



FINANCIAL RESULTS

AUTO PARTNER GROUP
FY 2021

Disclaimer

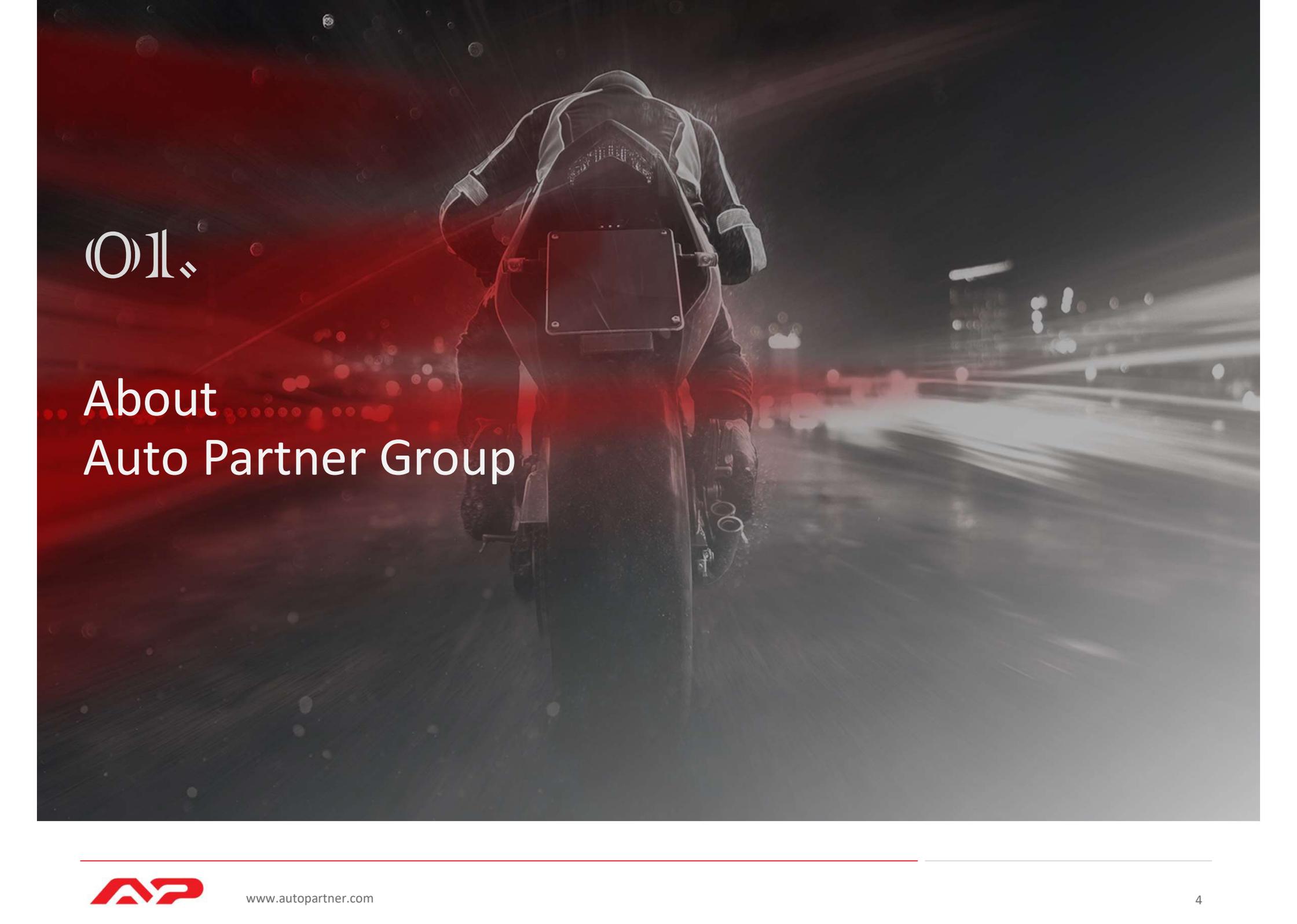
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Agenda

1. About Auto Partner Group
2. Market environment
3. Financial results
4. Summary





01.

About Auto Partner Group



Management Board of the Group



Aleksander Górecki

President
of the Management Board/Founder

Involved in the automotive industry since 1993, when he founded Auto Partner. Major shareholder in the company. Since Auto Partner's inception, responsible for its development, relations with key suppliers and business partners.



Andrzej Manowski

Vice President
of the Management Board

With Auto Partner since 1994, serving as Vice President of its Management Board since 2007. Responsible for the company's geographical expansion, including export growth, he also oversees IT projects.



Piotr Janta

Vice President
of the Management Board

Joined Auto Partner in 2009 as Sales Director and since December 2015 has also served as Member of its Management Board. His remit covers the sales network development and marketing communication. His career in the industry goes back to 2005.

Auto Partner Group at a glance



Nearly **10% share in domestic market** of spare parts



Approximately **250,000 references** available



Sales in more than **30 countries**



15.5m parts warehoused throughout Poland



About **62%** of orders placed online



Member of **GlobalOne GPO**

Key developments in 2021



Record high sales – topping **PLN 2bn** for the first time



Foreign expansion stepped up – exports topping **PLN 1bn** for the first time



Strong profitability maintained, with steep growth in the scale of business:
gross margin of **29.1%**



