



H1 2020 results
September 17th 2020

This material is intended for information purposes only. It does not constitute an advertisement for or an offer of any publicly traded securities. Its contents have been compiled from sources considered reliable and accurate by Auto Partner S.A., although there is no assurance that such sources are exhaustive or that they fully reflect the relevant facts. This document may contain some forward-looking statements, which represent an investment risk or a source of uncertainty, and may differ materially from actual results. Auto Partner S.A. shall not be held liable for the consequences of any decisions made in reliance on this material. Such liability shall lie solely with its user. This material is protected under the Polish Copyright and Neighbouring Rights Act. Any reproduction, publication or dissemination of this material requires Auto Partner S.A.'s written consent.

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





Aleksander Górecki

President of the Management Board/Founder



Andrzej Manowski

Vice President of the Management Board



Piotr Janta

Vice President of the Management Board

ca. 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

sale markets

62%

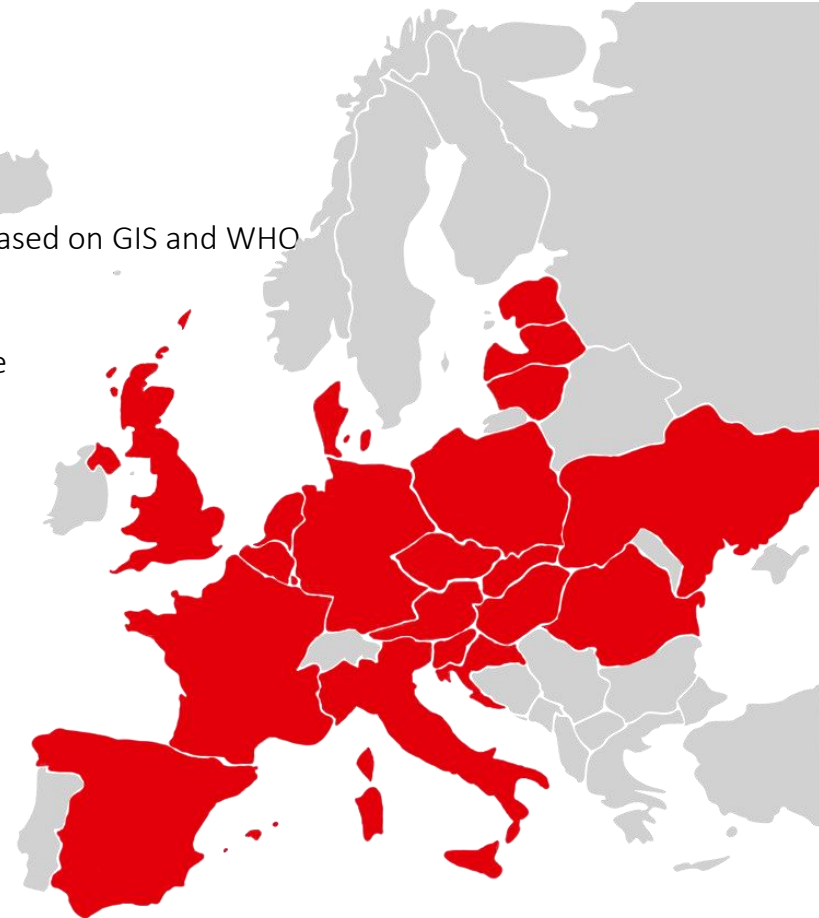
share of online orders in the order book

