

H1 2023

**FINANCIAL
RESULTS
OF THE
AUTO PARTNER GROUP**

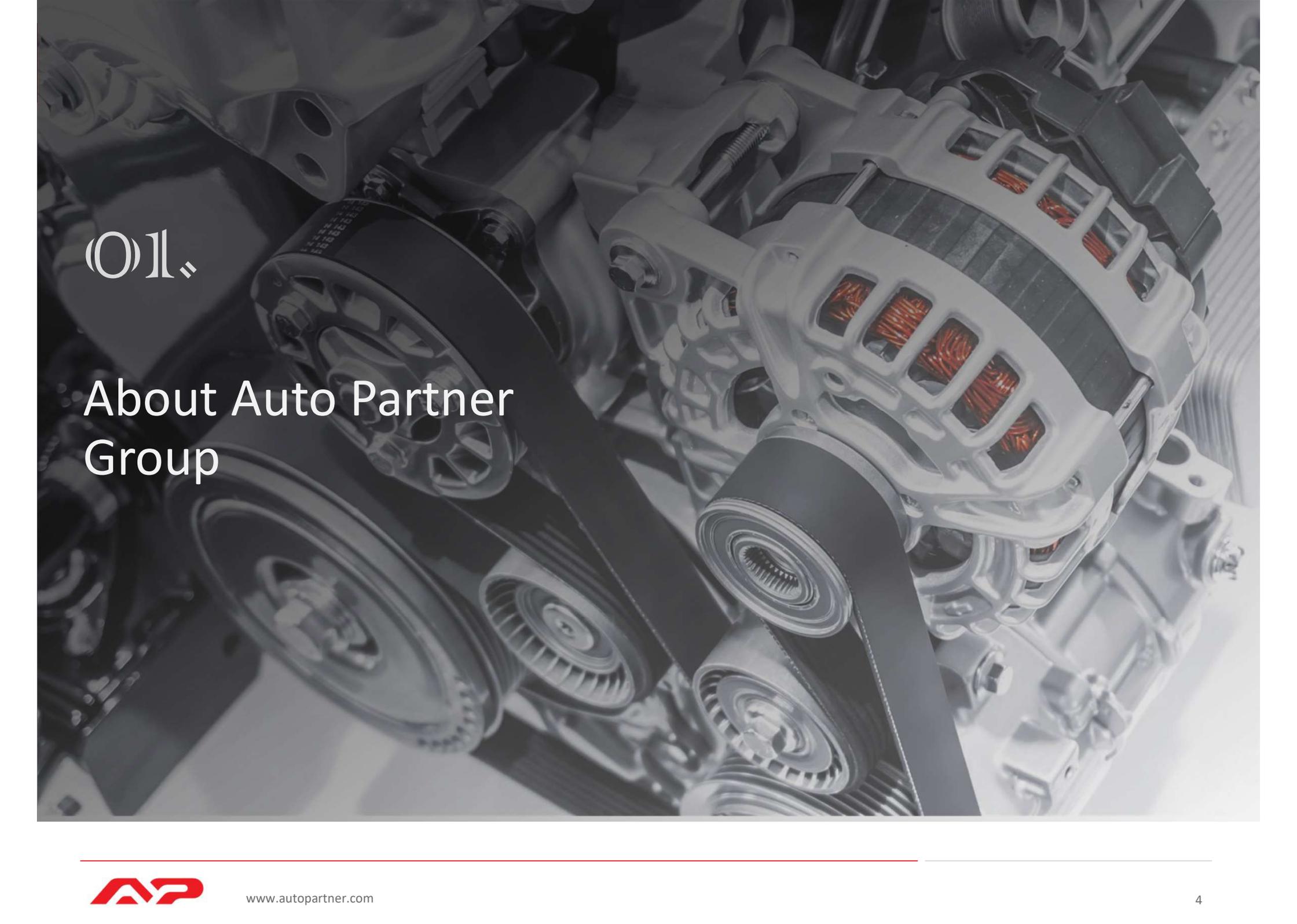
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Agenda

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. Main 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.



Tomasz Werbiński

Member of the
Management Board

Since 2019, he has served as the company's Chief Financial Officer, and since December 2022 – also as Member of the Management Board. Responsible for managing the company's finances.

Auto Partner Group at a glance



One of the largest distributors of automotive parts in Poland with a nearly **10% market share**



Approximately **250,000 references** available



Foreign markets accounting for approximately **50% of sales**



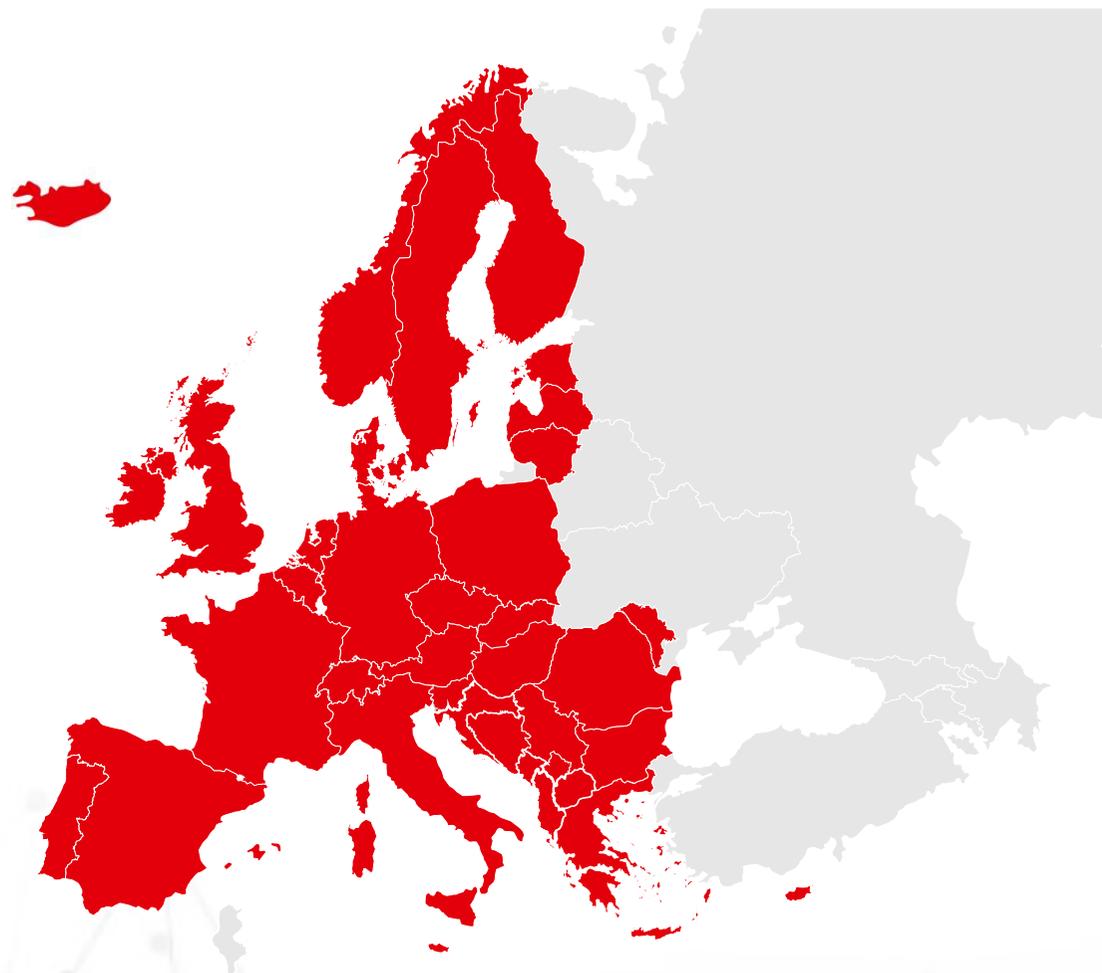
Over **15.5m** parts warehoused throughout Poland



