	$0.00	-	1,054,627	-	(164,864)	889,763
			2,458,062	1,361,129	-	(847,083)	2,972,108

2023

Grant date	Vesting date	Exercise price	Balance at the start of the year	Granted	Vested/ Exercised	Expired/ forfeited/ other	Balance at the end of the year
10/09/2020	30/06/2023	$0.00	264,030	-	-	(264,030)	-
20/10/2020	30/06/2023	$0.00	134,006	-	-	(134,006)	-
30/08/2021	30/06/2024	$0.00	201,434	-	-	(14,652)	186,782
19/10/2021	30/06/2024	$0.00	47,126	-	-	(47,126)	-
29/03/2022	30/06/2024	$0.00	27,040	-	-	-	27,040
12/10/2022	30/06/2025	$0.00	-	343,427	-	-	343,427
19/10/2022	30/06/2025	$0.00	-	184,297	-	-	184,297
08/03/2023	30/06/2025	$0.00	-	1,716,516	-	-	1,716,516
			673,636	2,244,240	-	(459,814)	2,458,062

The weighted average exercise price for the Performance Rights exercised in the current financial year was nil. (2023: nil).

The weighted average contractual lives are 1.00 years (2023: 1.86 years).

The share-based payment transactions relating to the LTI during the year as part of employee benefits in the profit & loss was a gain of $1,237,000 (2023: expense of $258,921). This was due to the reversal of forfeited and lapsed rights.

Note: The numbers in the disclosures above include amounts relating to employees that are not key management personnel and therefore differ to those presented in the audited Remuneration Report within the Directors' Report.

Note 36. Share-based payments (continued)

Material accounting policies

Share-based compensation benefits are provided to employees via the Long-Term Incentive ('LTI') plan. The fair value of performance rights granted under the LTI is recognised as an employee benefit expense over the period during which the employees become unconditionally entitled to the rights and options with a corresponding increase in equity.

The total amount to be expensed is determined by reference to the fair value of the rights and options granted, which includes any market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest which are revised at the end of each reporting period. The impact of the revision to original estimates, if any, is recognised in profit or loss, with a corresponding adjustment to equity.

The fair value is measured at grant date and the expense recognised over the life of the plan. The fair value is independently determined using a Black-Scholes or similar option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

Critical accounting judgements, estimates and assumptions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Note 37. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by PricewaterhouseCoopers, the auditor of the company:

	Consolidated	
	2024	**2023**
	$	**$**
Audit services - PricewaterhouseCoopers		
Audit or review of the financial statements	822,975	696,262
Non-audit services	4,800	-
	827,975	696,262

Note 38. Commitments and contingent liabilities

Commitments

	Consolidated 2024 $'000	Consolidated 2023 $'000
Commitments		
Committed at the reporting date but not recognised as liabilities, payable:		
Guarantees in relation to leases	654	4,722
Supply of equipment[1]	-	5,588
	654	10,310

(1) The commitments of guarantees in relation to performance of contracts and supply of equipment relate to the DC Consolidation projects.

Contingent liabilities

There are no contingent liabilities (2023: Nil).

Note 39. Events after the reporting period

No matter or circumstance has arisen since 30 June 2024 that has materially affected or may materially affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

On 19 July 2024, it was announced that Angus McKay has been appointed Executive Chair and Chief Executive Officer of the Group commencing 22 August 2024.