GlobalOne

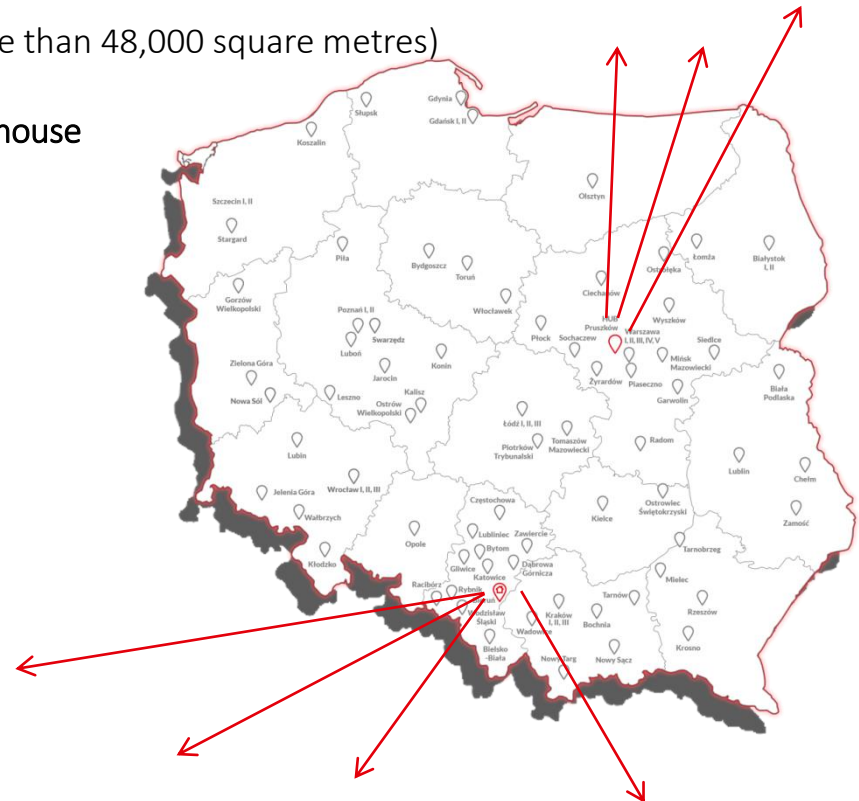
international GPO membership

Key developments in Q2 2020

- Business continuity maintained despite the pandemic
- Safety measures implemented in response to the COVID-19 pandemic, based on GIS and WHO recommendations
- Lower volumes of merchandise bought in April 2020
- Prices raised and maintained at higher levels since April 2020 in response to rising exchange rates (USD, EUR)
- Between April and May, customer mobility rebounding in step with the removal of economic lockdown
- Customer traffic held over from March/April to May/June
- Further deployment of IT solutions to support processes, with added cost benefits
- Continued foreign expansion, double-digit sales growth



- **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 square metres**:
 - Distribution centre in Bieroń (41,000 square metres)
 - Warehouse in Pruszków (8,500 square metres)
 - Local storage facilities within the branch network (more than 48,000 square metres)
- **Domestic and export sales handled from the central warehouse in Bieroń**
- **91 branch offices** covering all regions of Poland
- **Subsidiary and warehouse in the Czech Republic**





POLAND

- Approximately 18m passenger cars and light commercial vehicles (<3.5t) in Poland
- Average vehicle age: 13.2 years ([according to IBRM SAMAR](#))
- Drop in passenger car registrations in H1 2020: -34.8% y/y; in June: -19.8% y/y (according to PZPM)
- Unemployment rate in June: 6.1% (according to Statistics Poland)
- Poland's GDP shrinking in Q2 2020: -8.2% y/y

EUROPE

- Approximately 270m passenger cars in Europe (according to [ACEA](#))
- Average vehicle age: 10.8 years (according to ACEA)
- EU-wide drop in passenger car registrations in H1 2020: -38.1% (according to ACEA)
- Unemployment rate in June: 7.7% (according to Eurostat)
- EU GDP in Q2 2020: -14.1% y/y (according to Eurostat)

