



2020 Financial Results

April 1st 2021

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Agenda



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





1. About the Group

Management Board of the Group



Aleksander Górecki

President of the Management Board/Founder



Andrzej Manowski

Vice President of the Management Board



Piotr Janta

Vice President of the Management Board

Auto Partner Group at a glance



ca. 9-10%

share in the Polish market of spare parts distribution

ca. 200,000

references available

12m

parts stored in warehouses throughout Poland

over 200

global suppliers

22

markets

62%

online orders

GlobalOne

international GPO membership

Key developments in 2020

- Business continuity maintained despite the pandemic
- Prices raised in April 2020 maintained at higher levels in response to rising exchange rates (USD, EUR)
- Further strengthening of foreign expansion
- Continued profitability improvements
- Scaling up of the existing distribution network

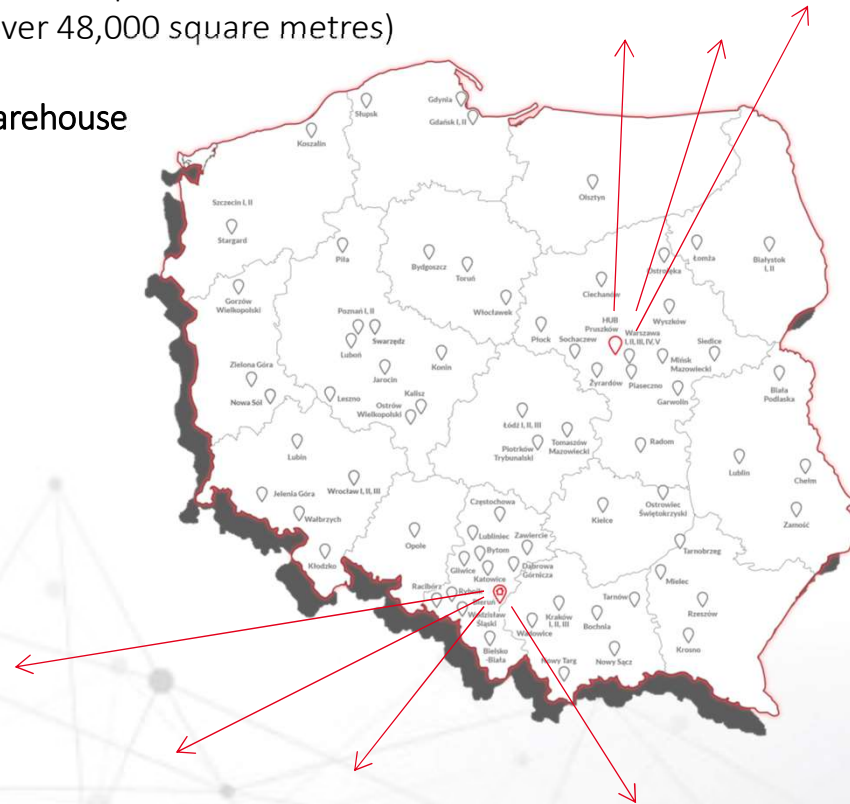
Austria	Finland	Latvia	Slovenia
Belgium	France	Germany	Ukraine
Croatia	Spain	Poland	Hungary
Czech Republic	Netherlands	Russia	United Kingdom
Denmark	Lithuania	Romania	Italy
Estonia	Luxembourg	Slovakia	Serbia



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 Bierań (41,000 square metres)
 - Warehouse in Pruszków (8,500 square metres) – extension plan
 - Local storage facilities within the branch network (over 48,000 square metres)
- Domestic and export sales handled from the central warehouse in Bierań
- **96 branch offices** covering all regions of Poland
- Subsidiary and warehouse in the Czech Republic





2. Market environment

POLAND

- Number of cars in Poland: ca. 19 million (Central Register of Vehicles and Drivers (CEPiK) data)
- Number of imported car registrations: 848,154 (down 16.0% y/y, according to SAMAR)
- 487,996 registrations of new passenger cars and light commercial vehicles (< 3.5 t): down 22.0% (137,437) y/y. (PZPM data)
- Average age of passenger cars: 14.1 years (according to ACEA)
- Unemployment rate at year-end 2020: 6.2% (according to Statistics Poland); 3.3% (according to Eurostat)
- Decline in Poland's GDP: 2.8% y/y (according to Statistics Poland)