About **70%** of orders placed online

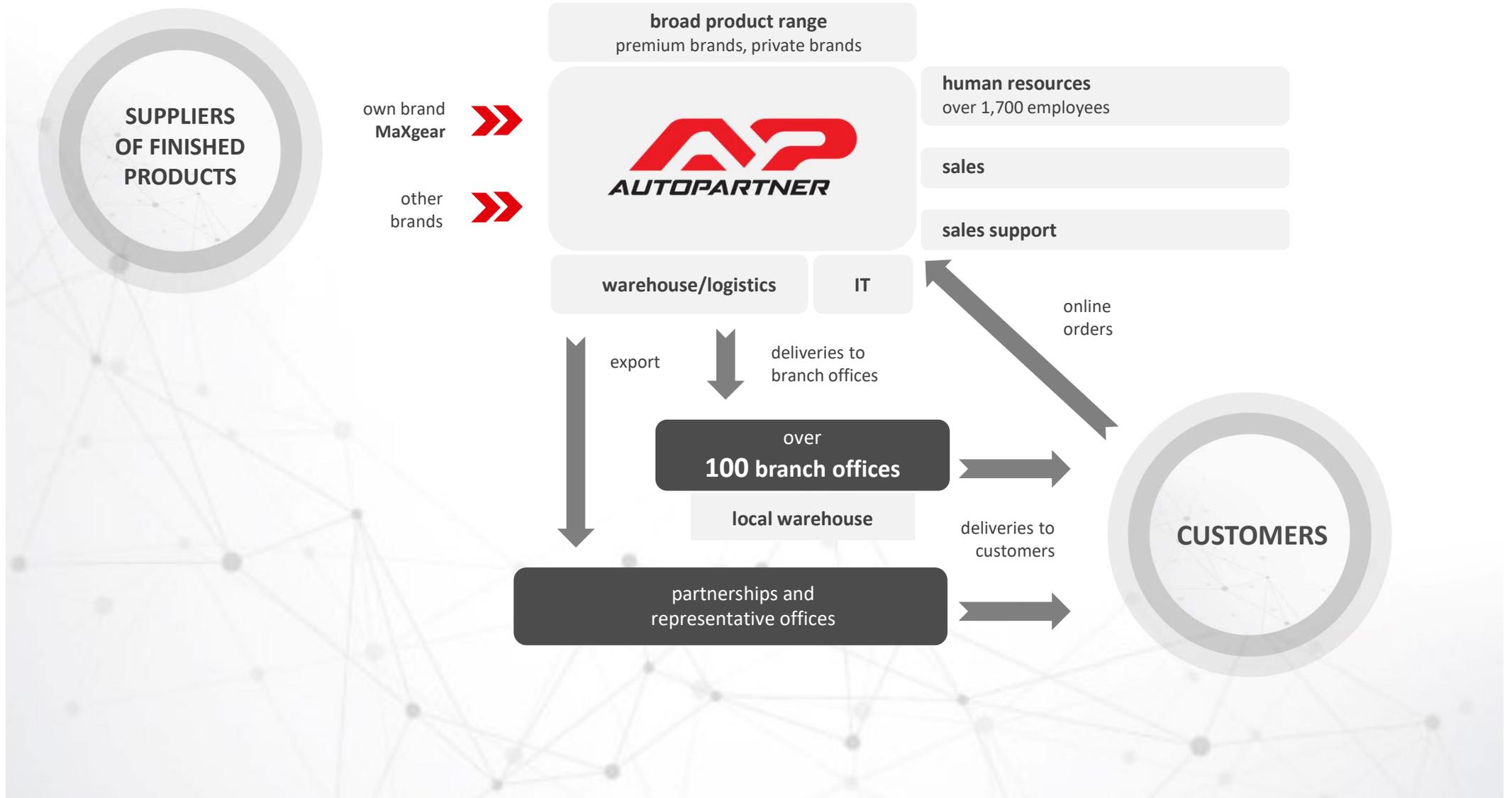


Member of **GlobalOne GPO**



Sales in over
30 countries

Business model



Diversified customer base

POLAND



Repair workshops

63%



Specialised stores

27%



Non-specialised repairers and retailers

10%

EXPORT

Stores, wholesalers and distributors



100%

data as at December 31st 2022

Key developments in H1 2023



Record financial results: sales up 32%, to close to **PLN 1.8bn**, and net profit up 4%, to **PLN 107.2m**



Continued foreign expansion – exports accounting for nearly **51%** of revenue



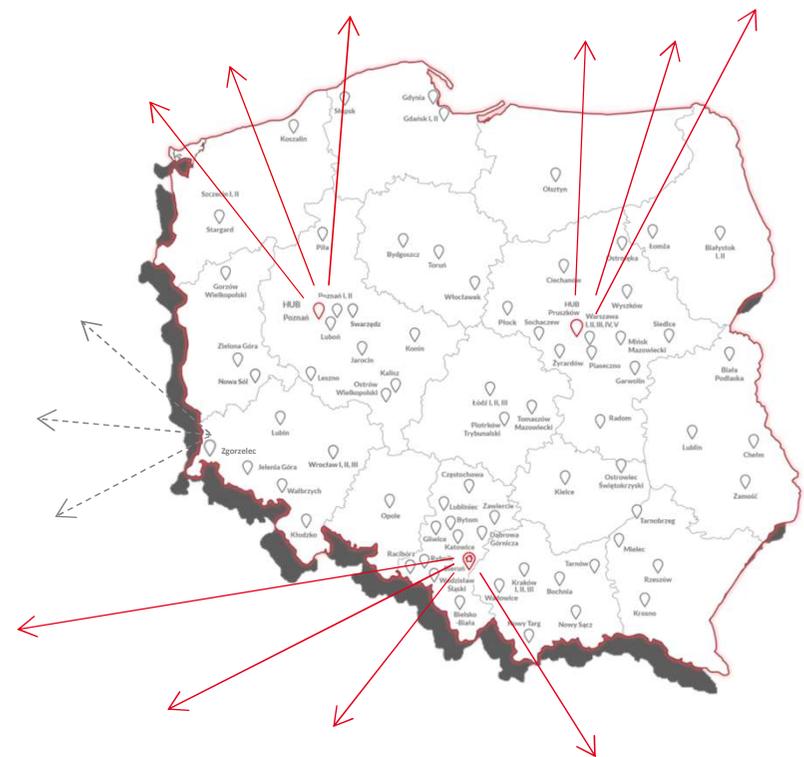
Strong profitability maintained, with steep growth in the scale of business despite market challenges: gross margin at **26.9%**