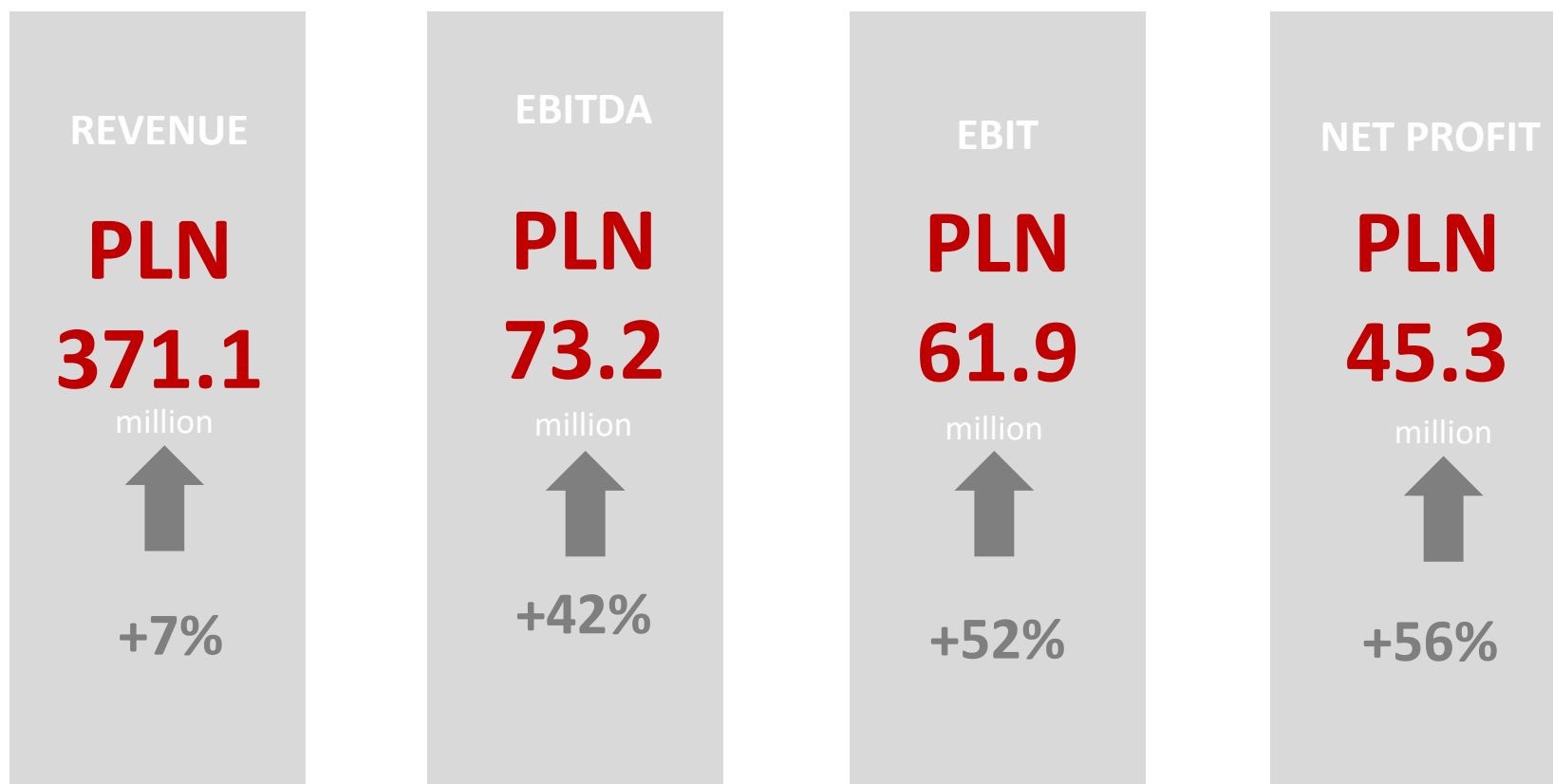


- **March / April 2020:**
 - Restricted mobility of customers, exporters as a result of lockdown measures imposed in Europe and worldwide
 - Sharp decline in car imports in the second half of March and in April
 - Successive revisions of 2020 GDP forecasts for Poland

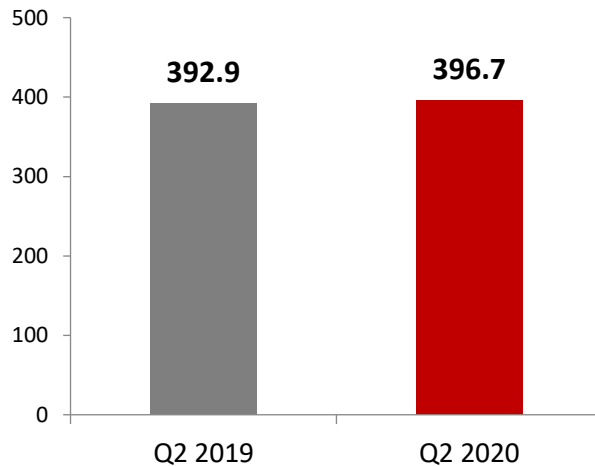
- **May / June 2020:**
 - Rebounding customer mobility, improving consumer sentiment
 - Customer traffic held over from March/April to May/June
 - Free cross-border freight traffic
 - Recovery of the market of imported second-hand cars
 - EUR and USD appreciating against the Polish currency

For the time being, the Group has not identified any impediments to its business.