EUROPE

- Approximately 280m passenger cars in Europe (according to [ACEA](#))
- New car registrations down by 3 million
- Average age of passenger cars: 11.5 years (according to ACEA)
- EU unemployment rate at year-end 2020: 7.5% vs 6.5% the year before (according to Eurostat)
- EU GDP shrinking by a record 6.3% (according to Eurostat)





CHALLENGES

- Ongoing **pandemic**
- Difficult to predict pandemic-related regulations
- Growing staff costs
- Unstable economic environment in Poland, Europe
- Persistently low number of car registrations in the first quarter of 2021



PROSPECTS

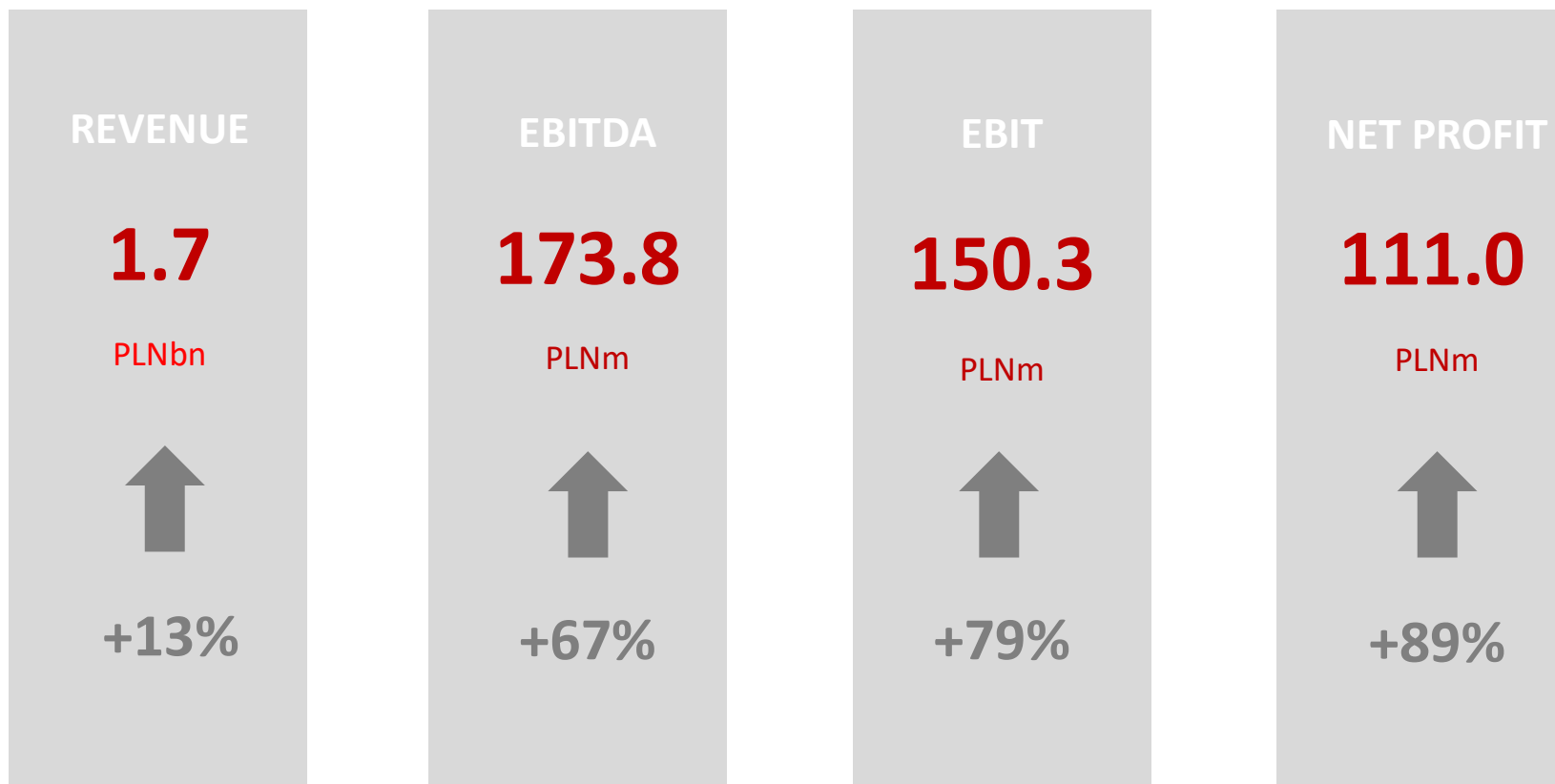
- Sustained **demand** from the car parts market, service centres
- Average age of imported cars above **12 years**
- Decision to buy a new car postponed
- Pent-up demand for cars to generate new purchases once the pandemic subsides
- A rebound (in March) in the number of new car registrations, although from a low base a year earlier.