Name of entity	Type of entity	2024 % of share capital	Country of incorporation	Australian resident or foreign resident	Country of tax residence
Bapcor Limited	Body corporate	Parent	Australia	Australia	Australia
Bapcor Finance Pty Ltd	Body corporate	100.0%	Australia	Australia	Australia
FiiViQ Pty Ltd	Body corporate	50.5%	Australia	Australia	Australia
Bapcor Services Pty Ltd	Body corporate	100.0%	Australia	Australia	Australia
Bapcor Logistics Services Pty Ltd	Body corporate	100.0%	Australia	Australia	Australia
Bapcor International Pty Ltd	Body corporate	100.0%	Australia	Australia	Australia
Bapcor Asia Pte Ltd	Body corporate	100.0%	Singapore	Foreign	Singapore
Car Bits Asia Co. Ltd[1]	Body corporate	57.8%	Thailand	Foreign	Thailand
Burson Automotive Pty Ltd	Body corporate	100.0%	Australia	Australia	Australia
Blacktown Auto Engineers Pty Ltd	Body corporate	100.0%	Australia	Australia	Australia
Car Bitz & Accessories Pty Ltd	Body corporate	100.0%	Australia	Australia	Australia
Aftermarket Network Australia Pty Ltd	Body corporate	100.0%	Australia	Australia	Australia
Bapcor Retail Pty Ltd	Body corporate	100.0%	Australia	Australia	Australia
Midas Australia Pty Ltd	Body corporate	100.0%	Australia	Australia	Australia
Specialist Wholesalers Pty Ltd	Body corporate	100.0%	Australia	Australia	Australia
MTQ Engine Systems (Aust) Pty Ltd	Body corporate	100.0%	Australia	Australia	Australia
Baxters Pty Ltd	Body corporate	100.0%	Australia	Australia	Australia
AADi Australia Pty Ltd	Body corporate	100.0%	Australia	Australia	Australia
A&F Drive Shaft Repair Queensland Pty Ltd	Body corporate	100.0%	Australia	Australia	Australia
Diesel Distributors Australia Pty Ltd	Body corporate	100.0%	Australia	Australia	Australia
Ryde Batteries (Wholesale) Pty Ltd	Body corporate	100.0%	Australia	Australia	Australia
Federal Batteries Qld Pty Ltd	Body corporate	100.0%	Australia	Australia	Australia
Premier Auto Trade Pty Ltd	Body corporate	100.0%	Australia	Australia	Australia
JAS Oceania Pty Ltd	Body corporate	100.0%	Australia	Australia	Australia
Australian Automotive Electrical Wholesale Pty Ltd	Body corporate	100.0%	Australia	Australia	Australia
Low Voltage Pty Ltd	Body corporate	100.0%	Australia	Australia	Australia
Don Kyatt Spare Parts (Qld) Pty Ltd	Body corporate	100.0%	Australia	Australia	Australia
He Knows Truck Parts Pty Ltd	Body corporate	100.0%	Australia	Australia	Australia
I Know Parts and Wrecking Pty Ltd	Body corporate	100.0%	Australia	Australia	Australia
Commercial Spares Pty Ltd	Body corporate	100.0%	Australia	Australia	Australia
Commercial Parts Pty Ltd	Body corporate	100.0%	Australia	Australia	Australia
HDRJ Holdings Pty Ltd	Body corporate	100.0%	Australia	Australia	Australia
Bapcor New Zealand Ltd	Body corporate	100.0%	New Zealand	Foreign	New Zealand
Bapcor Automotive Ltd	Body corporate	100.0%	New Zealand	Foreign	New Zealand
Brake & Transmission NZ Ltd	Body corporate	100.0%	New Zealand	Foreign	New Zealand
Diesel Distributors Ltd	Body corporate	100.0%	New Zealand	Foreign	New Zealand
Bapcor Services New Zealand Ltd	Body corporate	100.0%	New Zealand	Foreign	New Zealand
HCB Technologies Ltd	Body corporate	100.0%	New Zealand	Foreign	New Zealand
Renouf Corporation International [2]	Body corporate	100.0%	United States	Foreign	United States
Benequity Properties, LLC [2]	Body corporate	100.0%	United States	Foreign	United States
Bapcor Australia Pty Ltd	Body corporate	100.0%	Australia	Australia	Australia
Precision Equipment New Zealand Ltd	Body corporate	100.0%	New Zealand	Foreign	New Zealand
Hellaby Resource Services Ltd	Body corporate	100.0%	New Zealand	Foreign	New Zealand

(1) Joint venture which is consolidated in the financial statements
(2) Dormant entities intended for liquidation

Basis of preparation

The consolidated entity disclosure statement has been prepared in accordance with subsection 295(3A)(a) of the Corporations Act 2001. The entities listed in the statement are Bapcor Limited and all the entities it controls in accordance with *AASB 10 Consolidated Financial Statements*.