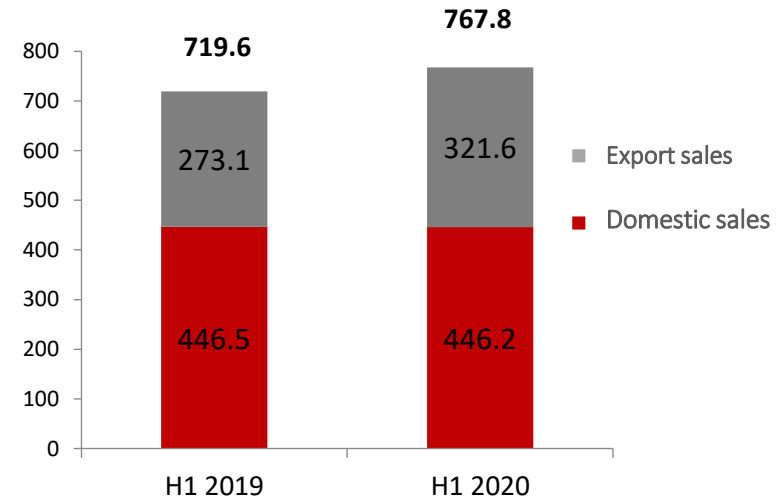




Q2 sales y/y [PLNm]



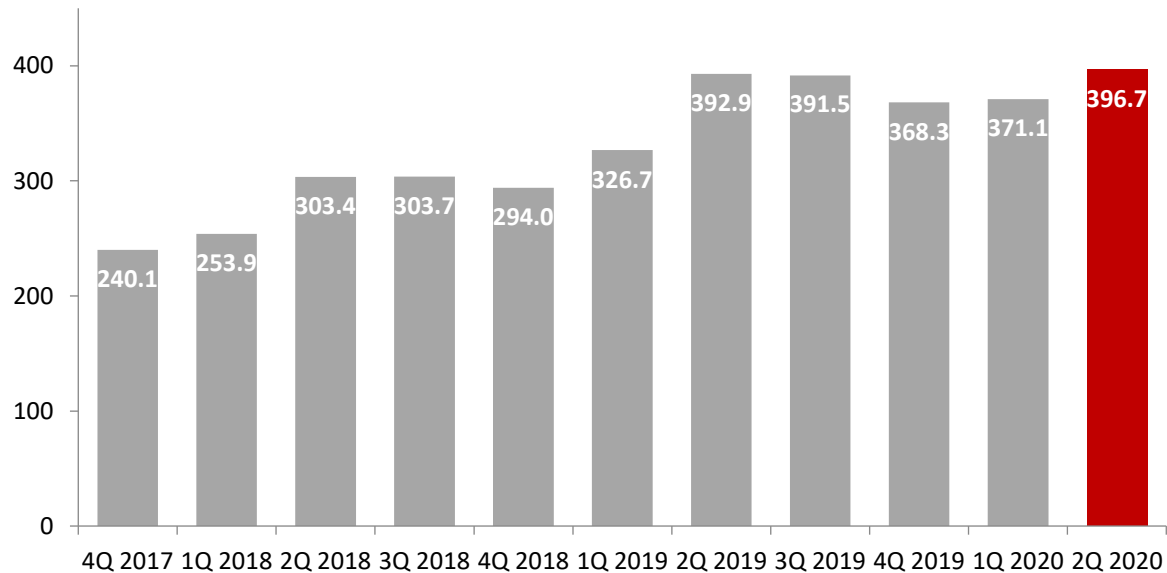
Sales by geographies [PLNm]



- Sales in Q2 2020 on a par with the previous year's level (+1%)
- Revenue growth on the back of adequate response by the company to fast-changing pandemic situation and its having geared up for anticipated increase in customer mobility and purchasing power from May onwards