3. Financial results

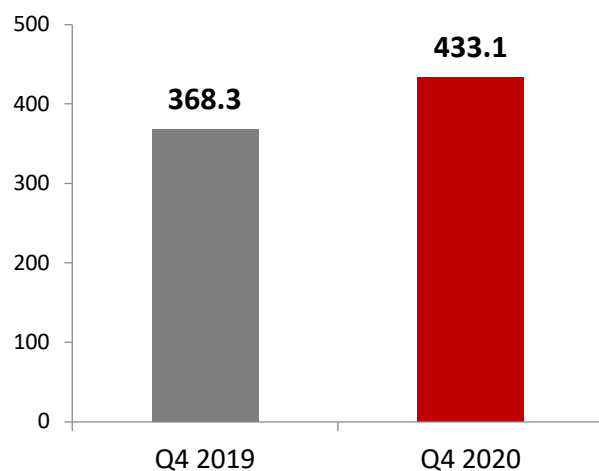
2020 highlights



2020 sales – Group delivers record revenue figures

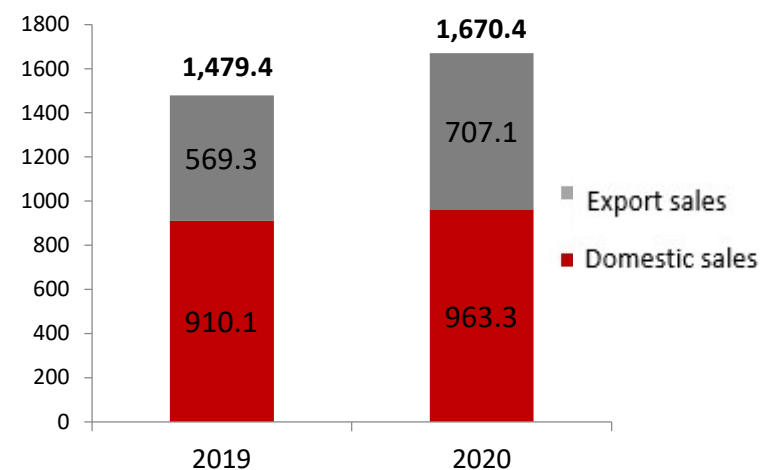


Q4 2020 sales [PLNm]



- **18% y/y** increase in revenue
- Return to double-digit growth after temporary slowdown in the second quarter of 2020
- Sales in Poland up 12% y/y
- Export sales up 30% y/y

2020 sales by geographies [PLNm]