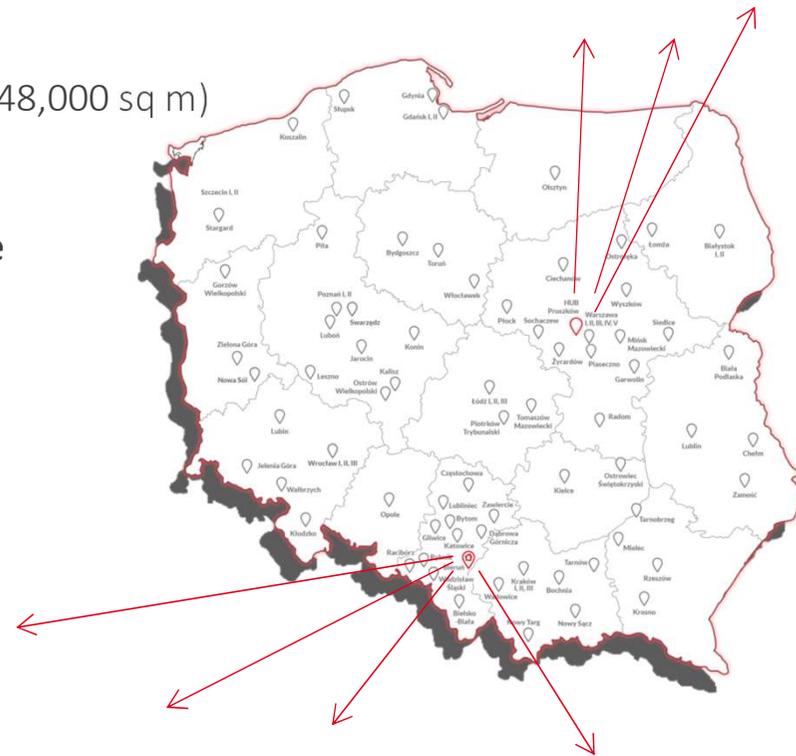
Record-breaking financial performance – net profit at **PLN 186m**



Continued expansion of the distribution network – **14 new branches**
opened in January to December 2021

Well-developed distribution network

- IT-supported logistics – just-in-time deliveries to geographically dispersed customers at a frequency of **3-5** times per day, subject to Covid-19 spread prevention measures
- Total warehousing space at the Group (held under leases) – **over 100,000 sq m**:
 - Distribution centre in Bieruń (43,000 sq m)
 - Warehouse in Pruszków (13,500 sq m)
 - Warehouse in Prague (Czech Republic – 600 sq m)
 - Local storage facilities within the branch network (total of 48,000 sq m)
 - Plan to set up a warehouse in Poznań (over 14,000 sq m)
- Domestic and export sales handled from the central warehouse in Bieruń and the Pruszków hub
- **106 branch offices** covering all regions of Poland
- Subsidiary and warehouse in the Czech Republic



New Auto Partner branches opened in 2021

NEW AP

ZGIERZ

OŁAWA

OPOLE 2

KĘDZIERZYN-
KOŹLE

DĘBICA

TREZBINIA

INOWROCŁAW

RADOM 2

GDYNIA 2

SWIDNICA

SOSNOWIEC

PUŁAWY

KOŁOBRZEG

EŁK

14 new branches
opened in 2021

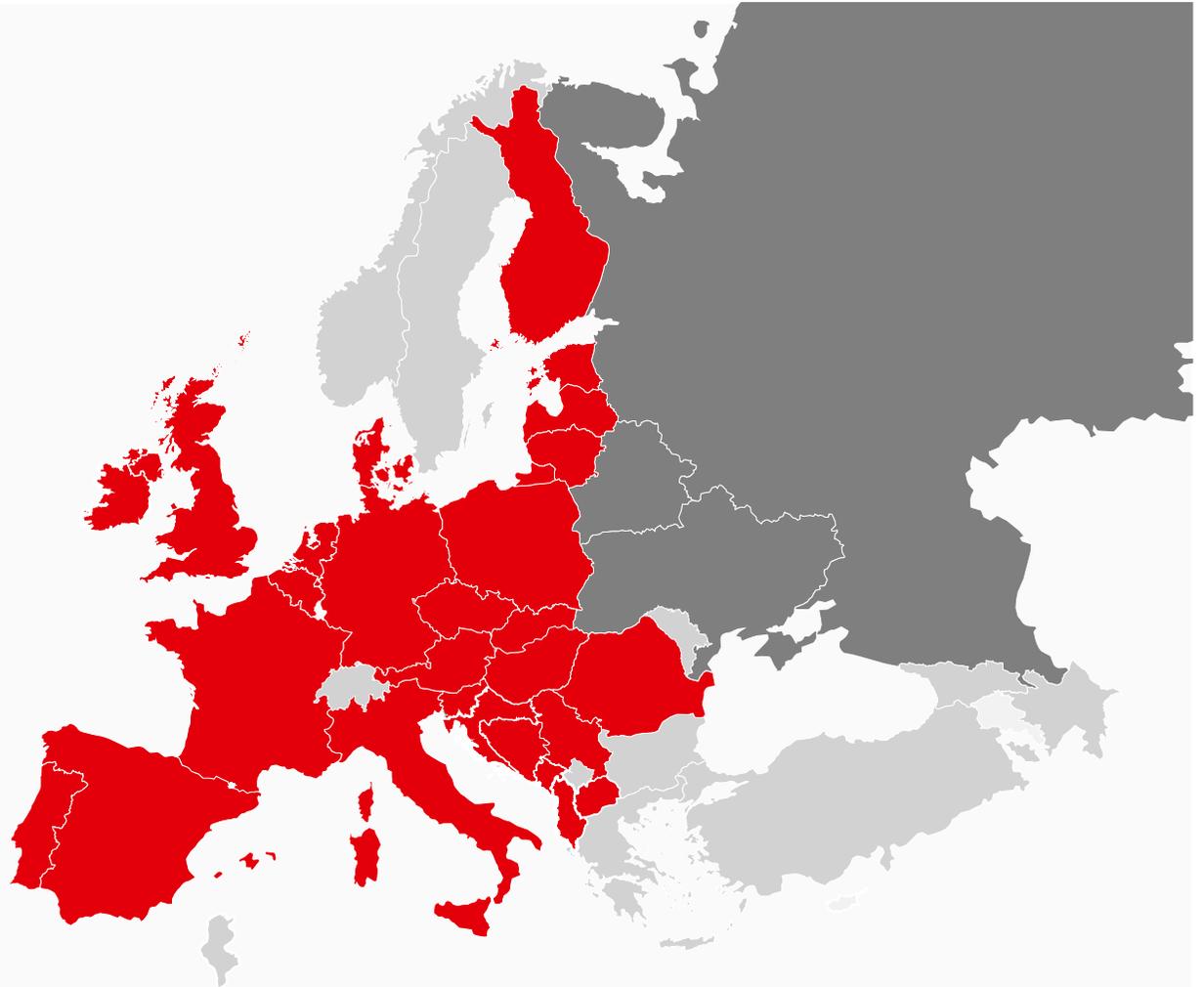
Existing network:
106 branches
throughout Poland