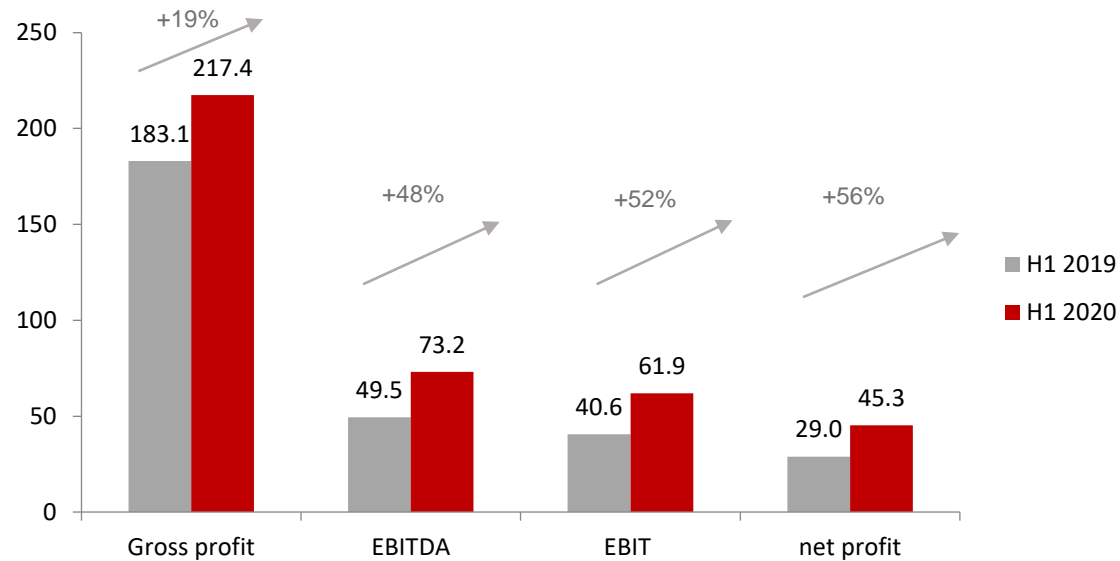
- 7% growth in sales after H1 2020 despite lower y/y sales in March, April and partly in May due to the pandemic
- Increase in exports: +18% y/y
- Domestic sales largely unchanged
- In March, foreign sales fell on pandemic-induced restrictions in Poland and Europe
- May, June – sales recovering after the lockdown

Quarterly sales [PLNm]

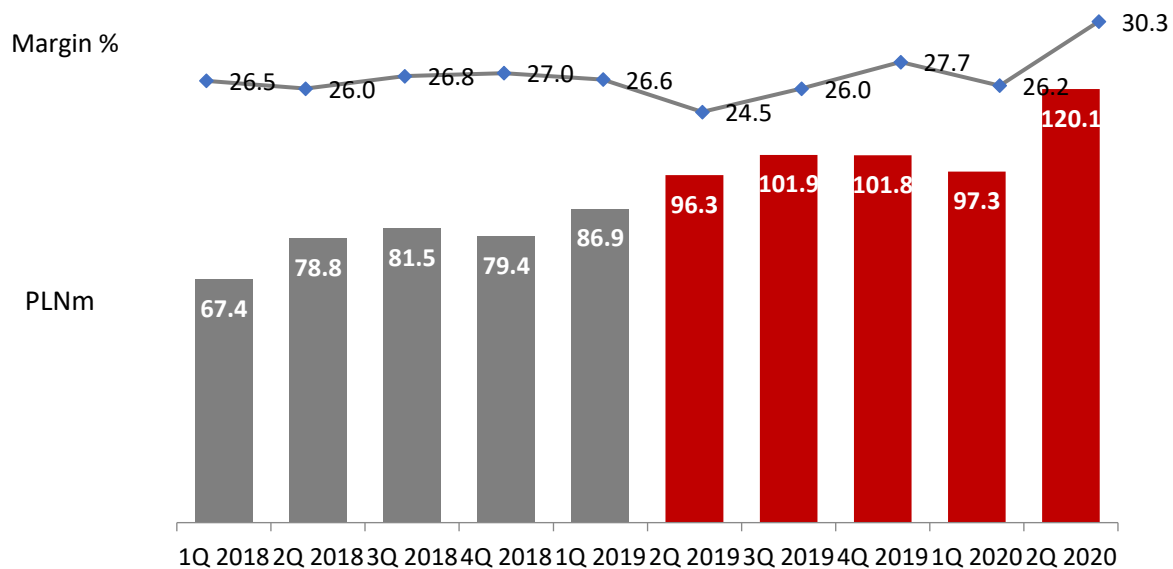


- Sales supported by the well-developed distribution network (branch offices + warehouses)
- Development of the product mix, including new categories (lighting, tools)