Plan to open a new distribution centre in Zgorzelec **in 2025**

Well-developed distribution network

- IT-supported logistics – just-in-time deliveries to geographically dispersed customers at a frequency of **3-5** times per day
- Total warehousing space at the Group (leases) – **almost 140,000 sq m:**
 - Distribution centre in Bierań (43,000 sq m)
 - Warehouse in Pruszków (13,500 sq m)
 - Warehouse in Mysłowice (12,000 square metres)
 - Warehouse in Prague, Czech Republic (600 sq m)
 - Poznań HUB (nearly 15,000 sq m)
 - Local storage facilities within the branch network (total of approximately 55,000 sq m)
- Domestic and export sales handled from the central warehouse in Bierań, distribution centre in Pruszków and the Poznań HUB
- **114 branch offices** covering all regions of Poland
- Subsidiary and warehouse in the Czech Republic
- Planned opening of the distribution centre at Zgorzelec in 2025 (30,000 sq m)



Growing importance of own brand

maxgear[®]

over **35,000**
references available

16
years of experience

80
product groups

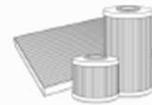
21%
contribution to revenue



**Suspension
and
steering**



Brakes



Filtres



Drivetrain



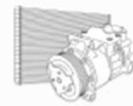
**Automotive
chemicals and
care products**



**Motorcycle
parts and
accessories**



**Cooling
system**



**Air
conditioning**



Engine



**Hydraulic
parts**



**Electrical
parts**



Accessories



02

Market environment

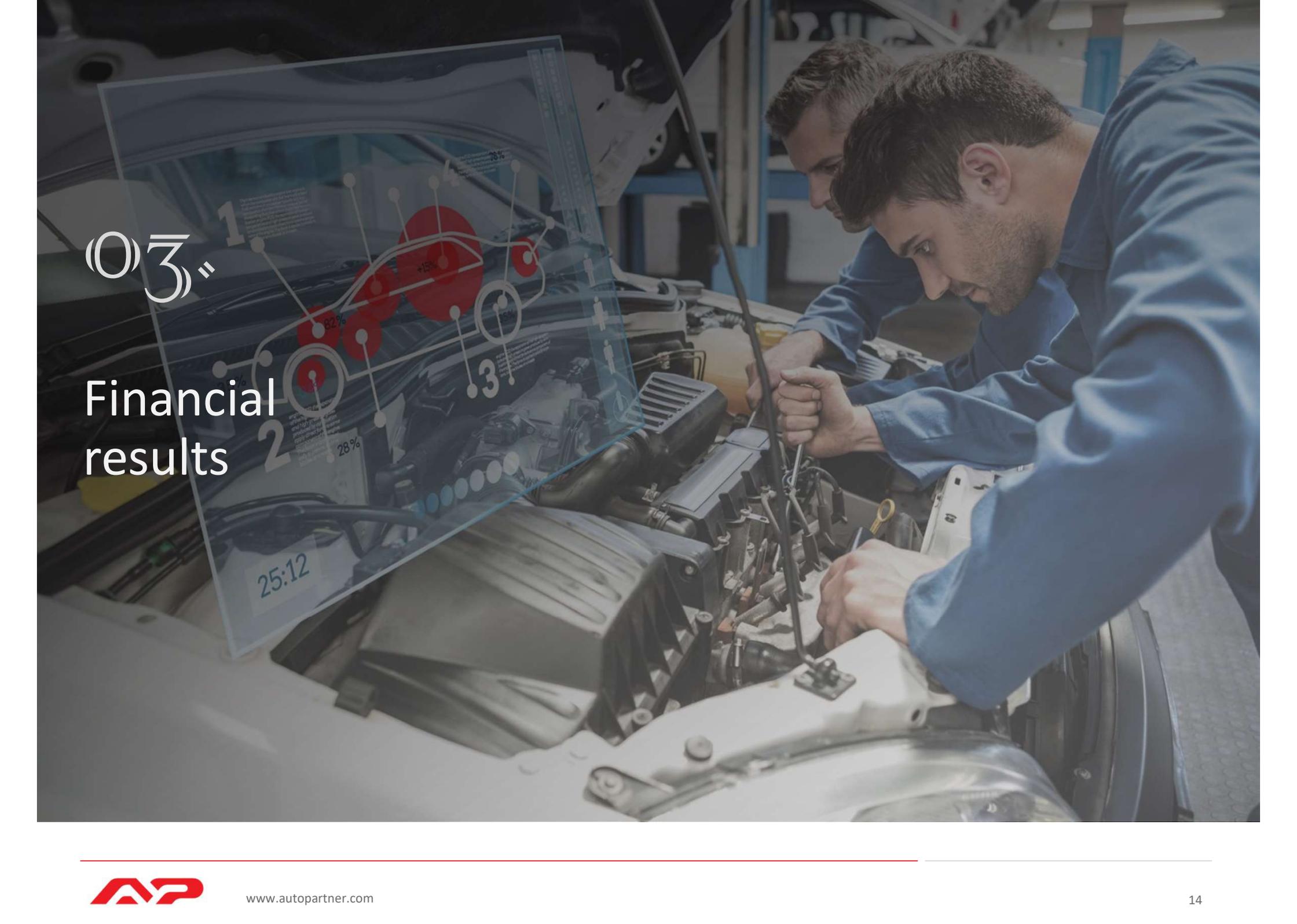
Market environment

POLAND

- In H1 2023, **the number of registrations increased by 12%** year on year **in the case of new passenger cars** and by **11%** in the case of light commercial vehicles (KPMG/PZPM);
- In August 2023, the **median prices of pre-owned cars rose by PLN 1,700 relative to** the previous month, to **PLN 32.9 thousand** (AAAAuto);
- **Average age of imported passenger car in H1 2023: 13 years** (IBRM Samar);
- **Unemployment rate at the end of July 2023: 5%** (Statistics Poland);
- **GDP growth in Q2 2023: -0.5% y/y** (Statistics Poland).

EUROPA (European Union)

- **567 cars per 1,000 inhabitants** of the European Union (ACEA);
- ACEA: in July 2023, **new passenger car registrations rose by 15.2%**;
- **Average age of passenger cars: 12 years** (ACEA);
- **EU unemployment rate at the end of July 2023: 5.9%** (Eurostat);
- **EU GDP growth in Q2 2023: +0.5% y/y** (Eurostat).



