



FINANCIAL RESULTS

OF THE AUTO PARTNER GROUP

Q1 2023

May 16th 2023

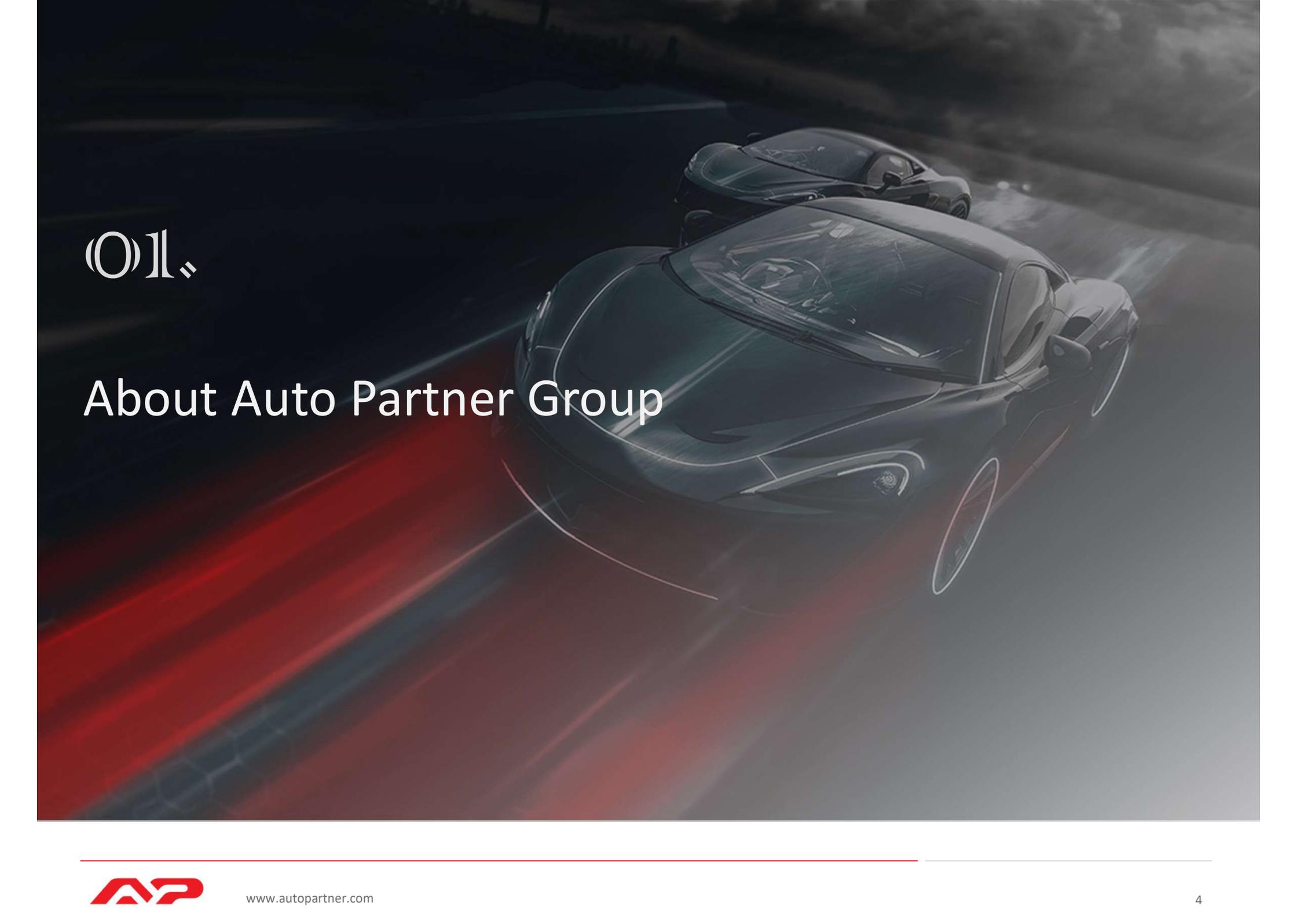
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Agenda