The percentage of share capital disclosed for bodies corporate included in the statement represents the voting interest controlled by Bapcor Limited either directly or indirectly.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;

- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the financial year ended on that date

- the attached consolidated entity disclosure statement gives a true and correct view of the place of incorporation and tax residency status of the subsidiary companies within the consolidated entity as at 30 June 2024 and for the financial year ended on that date;

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;

- at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 30 to the financial statements; and

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

____
Margaret Haseltine
Chair

21 August 2024
Melbourne

Independent auditor's report

To the members of Bapcor Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Bapcor Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the consolidated statement of financial position as at 30 June 2024
- the consolidated statement of comprehensive income for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information
- the consolidated entity disclosure statement as at 30 June 2024
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

PricewaterhouseCoopers, ABN 52 780 433 757
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Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit and Risk Committee.

Key audit matter	*How our audit addressed the key audit matter*
Carrying value of goodwill *(Refer to note 14)* At 30 June 2024, the Group has recognised $552 million of goodwill. At least annually, an impairment test is performed by the Group over the goodwill The Group identified the Cash Generating Units (CGUs) as Trade, Retail, Specialist Wholesale and New Zealand, for the impairment assessment of goodwill. The Group performed an impairment assessment for each CGU, by preparing a value-in-use financial model to determine if the carrying value of the assets is supported by forecast future cash flows, discounted to present value (the "models"). The impairment assessment for the Retail CGU, resulted in an impairment of $208.6 million, comprising of $146.1 million for goodwill. We considered the carrying value of goodwill to be a key audit matter due to the impairment recognised during the year, the financial significance to the financial position and performance of the Group and the judgements contained in the assumptions applied by the Group in estimating future cash flows.	Our audit procedures included the following, amongst others: • Assessing whether the allocation of the Group's goodwill into CGUs was consistent with our knowledge of the Group's operations and internal Group reporting. • Assessing whether the grouping of CGUs appropriately included the assets, liabilities and cash flows directly attributable to each CGU and an allocation of corporate assets. • Assessing the Group's historical ability to forecast cash flows by comparing relevant budgets to actual results for the past 3 years. • Assessing significant assumptions within the models for reasonableness with reference to board approved budgets for FY25 and external market data where possible. • Together with PwC valuation experts, comparing the post-tax discount rate and terminal value growth rate used in the models to external market data. • For the Retail CGU, comparing the recoverable amount to the carrying value of the assets and assessing the allocation of the impairment. • Evaluating the reasonableness of disclosures in the financial report in light of the requirements of Australian Accounting Standards.

Key audit matter	*How our audit addressed the key audit matter*
Impairment of right of use assets and property, plant and equipment for Retail stores *(Refer to note 12 and 13)* During the year impairment indicators were identified for Retail stores. An impairment for retail stores was recognised during the year, with an impairment of $10.5 million to right of use assets and $3.4 million to property, plant and equipment. We considered the impairment of right of use assets and property, plant and equipment for Retail stores to be a key audit matter given the magnitude of the impairment charge.	Our procedures included the following, amongst others: • Obtaining the Group's assessment of indicators for impairment for Retail store assets and evaluating the appropriateness. For the stores where an impairment indicator was identified: • Assessing the significant forecast cash flow assumptions for the recoverable amount assessment for appropriateness with reference to the applicable Retail store budgets for FY25 and external market data where possible. • Testing the mathematical accuracy, on a sample basis, of the recoverable amount assessment and the comparison to the carrying value for the store assets. • Assessing the allocation of impairment to property, plant and equipment and right of use assets for the store CGU. • Evaluated the reasonableness of the disclosures in the financial report in light of the requirements of Australian Accounting Standards.
Network rationalisation impairment and provision for restructure *(Refer to note 7 and note 17)* An impairment was recognised during the year, related to network rationalisation for closure of warehouses of $16.8 million for right of use assets and $3.3 million for property, plant and equipment. A further provision for restructure of $14.7 million was recognised during the financial year. We considered this to be a key audit matter because of the financial significance of these items to the consolidated statement of comprehensive income and the judgment and complexity involved in calculating the impairment and restructuring provision.	For a sample of warehouses that are planned to close, we performed the following procedures, amongst others: • Comparing the impairment of leased assets and property plant and equipment to the carrying value of the assets for the warehouse. • Assessing the make good costs associated with the lease obligations with reference to historical data. For the provision for restructuring, we performed the following procedures amongst others: • Evaluating the reasonableness of significant assumptions, including the number of employees included in the restructure plan and the estimated costs associated with severance payments, with reference to payroll records and reference to National Employment Standards for entitlements. • Testing the mathematical accuracy of a selection of calculations included in the restructure provision. • Considering the recognition criteria for the restructuring provisions in light of Australian Accounting Standards. Evaluating the reasonableness of the disclosures in the financial report in light of the requirements of Australian Accounting Standards.