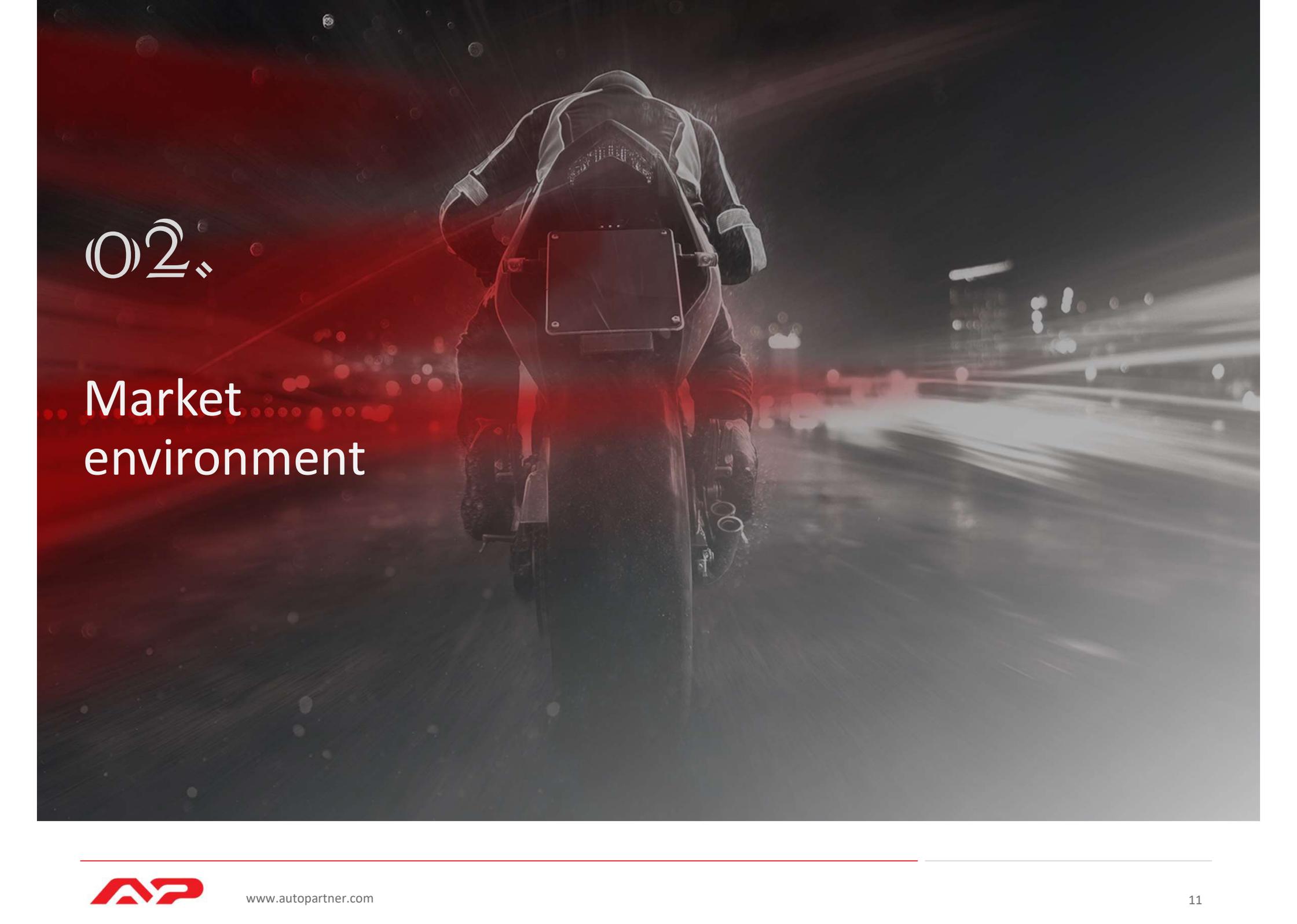
Well-developed foreign sales network

Albania
Austria
Belgium
Belarus
Bosnia and Herzegovina
Croatia
Montenegro
Czech Republic
Denmark
Estonia
Finland
France
Spain
Netherlands
Ireland
Lithuania
Luxembourg
Latvia
Macedonia
Germany
Poland

Portugal
Russia
Romania
Serbia
Slovakia
Slovenia
Ukraine
Hungary
United Kingdom
Italy

Sales in more than
30 countries





02.

Market environment

Market environment

POLAND

- **4.3%** growth in new passenger car registrations in 2021, up by 446.6 thousand (according to ACEA);
- **Growing prices of pre-owned cars in Poland** – prices of cars up to three years old up **by 22%** relative to January 2021 (according to AAAAuto);
- Average age of imported passenger car: over 12.6 years (according to IBRM Samar);
- **Unemployment rate** at end of February 2022: **5.5%** (according to Statistics Poland);
- **GDP growth in 2021: +5.7% y/y** (according to Statistics Poland).