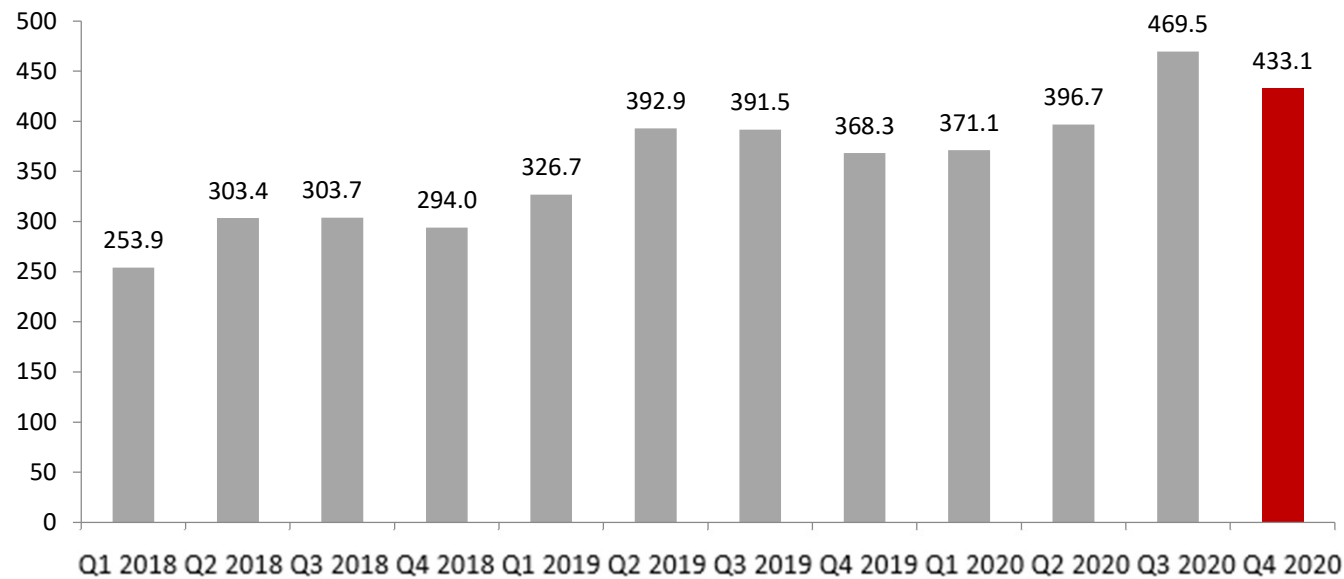


- **13% y/y** increase in revenue despite temporary slump in the second quarter (pandemic)
- Sales in Poland up 6% y/y
- Sharp growth in exports: 24% y/y
- Higher share of exports in Group's total revenue – 42% (vs 38% in 2019)

Quarterly sales



Quarterly sales [PLNm]

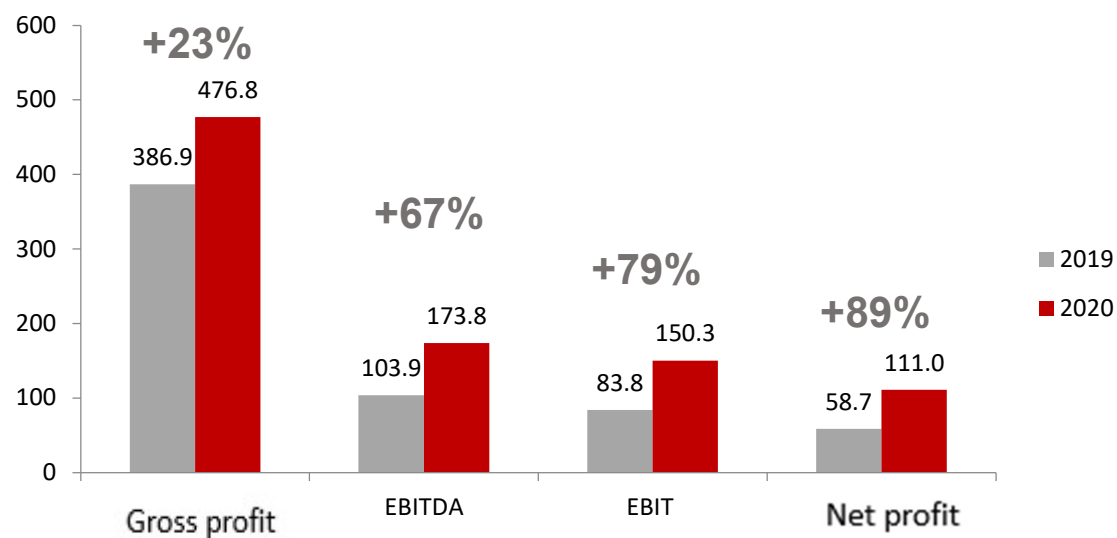


- Strong rebound in sales in June 2020 after the pandemic-induced slowdown
- Year-on-year **double-digit growth** of monthly revenue since the second half of the year despite a high base a year earlier
- Key sales drivers: foreign expansion, maintaining higher product prices
- Continued diversification of the product mix