H1 2020 profit figures [PLNm]

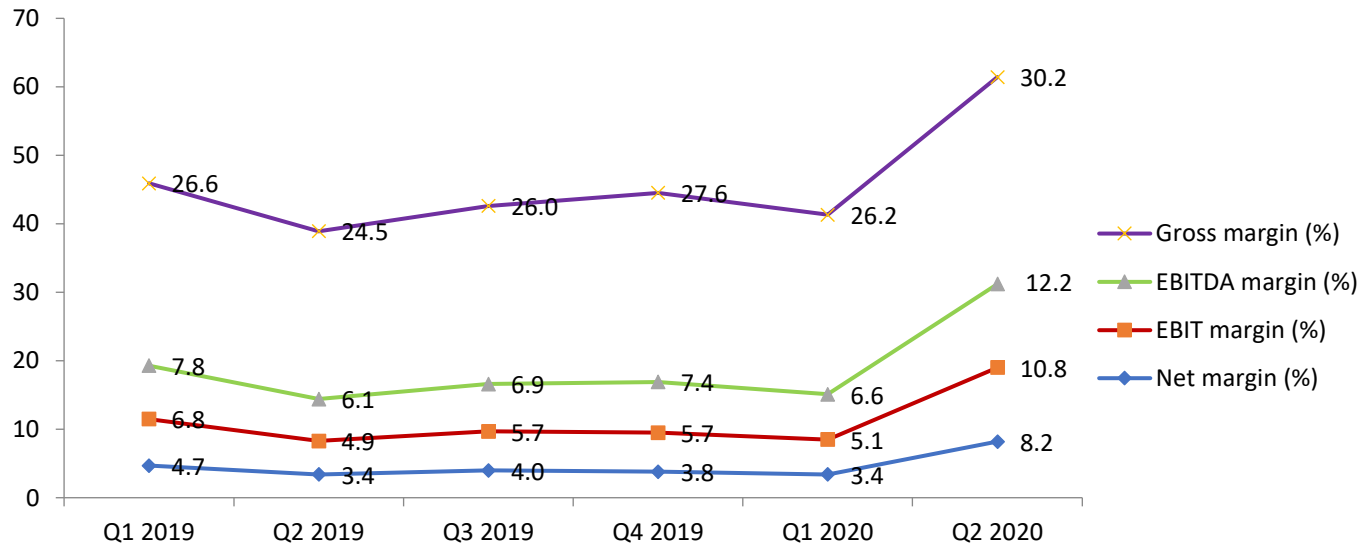


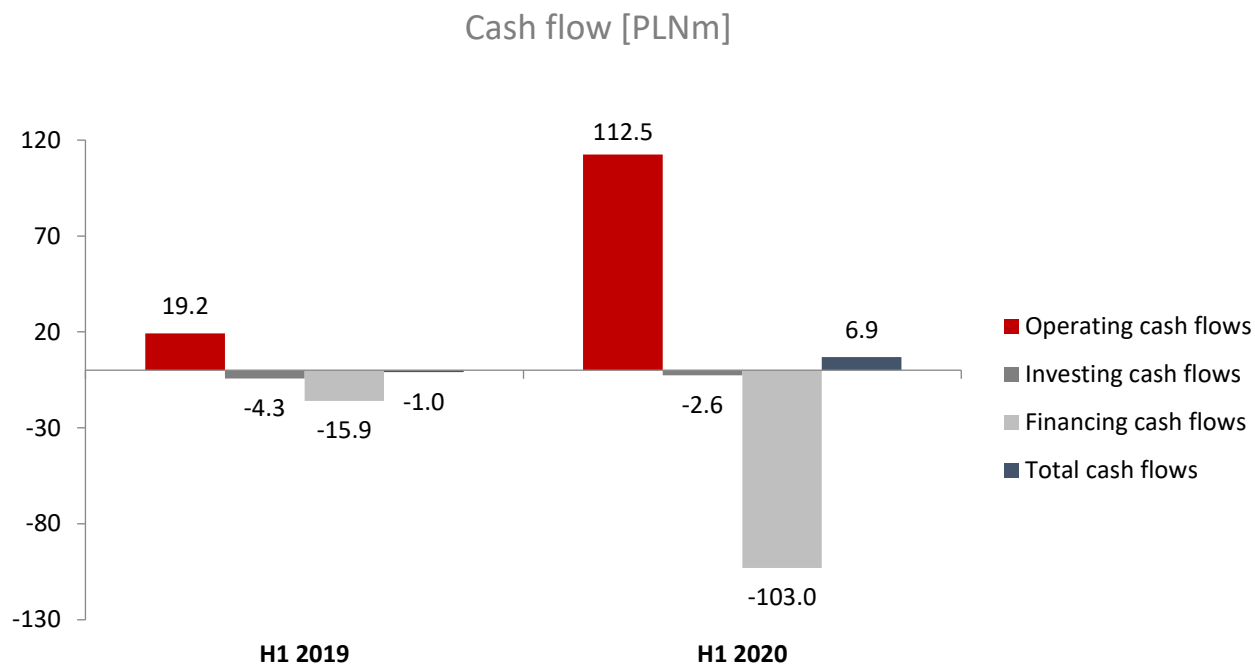
- Significantly improved profitability, driven mainly by factors such as:
 - strict control of operating expenses,
 - price rises in response to appreciating foreign currencies