EUROPA (European Union)

- **569 cars per 1,000 inhabitants** of the European Union (according to ACEA);
- ACEA: 2.4% decline in new passenger car registrations in 2021, by 9.7m;
- Average age of passenger cars: 11.8 years (according to ACEA);
- **Growing prices of pre-owned cars up by nearly 20%** over the past year (according to AutoScout24);
- EU **unemployment rate** at end of February 2022: **6.2%** (according to Eurostat);
- **EU GDP growth in 2021: +5.2% y/y** (according to Eurostat).

Geopolitical situation – negligible exposure to markets east of Poland



Following the Russian invasion of Ukraine, the Auto Partner Group has ceased all business with the Russian and Belarusian markets.

Exports to the Russian market:

0.1%

of total revenue in 2021

Exports to the Belarusian market:

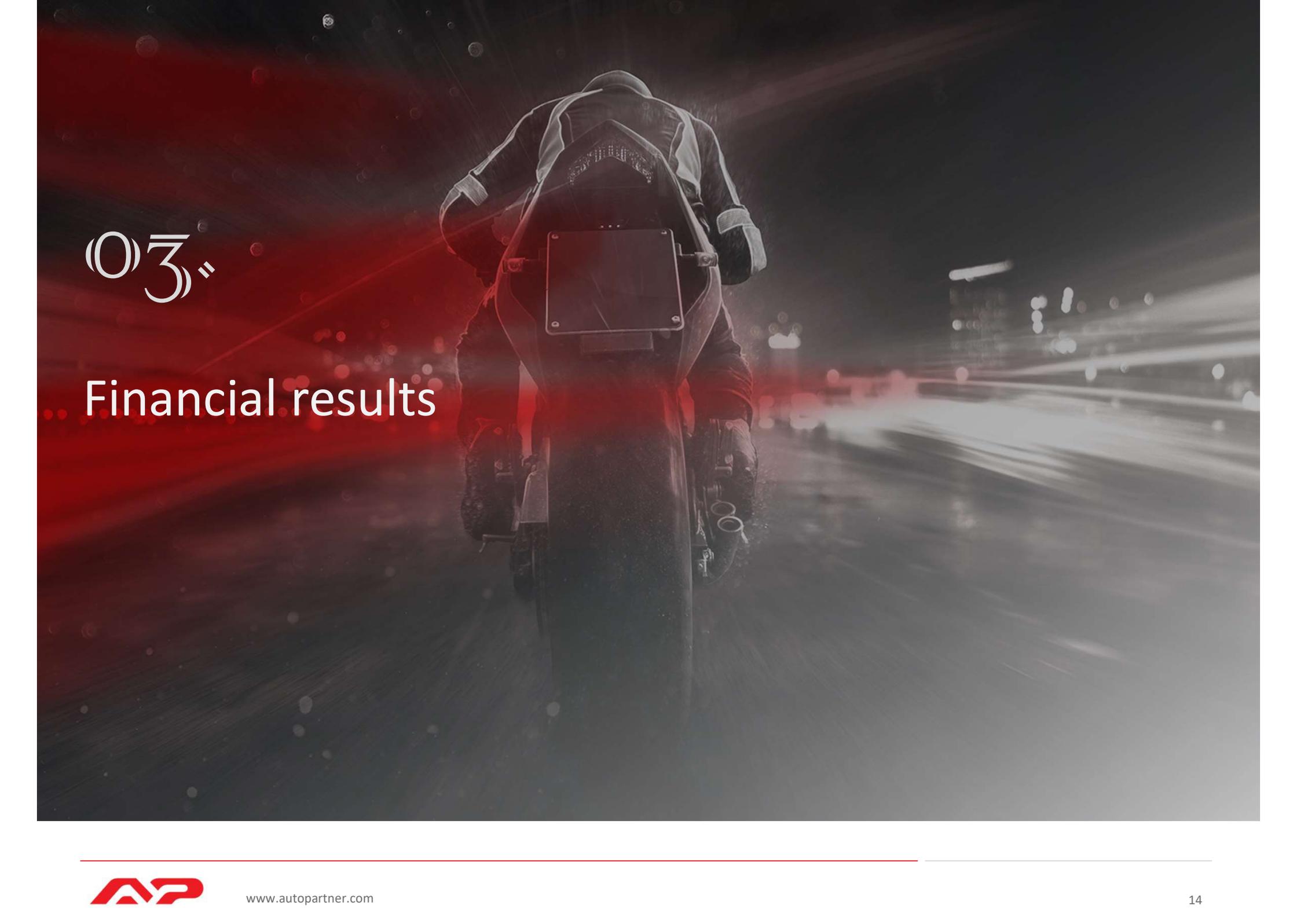
0.02%

of total revenue in 2021

Exports to the Ukrainian market:

0.5%

of total revenue in 2021



03

Financial results

Record-breaking performance figures for 2021

REVENUE

2.3

PLNbn



+35%

EBITDA

265.2

PLNm



+53%

EBIT

239.0

PLNm



+59%

NET PROFIT

186.0

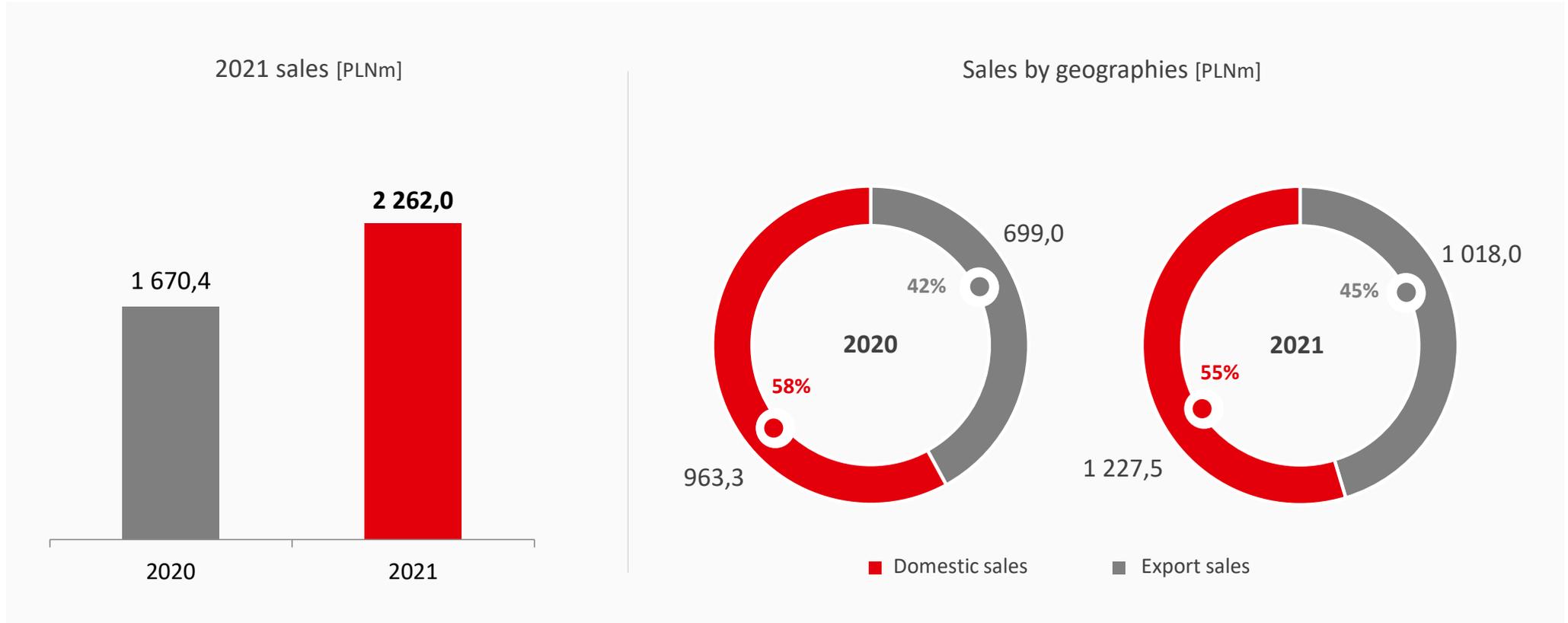
PLNm



+68%

2021 sales at all-time record level

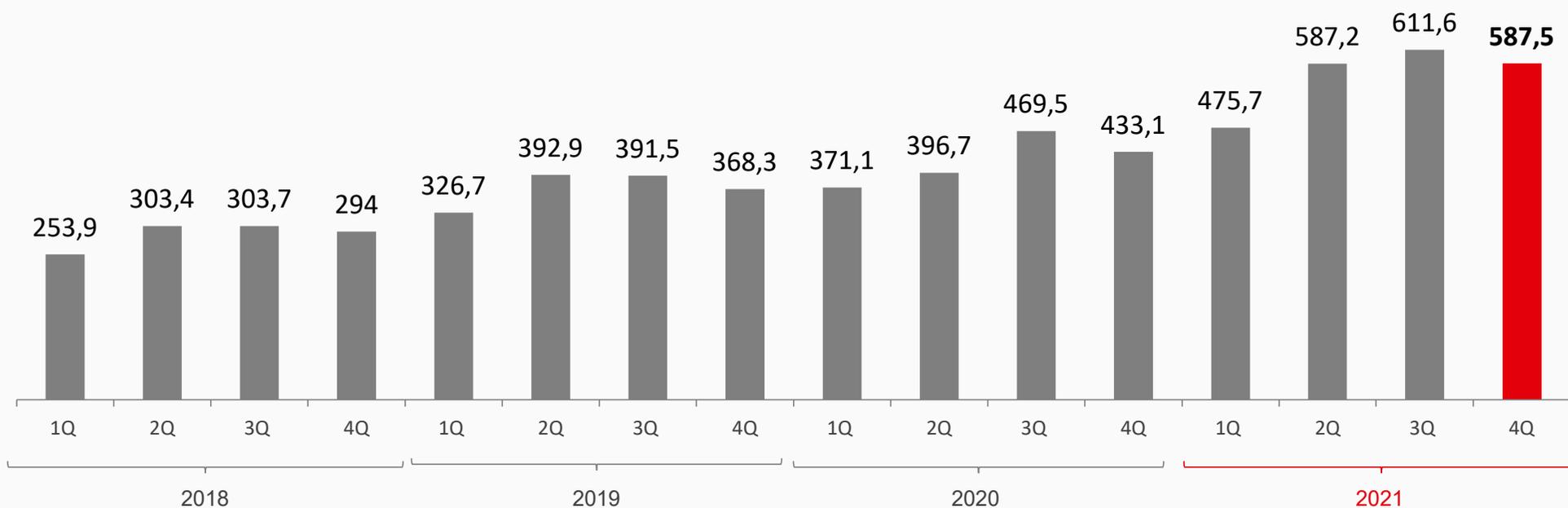
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- +35.4% y/y increase in revenue
- Strong growth in export sales: +46% y/y (topping PLN 1bn)
- Growing contribution of exports to total revenue
- Robust sales in Poland: +27% y/y