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**



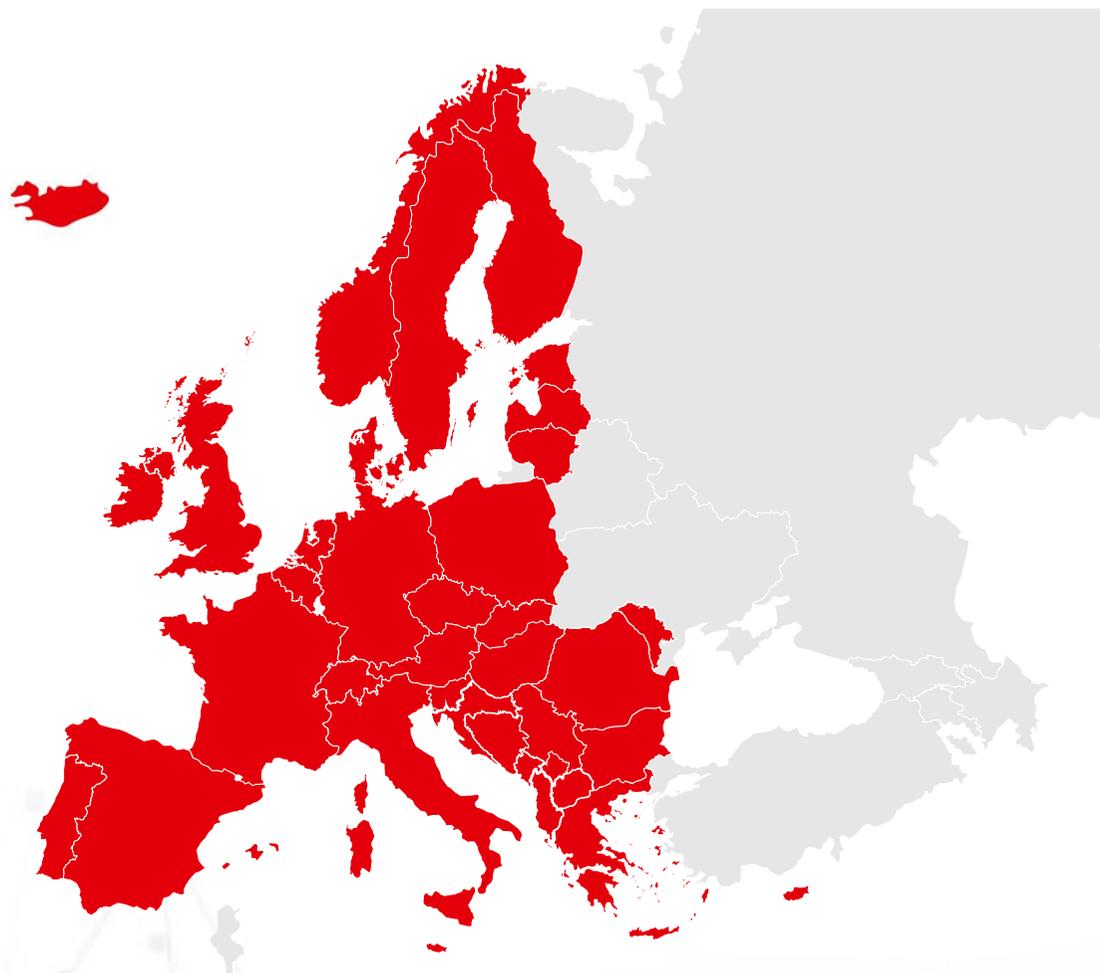
Over **15.5m** parts warehoused throughout Poland