Significant growth in profits and earnings

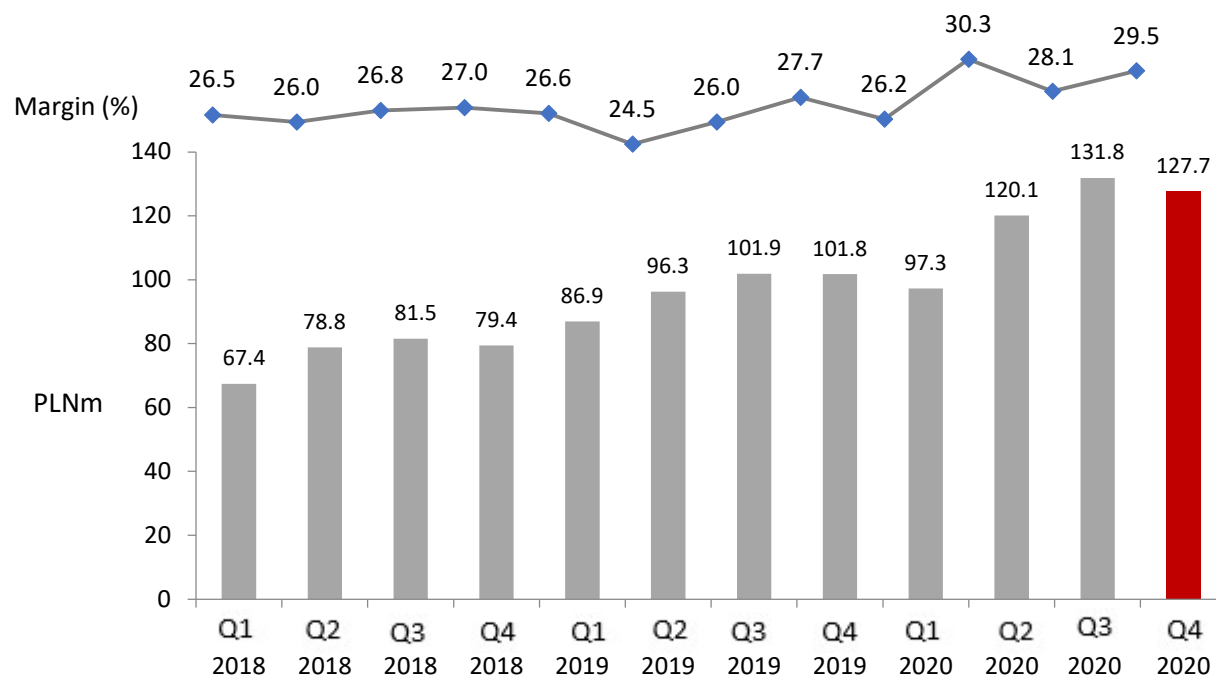


2020 profit figures [PLNm]



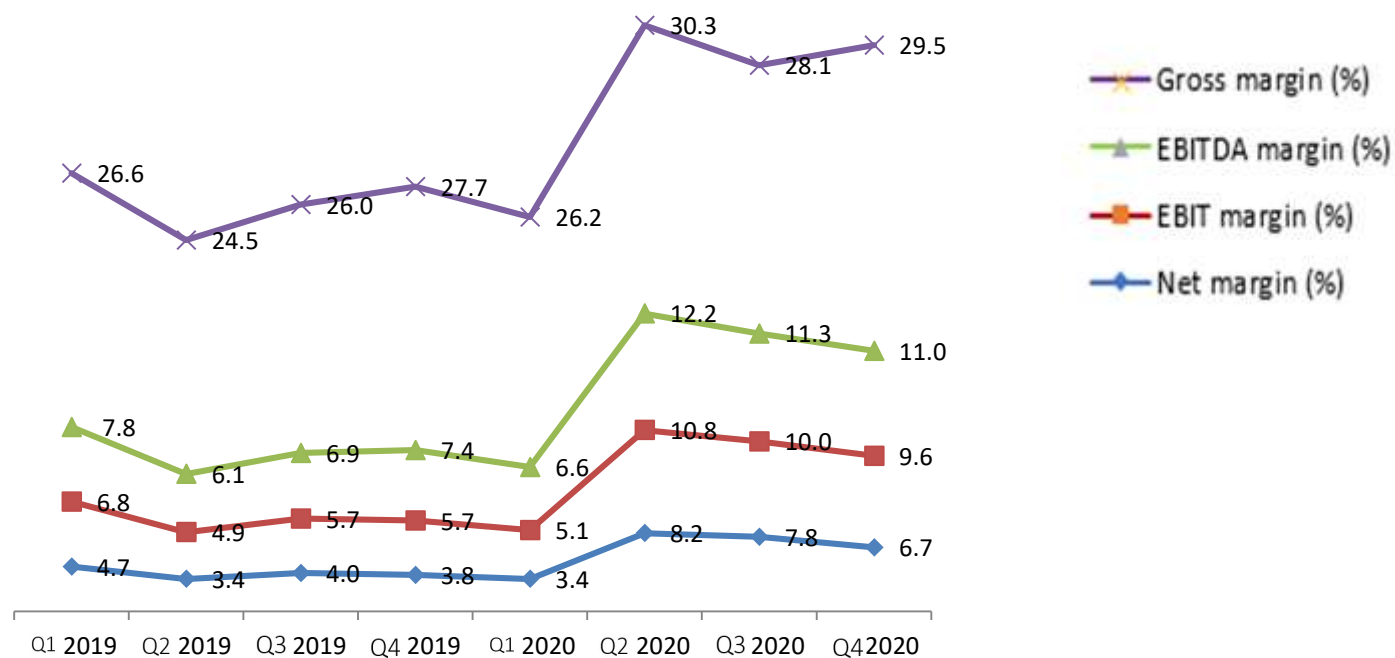
- Strong, double-digit growth across all profit levels
- **Record annual net profit** posted by the Group
- Significant increases driven by business scale-up and cost optimisation efforts