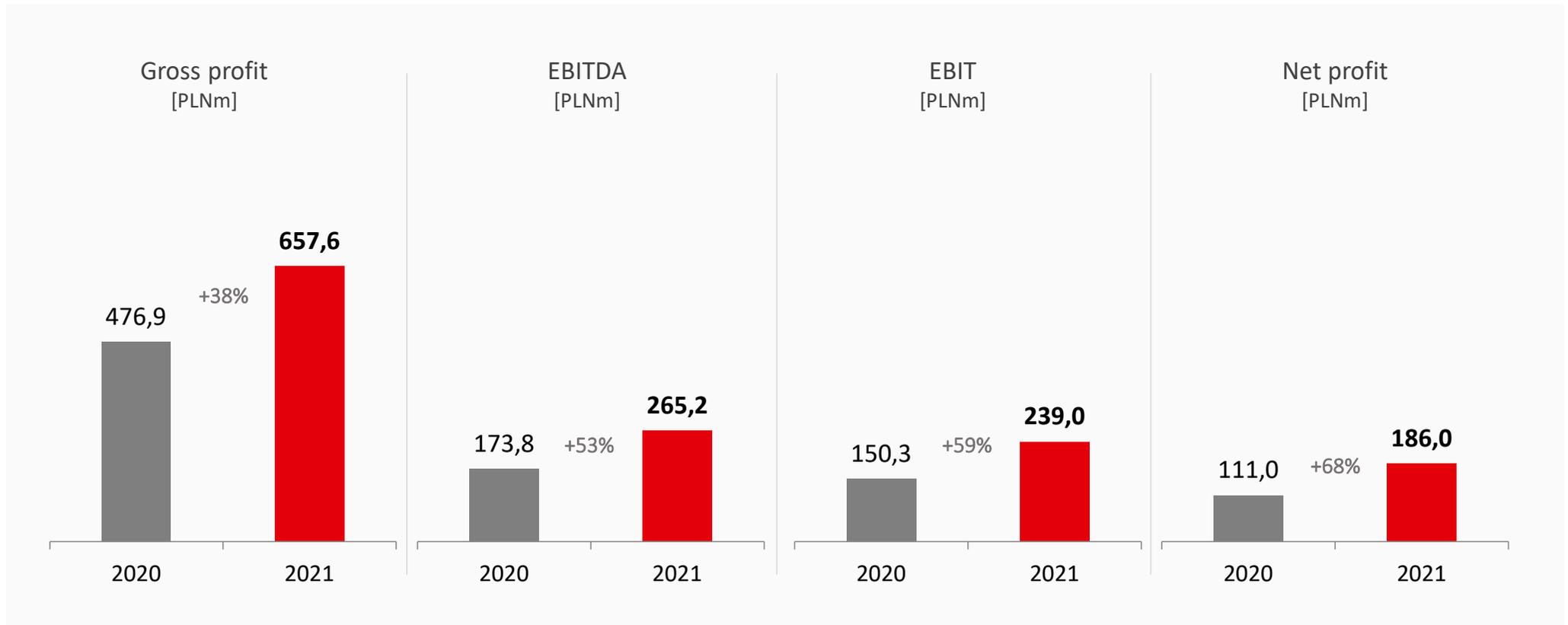
Strong quarterly sales growth

Quarterly sales [PLNm]



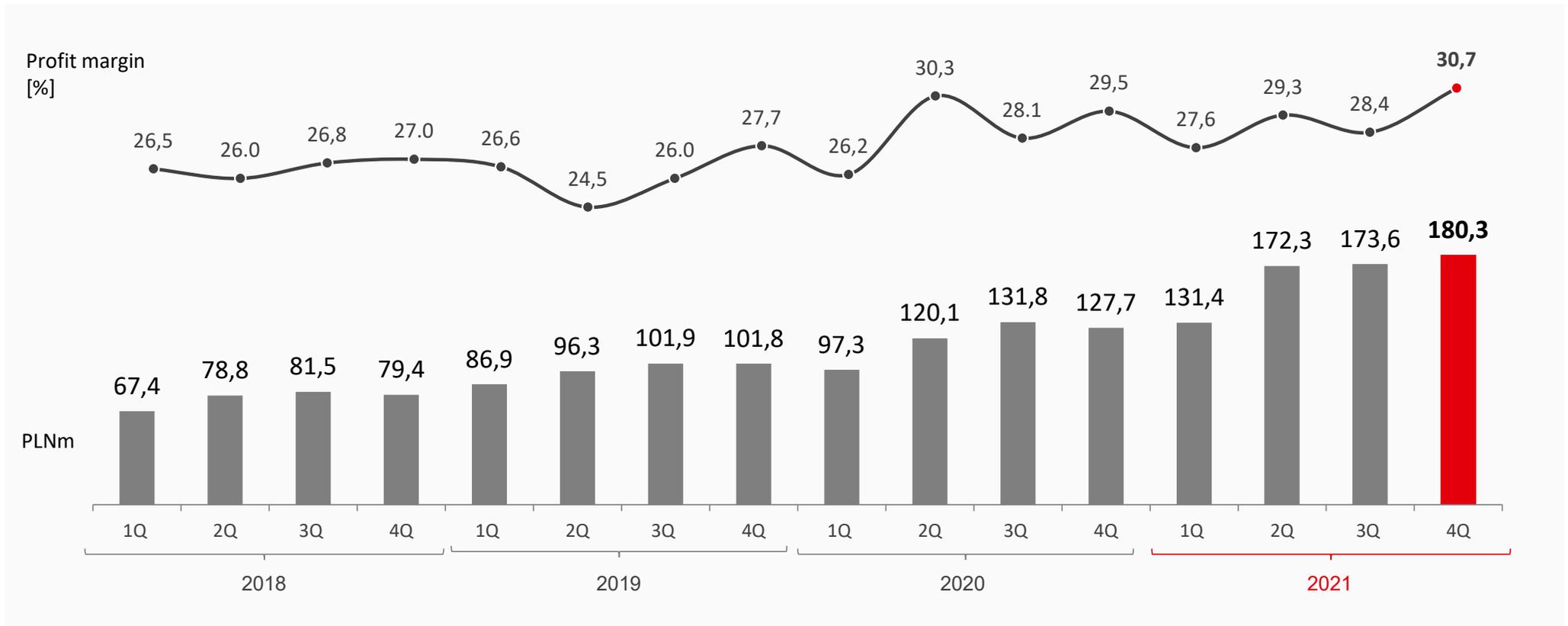
- Strong two-digit growth in sales (+36% y/y) continued on the back of efforts to strengthen position on foreign markets and in Poland
- Key drivers of sales:
 - more than a dozen new branches opened in Poland and launch of new export directions and routes
 - adequate measures taken in response to the rapidly changing pandemic situation and its impact on the spare parts distribution market in Poland and other EU countries
 - further expansion of the product mix and better aligning the mix with customer needs within different price segments
 - steadily optimised and improved customer service