03

Financial results

H1 2023 results

REVENUE

1,775.2

PLNm



+32%

EBITDA

166.5

PLNm



+10%

EBIT

146.1

PLNm



+7%

NET PROFIT

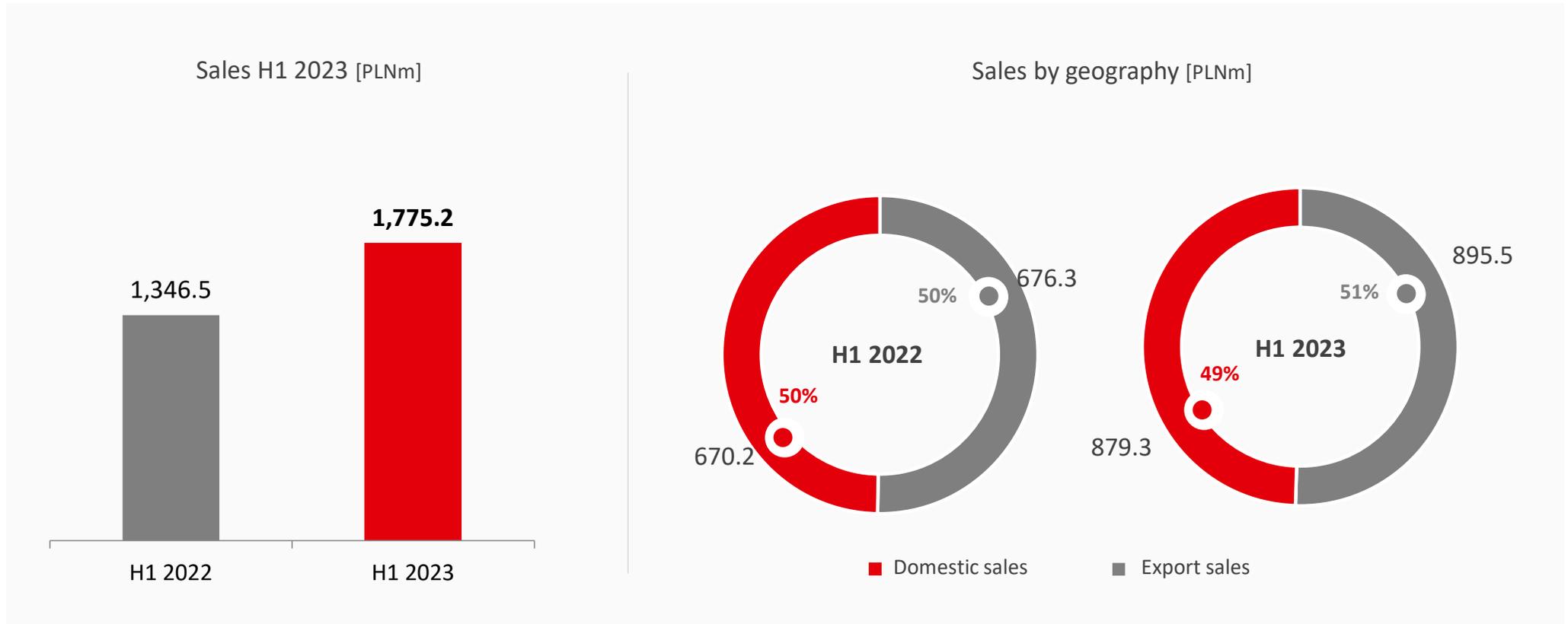
107.2

PLNm



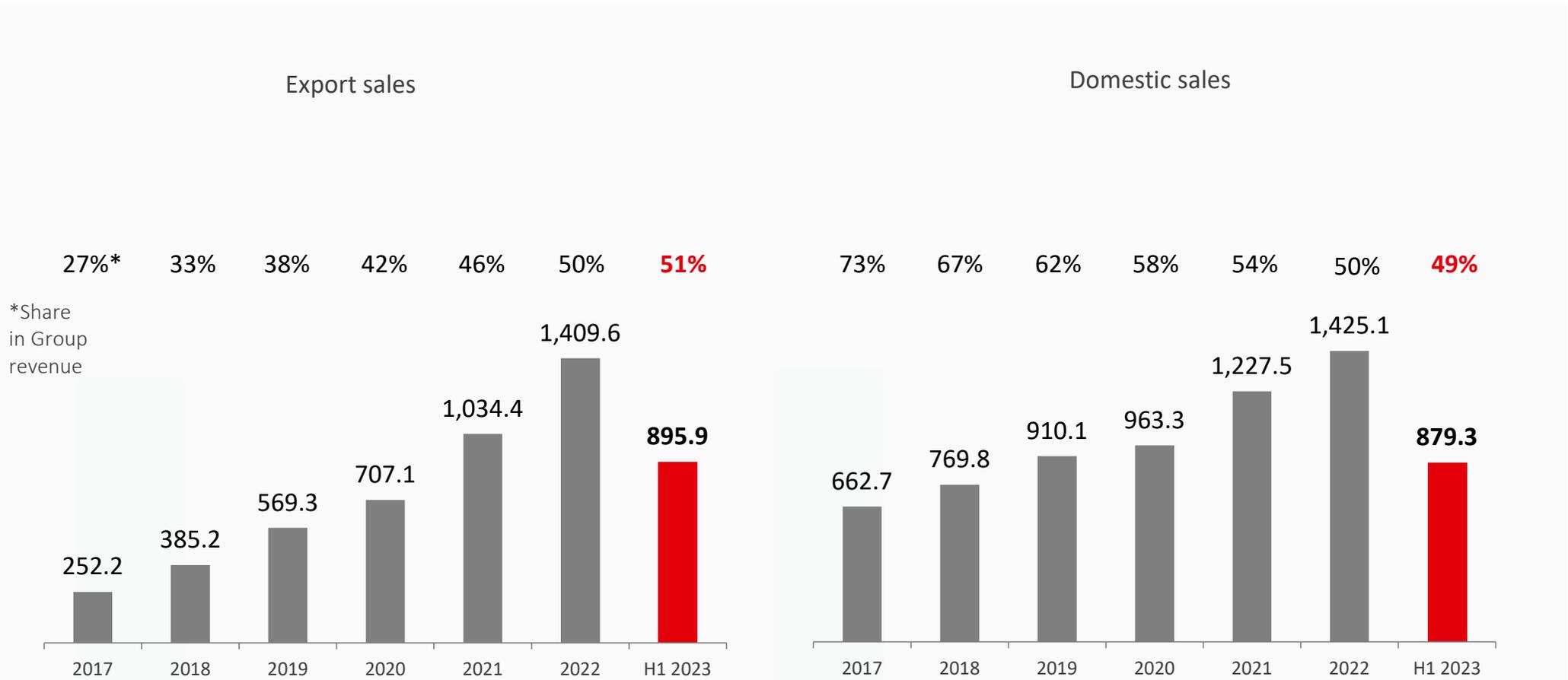
+4%

H1 2023 sales



- revenue up **+31.8%** y/y
- Growing contribution of exports to total revenue

Strong sales in Poland and growing share of exports in revenue

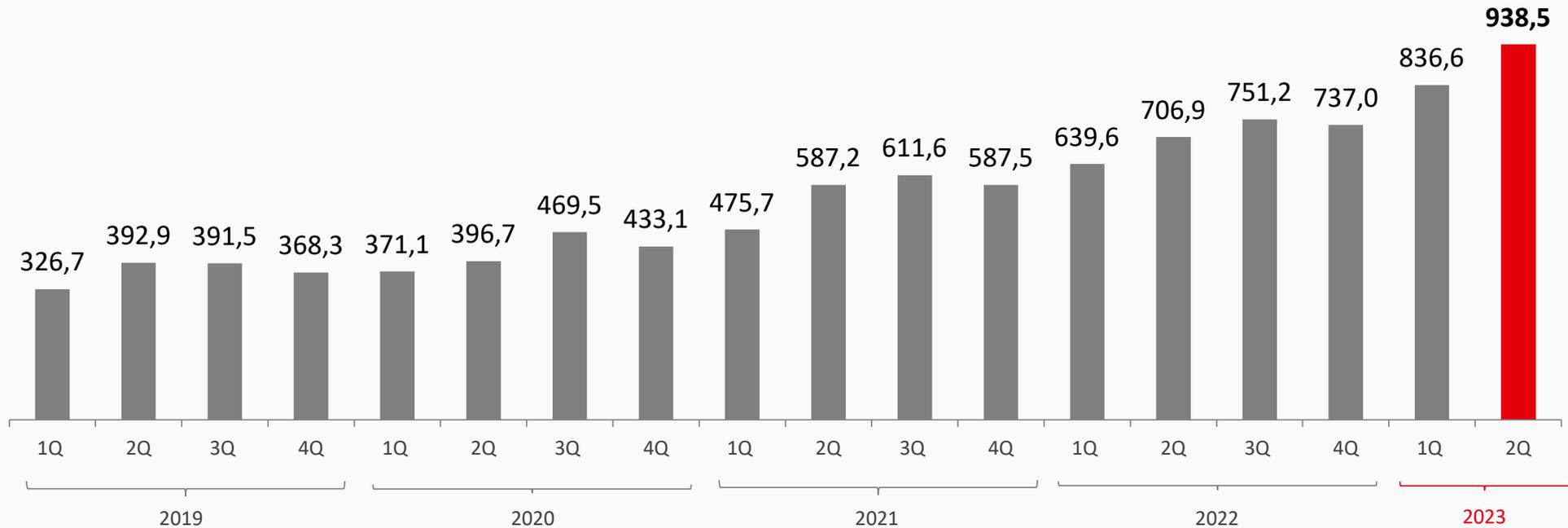


- Higher export sales: up +32.5% in H1 2023
- Higher sales in Poland: up +31.2% y/y