Gross profit



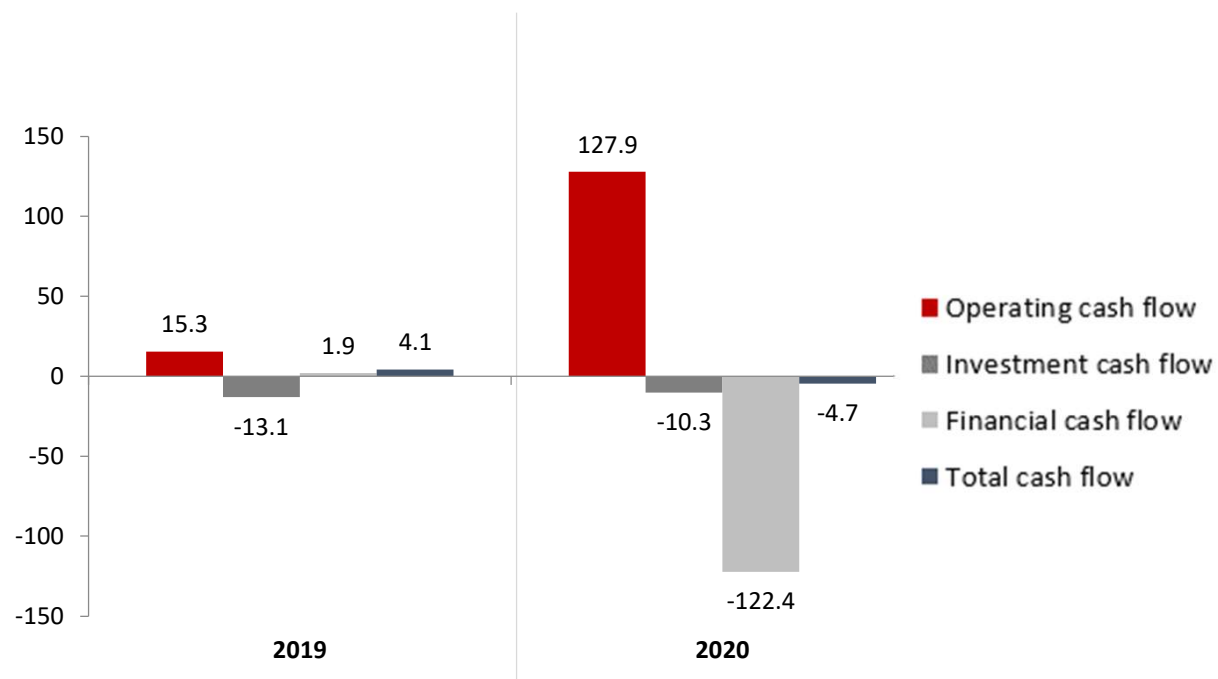
- Positive impact of maintaining **higher product prices** (introduced in April 2020)
- The higher gross margin in the fourth quarter is also an effect of the annual **settlement of bonuses** from suppliers (above the Group's estimates)
- Strong gross profit margin on a growing share of export sales (translating into net profitability gains).