Significant growth in profits and earnings



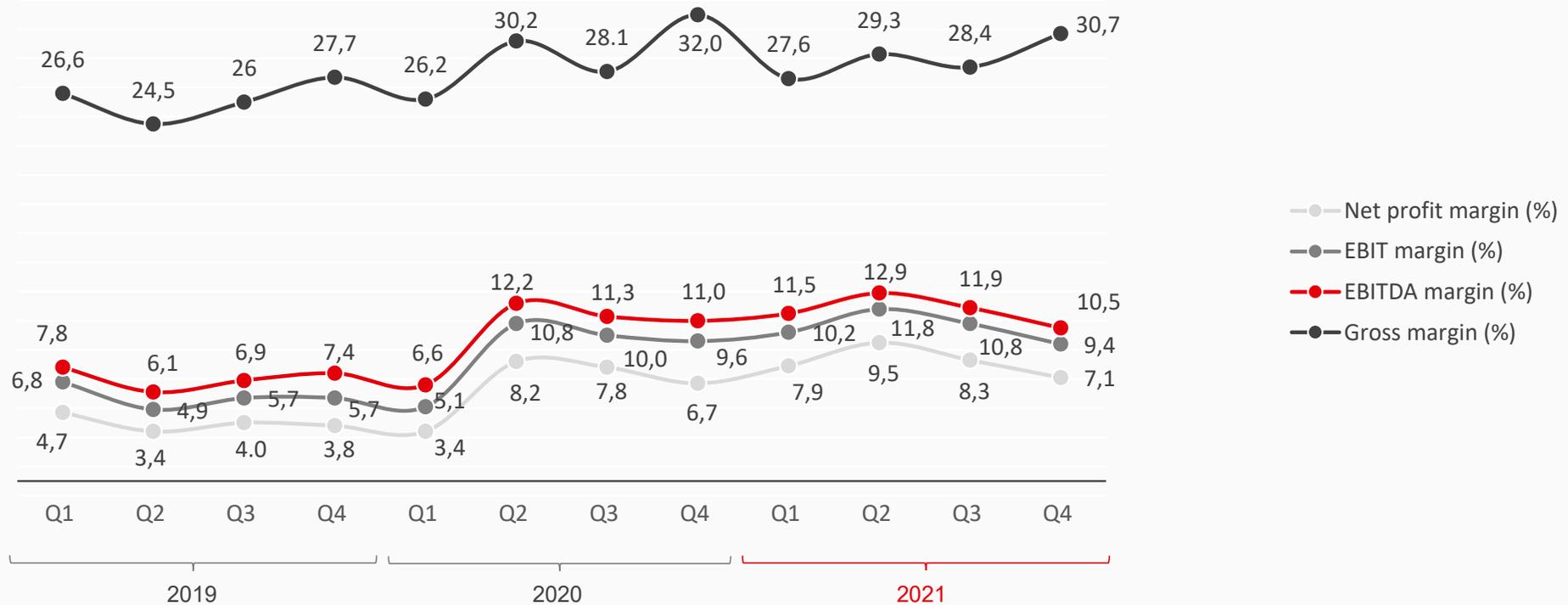
- Strong, double-digit growth across all P&L levels
- Markedly improved performance, also compared with the pre-pandemic period (2019)
- Strong cost discipline maintained from the onset of the pandemic and operating leverage exploited after pandemic-related restrictions were lifted
- Low debt maintained (net debt/ EBITDA=1.2x)

Gross profit



- Gross margin on a par with high levels recorded in previous quarters (29.1% on a cumulative basis vs 28.5% a year earlier)
- Gross margin solid despite further increase in the share of export sales (which deliver lower gross margin but higher net margin)