- Gross margin markedly higher thanks to the company's fast reaction to market developments
- Steady growth in sales of own premium brands and exclusive distribution of selected third-party brands as major drivers of the Group's return on sales
- Growth in export sales boosting net margin

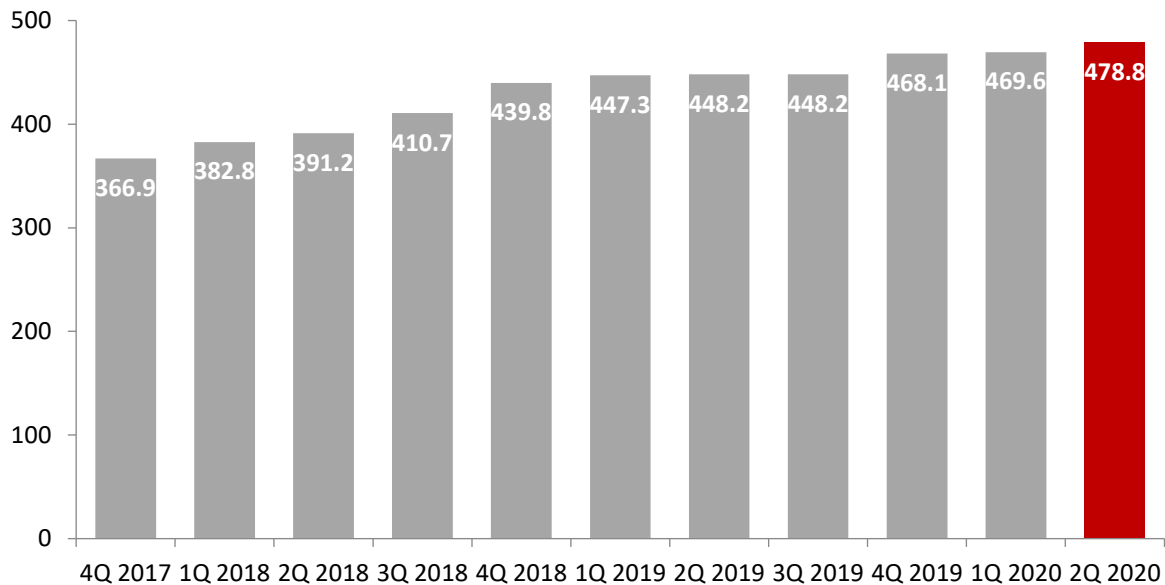
Profit margins





- The Group's liquidity position remained stable
- Significant decrease in liabilities under borrowings and factoring facilities
- Debt reduction, mainly as a result of lower volumes of merchandise bought

Stocks* [PLNm]



- Inventory turnover as at June 30th 2020: 157 days, vs 150 days the year before
- Stable stock levels

* Inventories and right of return assets



- Swift response to the pandemic, business continuity maintained by the company across all areas
- Plan to continue with cost-saving policy
- Product prices raised and maintained at higher levels
- Significant improvement in profit margins and plan to keep them high y/y
- 10% share in the strongly fragmented distribution market leaves plenty of room for further growth
- Market environment supportive of the company's business

THANK YOU!



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