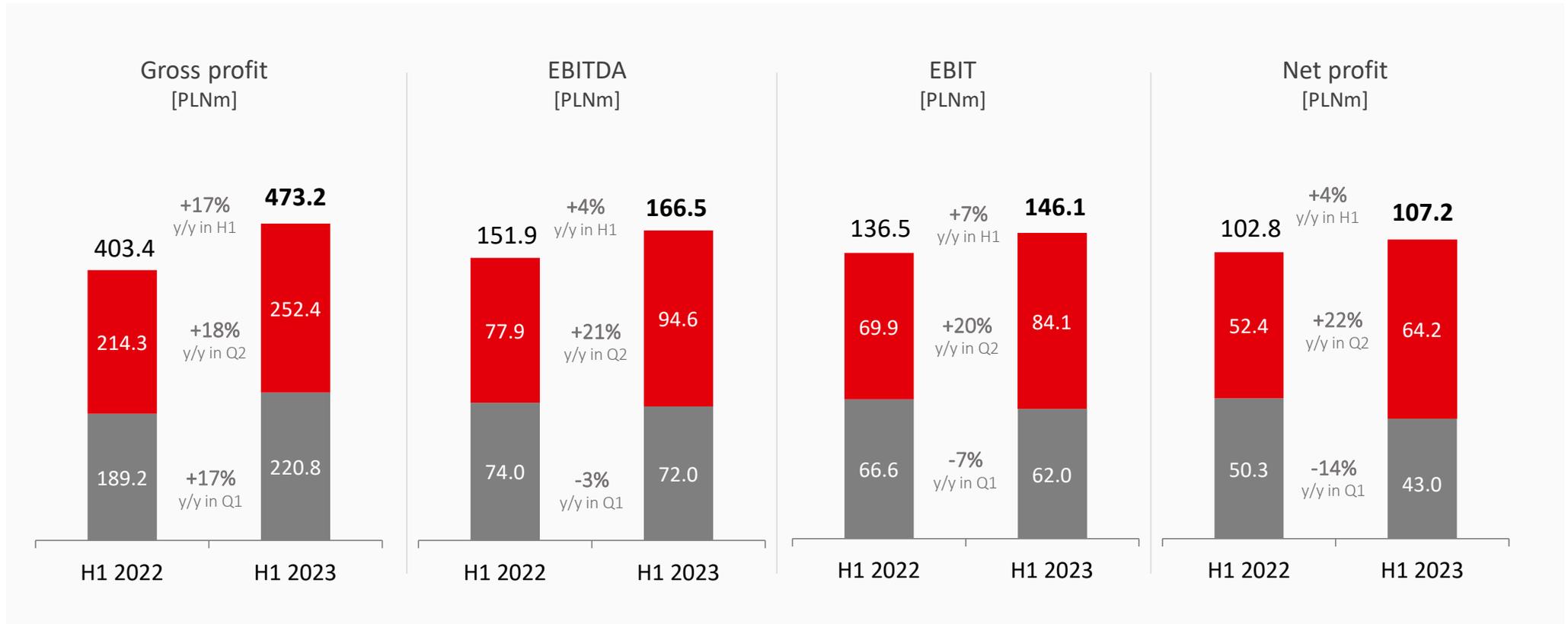
Strong quarterly sales growth

Quarterly sales [PLNm]



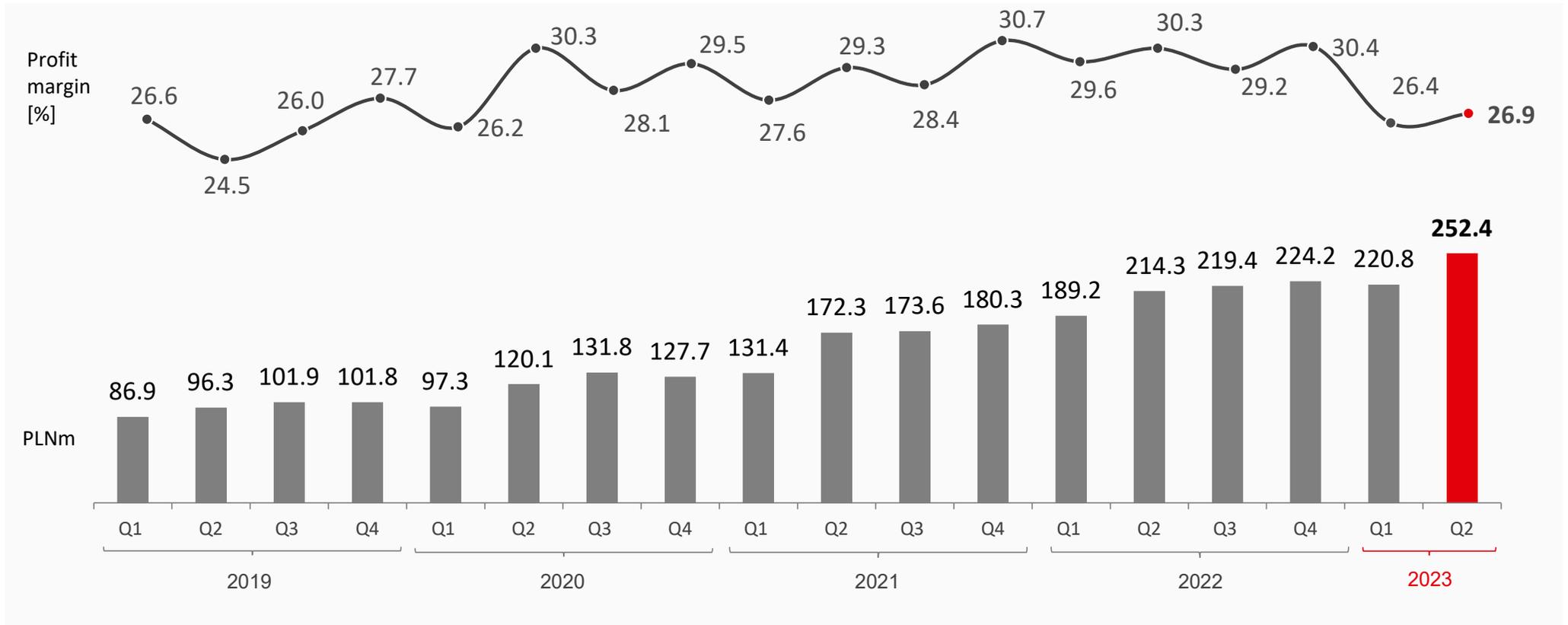
- Strong two-digit growth in sales (+32% y/y) continued on the back of efforts to strengthen position on foreign markets and in Poland
- Key drivers of sales:
 - new export destinations and routes
 - further expansion of the product mix and better aligning the mix with customer needs within different price segments
 - strong demand for automotive parts in Poland and abroad