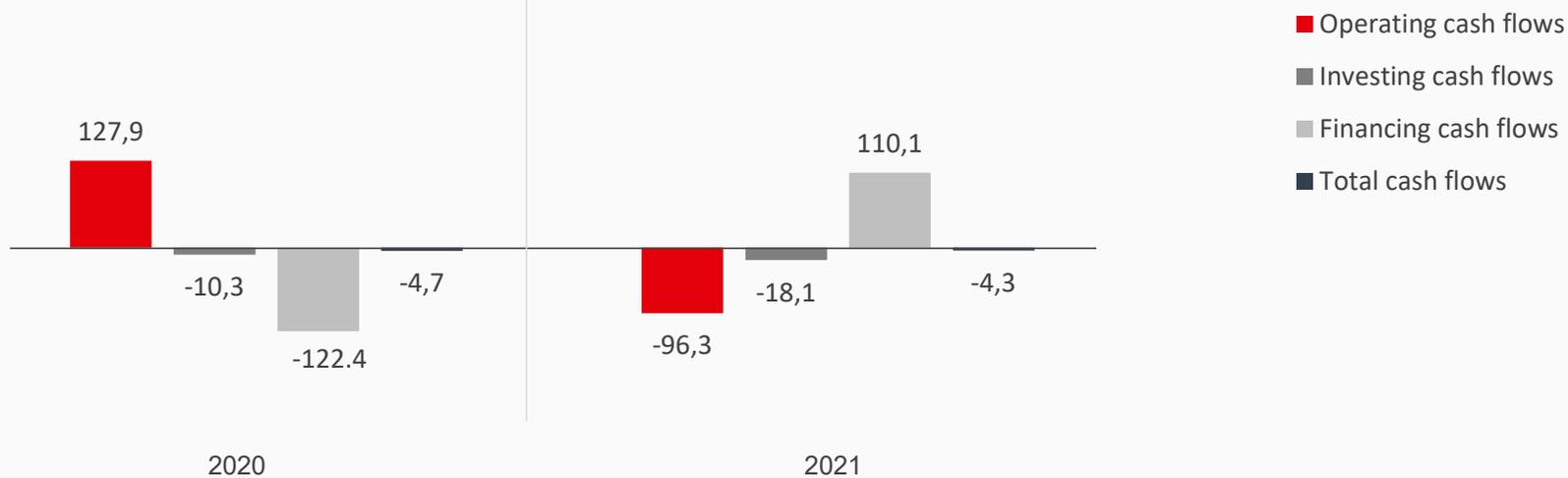
Profit margin



- Strong profitability maintained, with steep growth in the scale of business
- Positive impact of maintained cost discipline and operating leverage, as well as of strong sales of proprietary brands and brands offered on an exclusive basis

Cash flow

Cash flow [PLNm]



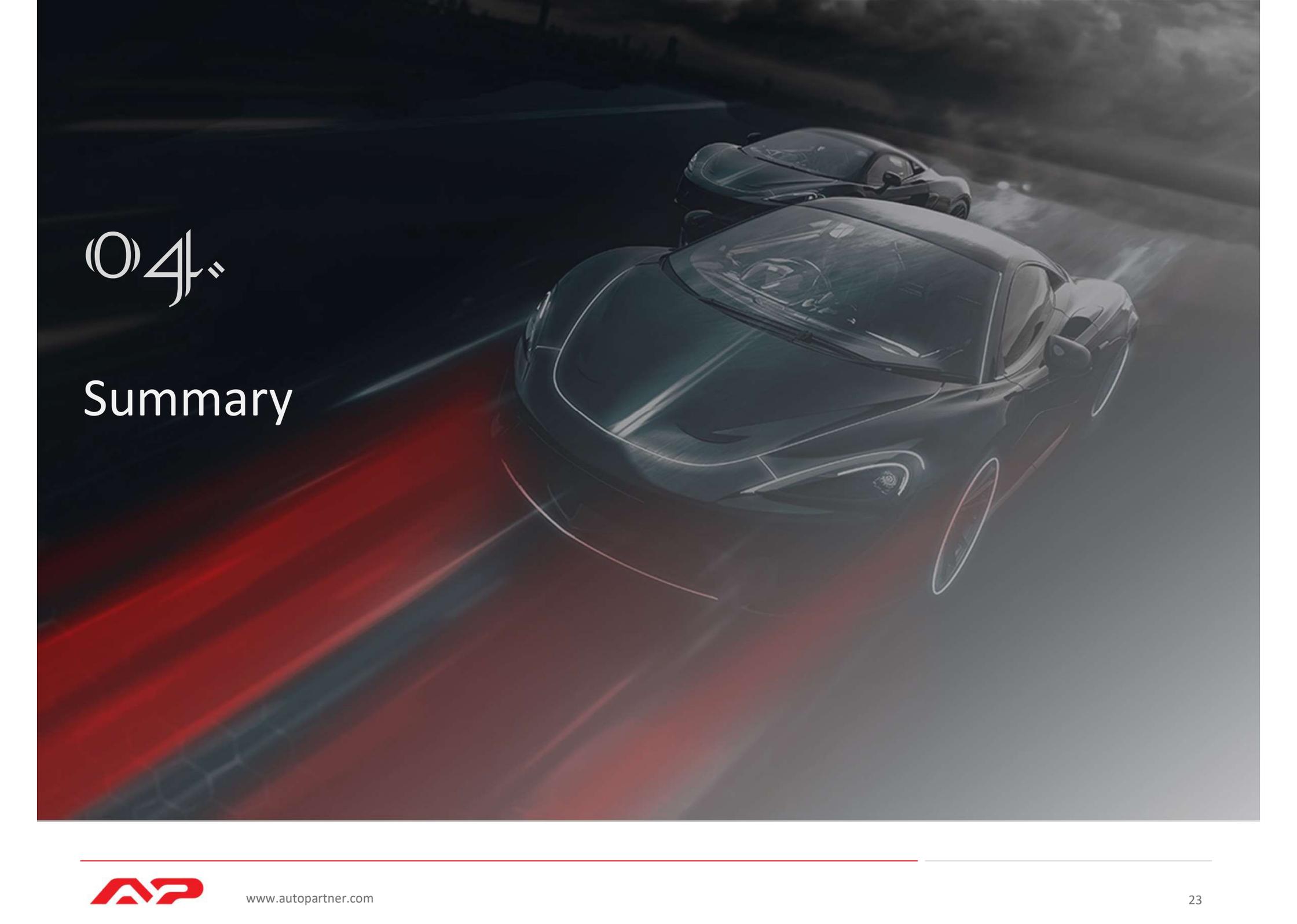
- Stable liquidity position of the Group
- Interest expense unchanged y/y

Stable stock levels



- Inventory turnover as at December 31st 2021: **141 days** vs 147 days the year before

* Inventories and right of return assets



04

Summary

Summary

- Record high sales and financial results
- Favourable market trends made the most of
- Surge in export sales
- Maintained solid profitability
- Maintained cost discipline
- Maintained low debt (net debt/ EBITDA=1.2x)
- Excellent prospects for the parts distribution market





THANK YOU!