Profit margins



- Profitability improvement as per the commitment made in 2019
- Delivery of one of the Group's strategic objectives (further profitability improvement)
- Positive impact of maintained cost discipline
- Strong sales of proprietary brands and brands offered on an exclusive basis
- Steadily growing share of export sales (with a higher net margin)

Cash flow [PLNm]

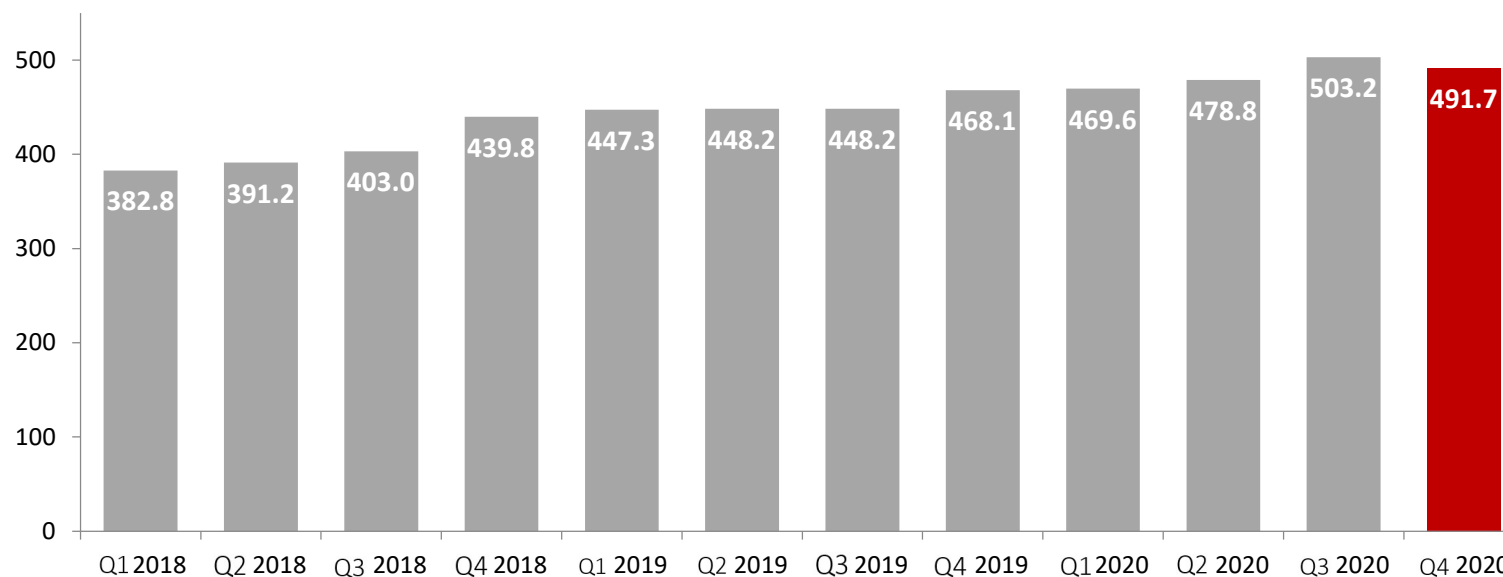


- **Stable liquidity position** of the Group
- Decrease in liabilities under borrowings and factoring facilities
- Lower interest expense (down 20% y/y)

Stable stock levels



Stocks* [PLNm]



- Inventory turnover as at December 31st 2020: **147 days** vs 152 days the year before

* Inventories and right of return assets



- Record sales and net profit in 2020
 - Achieving all key objectives of the Group's strategy despite the pandemic:
 - Growth of the business scale
 - Further product diversification
 - Increase in profitability
 - Growth of sales in new markets
 - Strong cost discipline and maintaining higher product prices
 - Major y/y improvement in profitability
 - Good medium- and long-term prospects for aftermarket
- 

THANK YOU!



ul. Ekonomiczna 20
43-150 Bieruń
www.auto-partner.pl