Key audit matter	*How our audit addressed the key audit matter*
Carrying value of inventory *(Refer to note 10)* At 30 June 2024, the Group recorded a provision for slow-moving inventory of $55.8 million. The provision is calculated by taking into account the recent sales experience and other factors that affect inventory obsolescence. We considered this to be a key audit matter because of judgement required by the Group in determining the methodology used to calculate the net realisable value of inventory and the potentially material impact that changes in the provision could have on the financial report.	Our audit procedures included the following, amongst others: • Considering whether all the necessary inventory balances were included in the inventory provision calculation. • Obtaining the Group's inventory provision assessments and evaluating the appropriateness of the methodology used, in light of the requirements of Australian Accounting Standards. • Agreeing a sample of significant inputs to supporting evidence. • Evaluating the reasonableness of disclosures in light of the requirements of Australian Accounting Standards.

Accounting for leases
(Refer to note 12 and note 19)
 	
At 30 June 2024, the Group recorded right of use assets of $249.9 million and a lease liability of $288.6 million.
 	
Accounting for leases was a key audit matter due to the financial significance of right-of-use assets and lease liability balances and the judgement involved in determining these balances, including the incremental borrowing rate and option renewals.
	Our procedures in relation to the accounting for leases included, amongst others:
	• Assessing whether the Group's accounting policies are in accordance with the requirements of Australian Accounting Standards.
	• For a sample of lease agreements:
	  ○ comparing the significant inputs of the lease calculation to the original lease agreement, including relevant dates and terms, lease payments, lease options and incentives.
	  ○ assessing the incremental borrowing rate used in discounting future lease payments.
	  ○ testing the mathematical accuracy of the lease calculations.
	• Evaluating the reasonableness of disclosures in light of the requirements of Australian Accounting Standards.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon. Prior to the date of this auditor's report, the other information we obtained included the Director's Report and the Preliminary Final Report. We expect the remaining other information to be made available to us after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we do not and will not express an opinion or any form of assurance conclusion thereon through our opinion on the financial report. We have issued a separate opinion on the remuneration report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other information not yet received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and use our professional judgement to determine the appropriate action to take.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001*, including giving a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2024.

In our opinion, the remuneration report of Bapcor Limited for the year ended 30 June 2024 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of *the Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

PricewaterhouseCoopers

Alison Tait Milner
Partner

Melbourne
21 August 2024

Directors	Margaret Haseltine (Chair) Mark Bernhard (Interim Managing Director and Chief Executive Officer) Mark Powell (Independent, Non-Executive Director) James Todd (Independent, Non-Executive Director) Mark Bernhard (Independent, Non-Executive Director) Brad Soller (Independent, Non-Executive Director) Kathryn Spargo (Independent, Non-Executive Director)
Company secretary	George Sakoufakis
Notice of annual general meeting	The details of the annual general meeting of Bapcor Limited are: Date: 16 October 2024 Time: 1:30pm Address: 127-139 Link Road, Melbourne Airport, VIC, 3045
Registered office	127-139 Link Road Melbourne Airport VIC 3045 Australia
Share register	Computershare Investor Services Pty Ltd 452 Johnston Street Abbotsford VIC 3067 Australia Ph: +61 3 9415 4000 or 1300 850 505 (within Australia)
Auditor	PricewaterhouseCoopers 2 Riverside Quay Southbank VIC 3006 Australia
Stock exchange listing	Bapcor Limited shares are listed on the Australian Securities Exchange (ASX: BAP)
Website	www.bapcor.com.au