High profitability maintained despite a temporary drop in margins

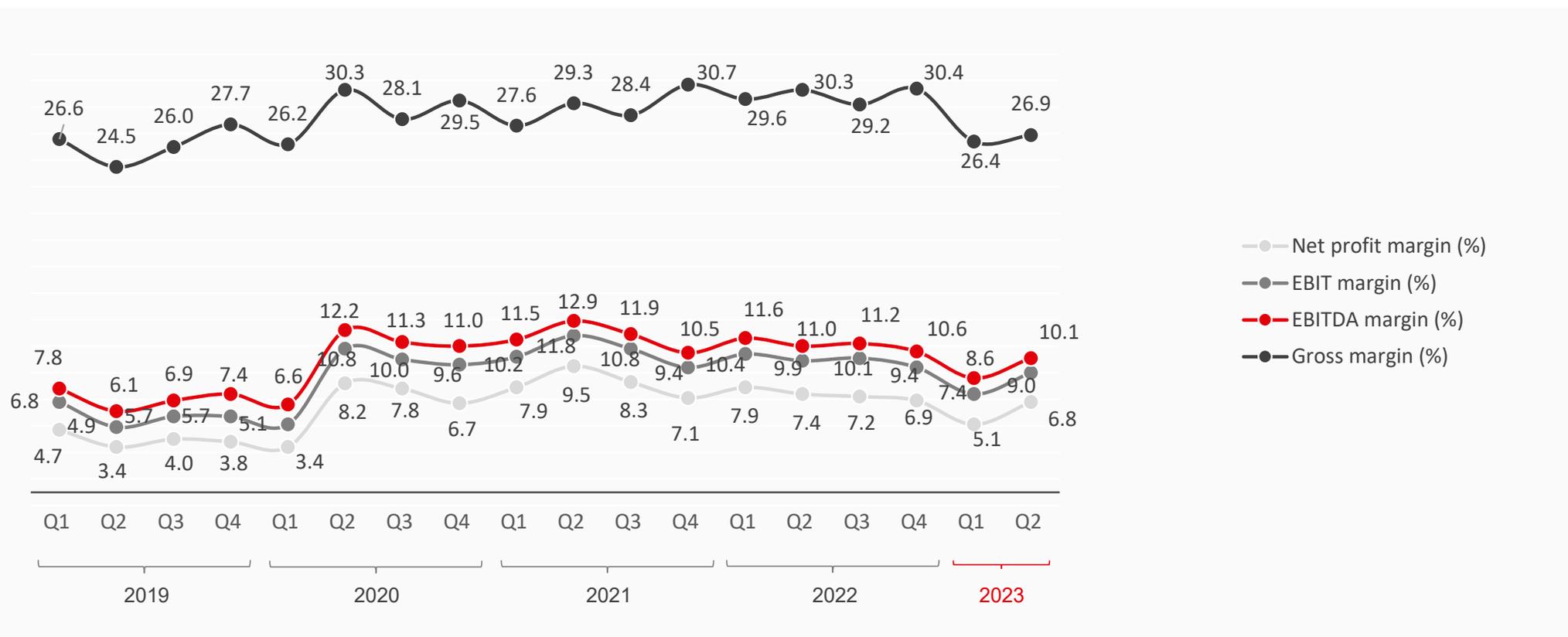


- Low debt maintained (net debt/ EBITDA=0.9x)

Gross profit



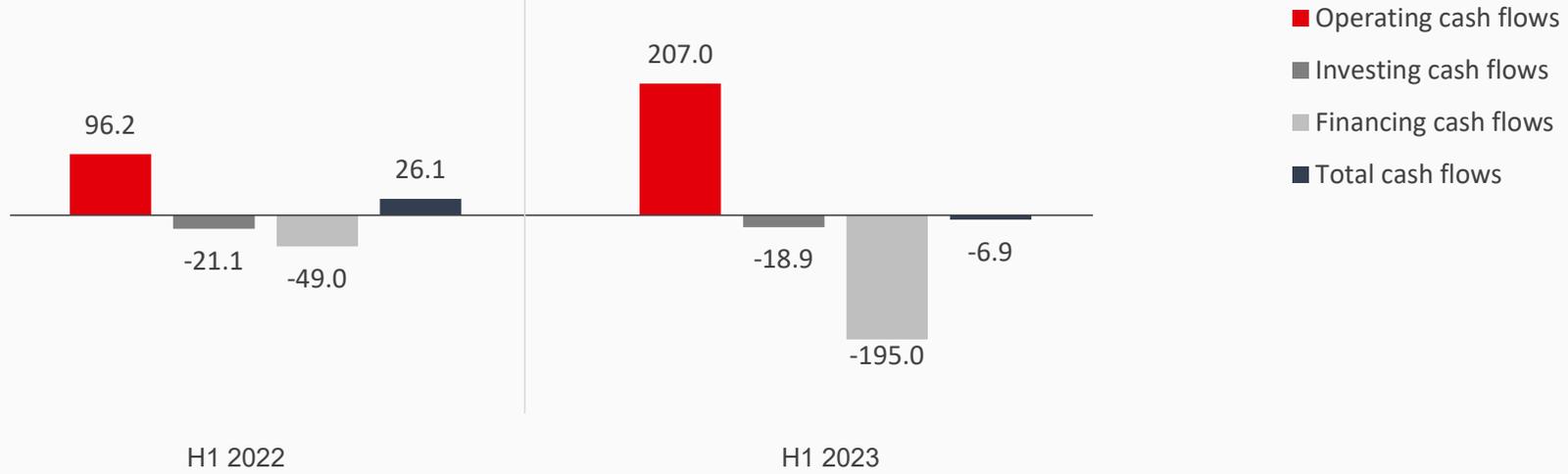
Profit margin



- Solid margins maintained despite a challenging market environment
- Drop in profitability in H1 2023 attributable to:
 - sale of inventory purchased in H2 2022, i.e. during a period of unprecedented depreciation of the PLN and inflated transport costs, at a time of PLN appreciation against the EUR and, more notably, the USD, coupled with a significant decline in freight rates
 - high inflation (including wage pressure) and business expansion as the main drivers of growing operating expenses
 - significantly higher finance costs, due to interest rate rises, affecting net profit margin
 - the drop in profitability considered temporary by the Company

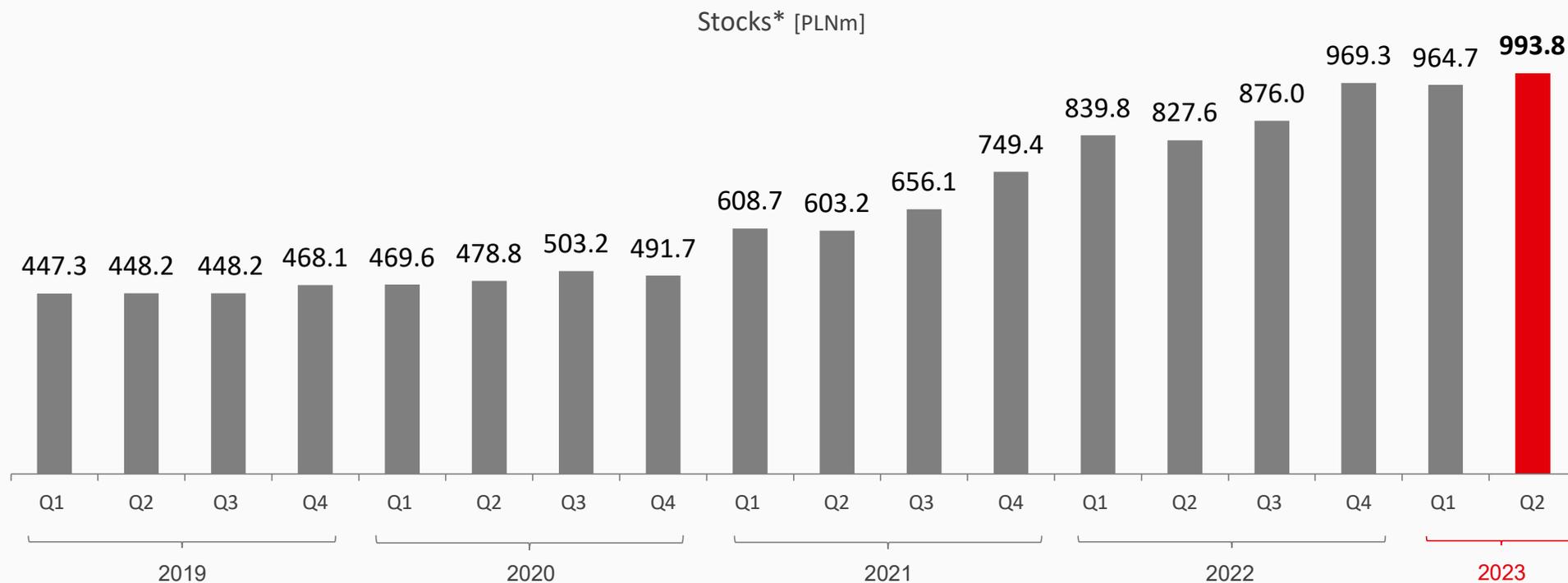
Cash flow

Cash flow [PLNm]



- Stable liquidity position of the Group

Stable stock levels

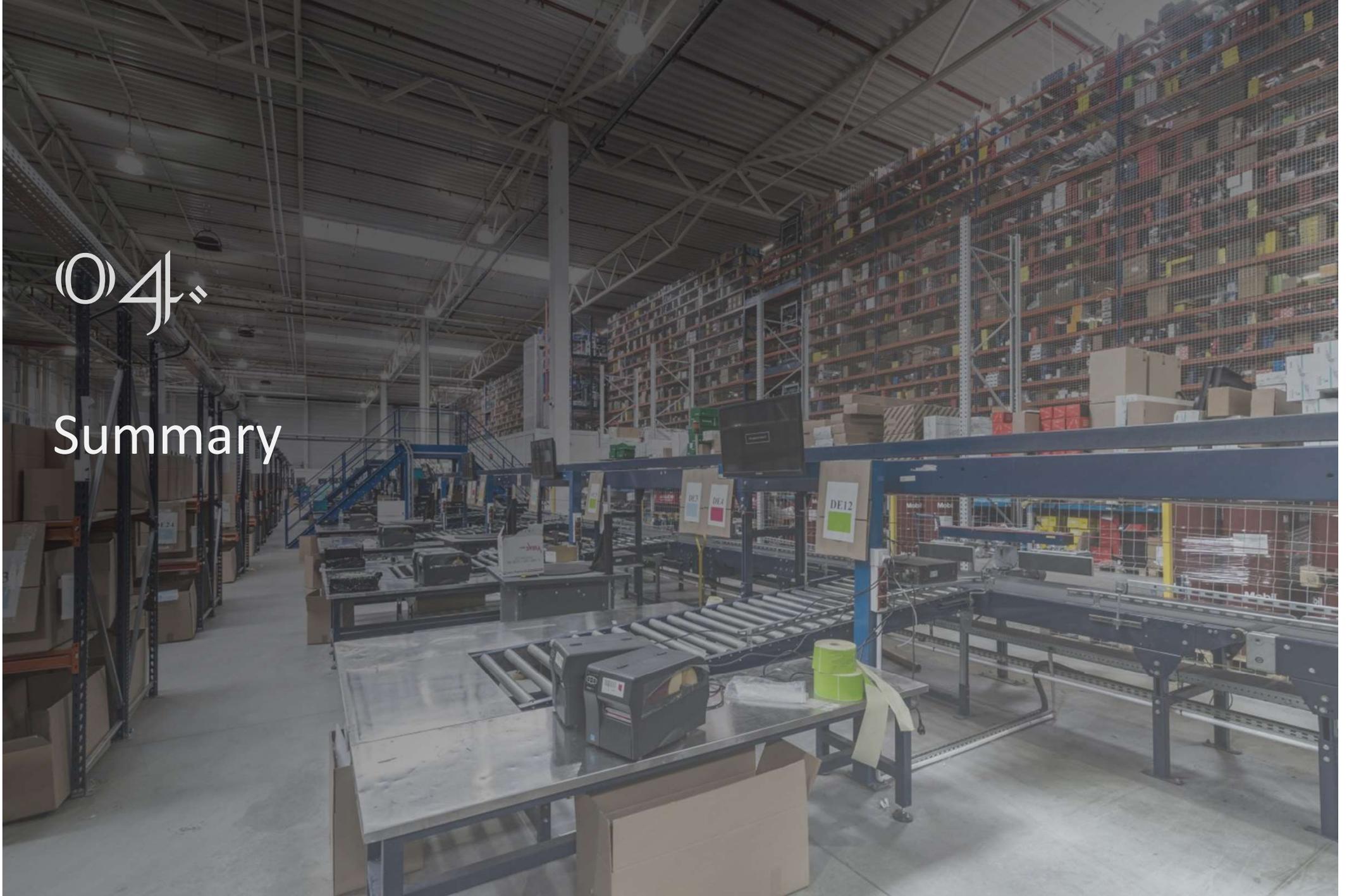


- Inventory turnover as at June 30th 2023: **136 days** vs 151 days the year before

* Inventories and right of return assets

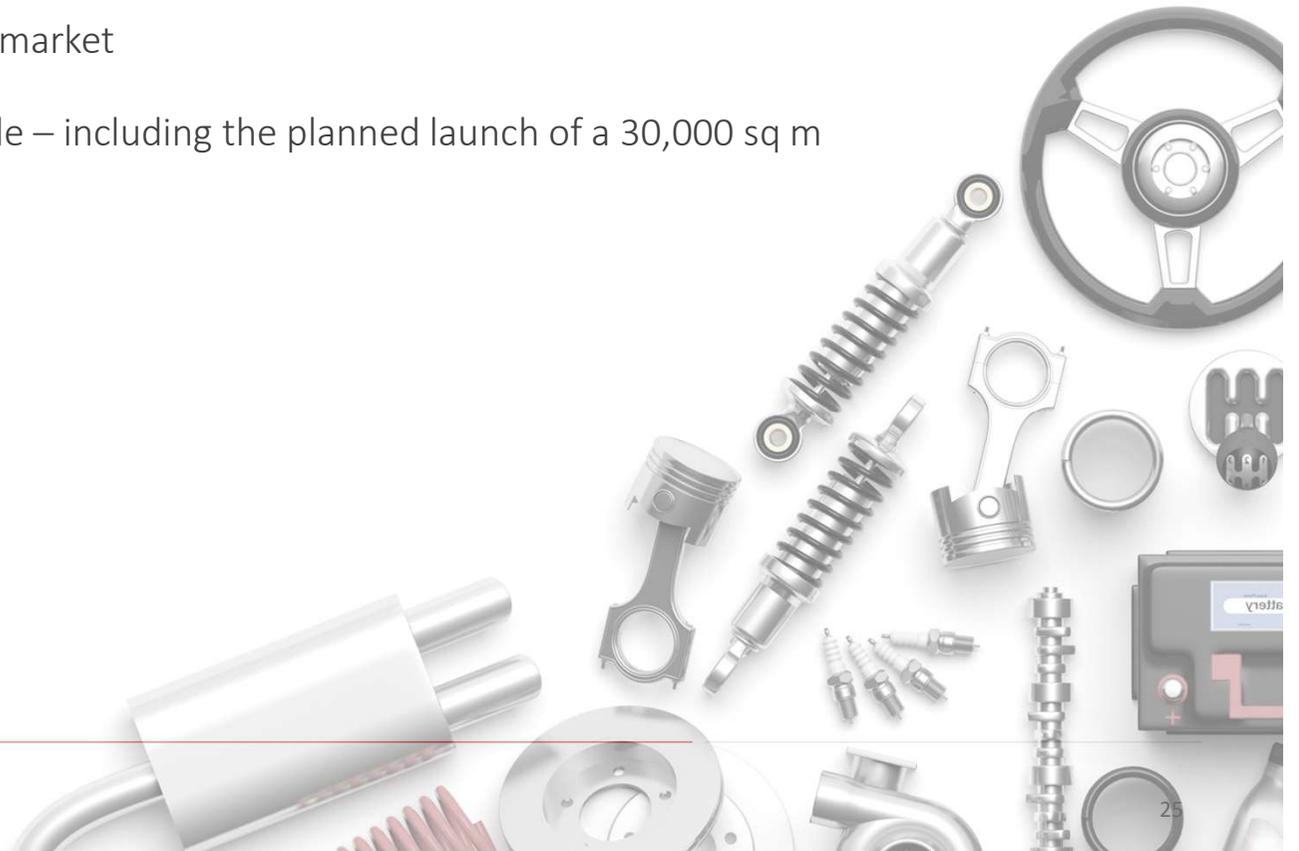
04

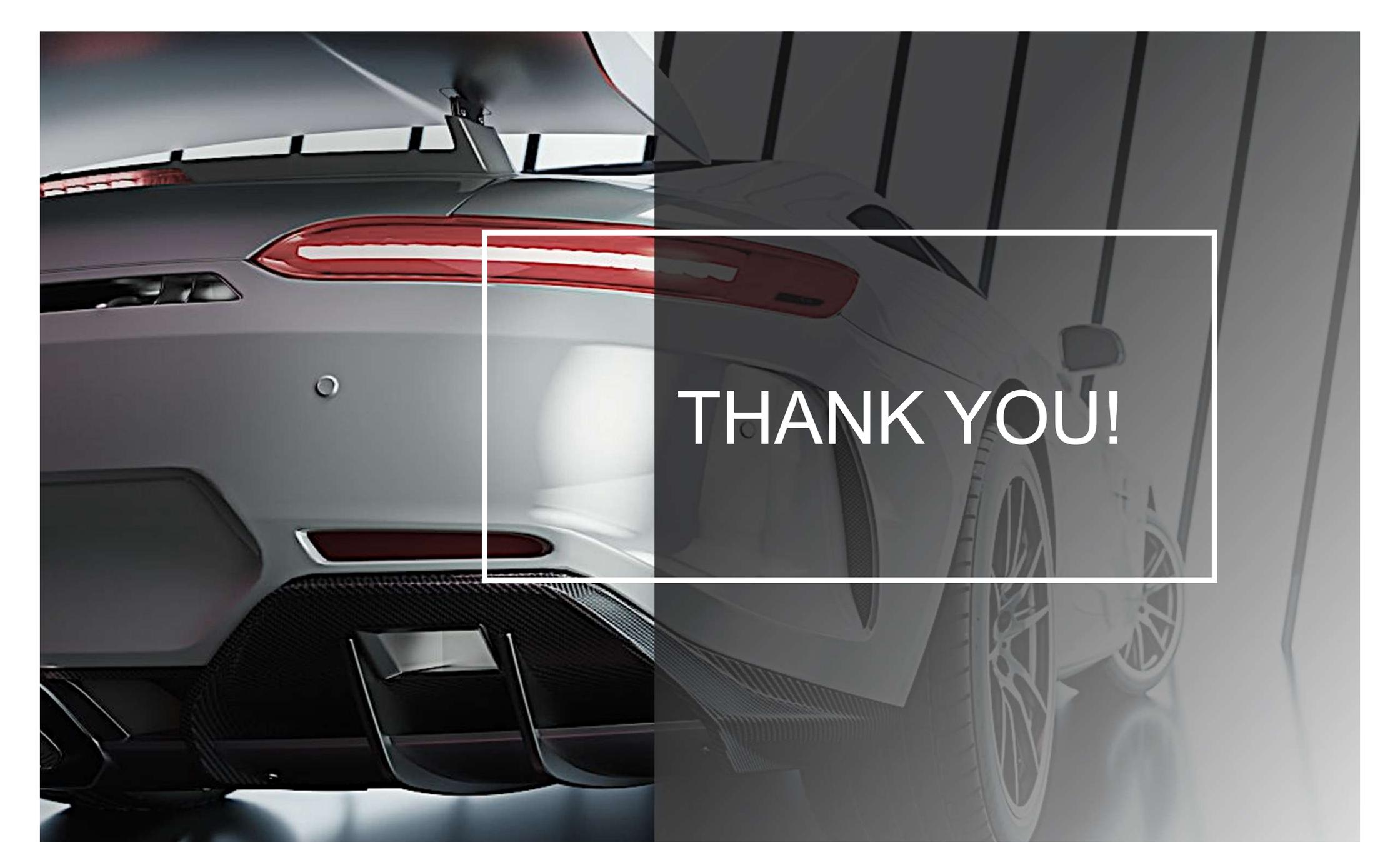
Summary



Summary

- Record financial results
- More than 32% growth in exports
- Low debt maintained (net debt/ EBITDA = **0.9x**)
- Solid profit margins despite market challenges
- Good prospects for the parts distribution market
- Plans to further increase the business scale – including the planned launch of a 30,000 sq m distribution centre at Zgorzelec in 2025.





THANK YOU!