About **62%** of orders placed online

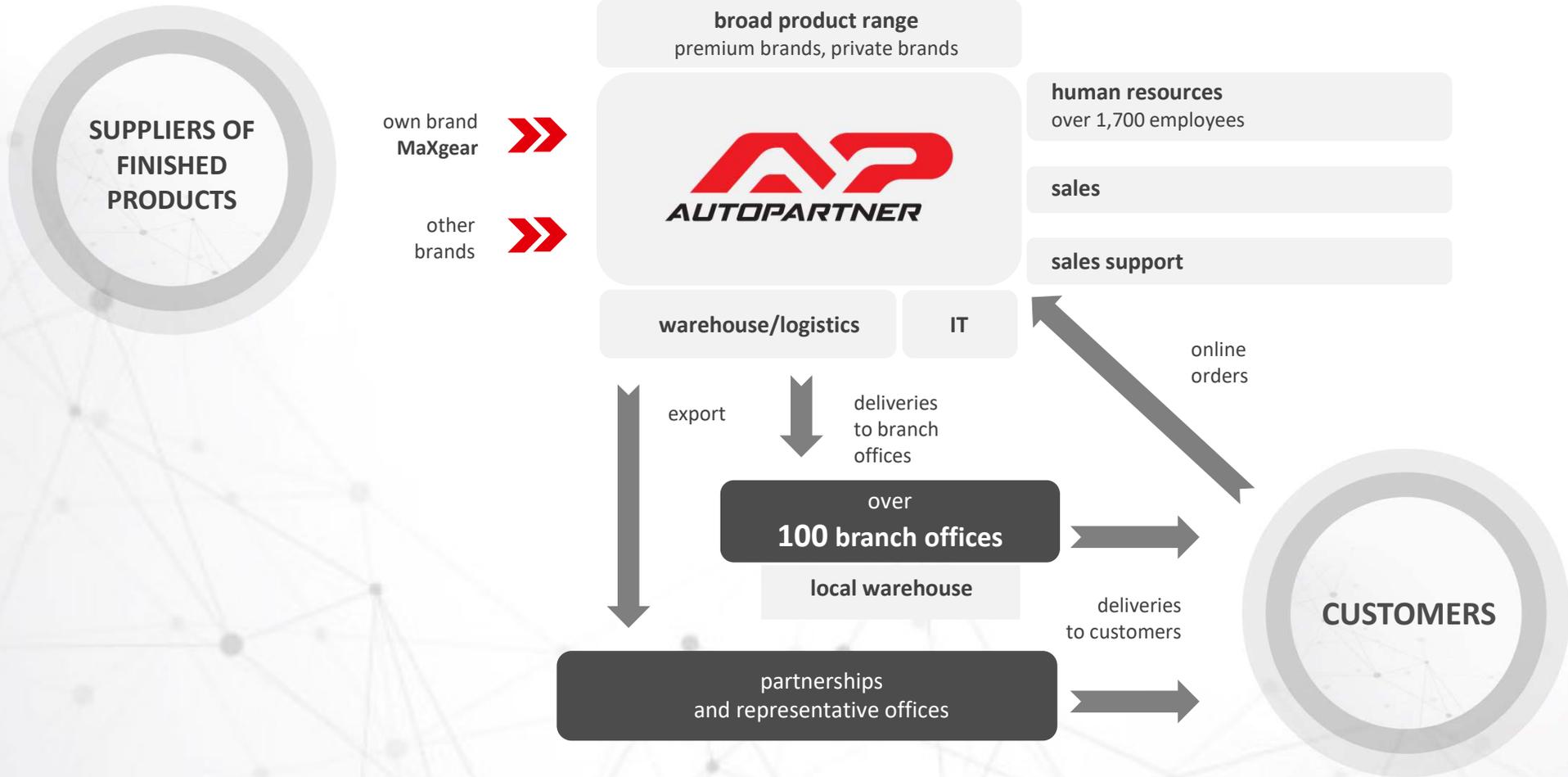


Member of **GlobalOne GPO**



Sales in over **30 countries**

Business model



Key developments in Q1 2023



Revenue up 31%, to close to PLN 836.6m



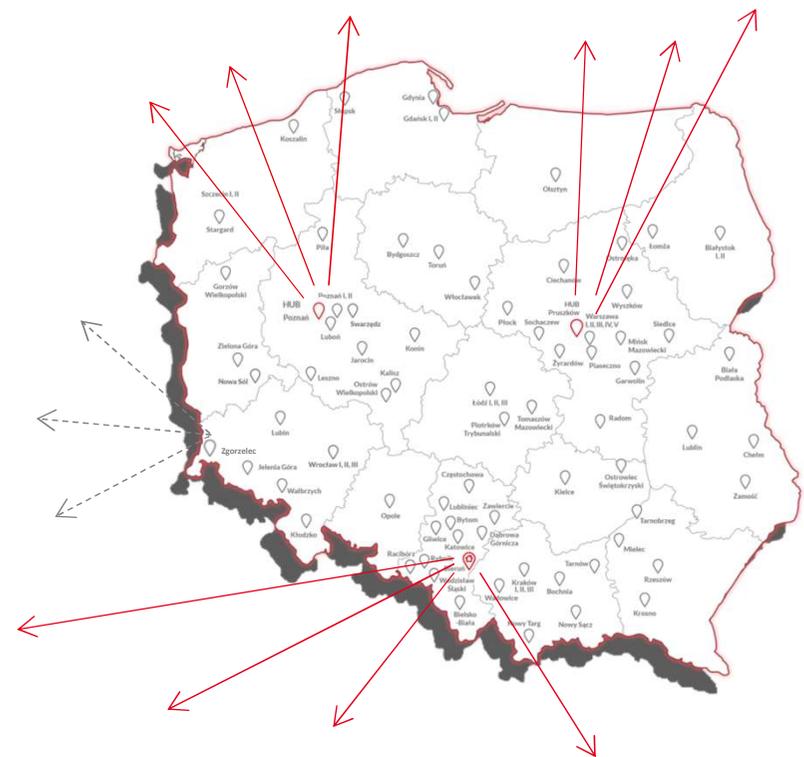
Continued foreign expansion – exports accounting for nearly 52% of revenue



Plan to open a new distribution centre in Zgorzelec in late 2024 / early 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
- Plan to open a distribution centre in Zgorzelec in late 2024 / early 2025 (30,000 sq m)



Growing importance of own brand



maxgear®

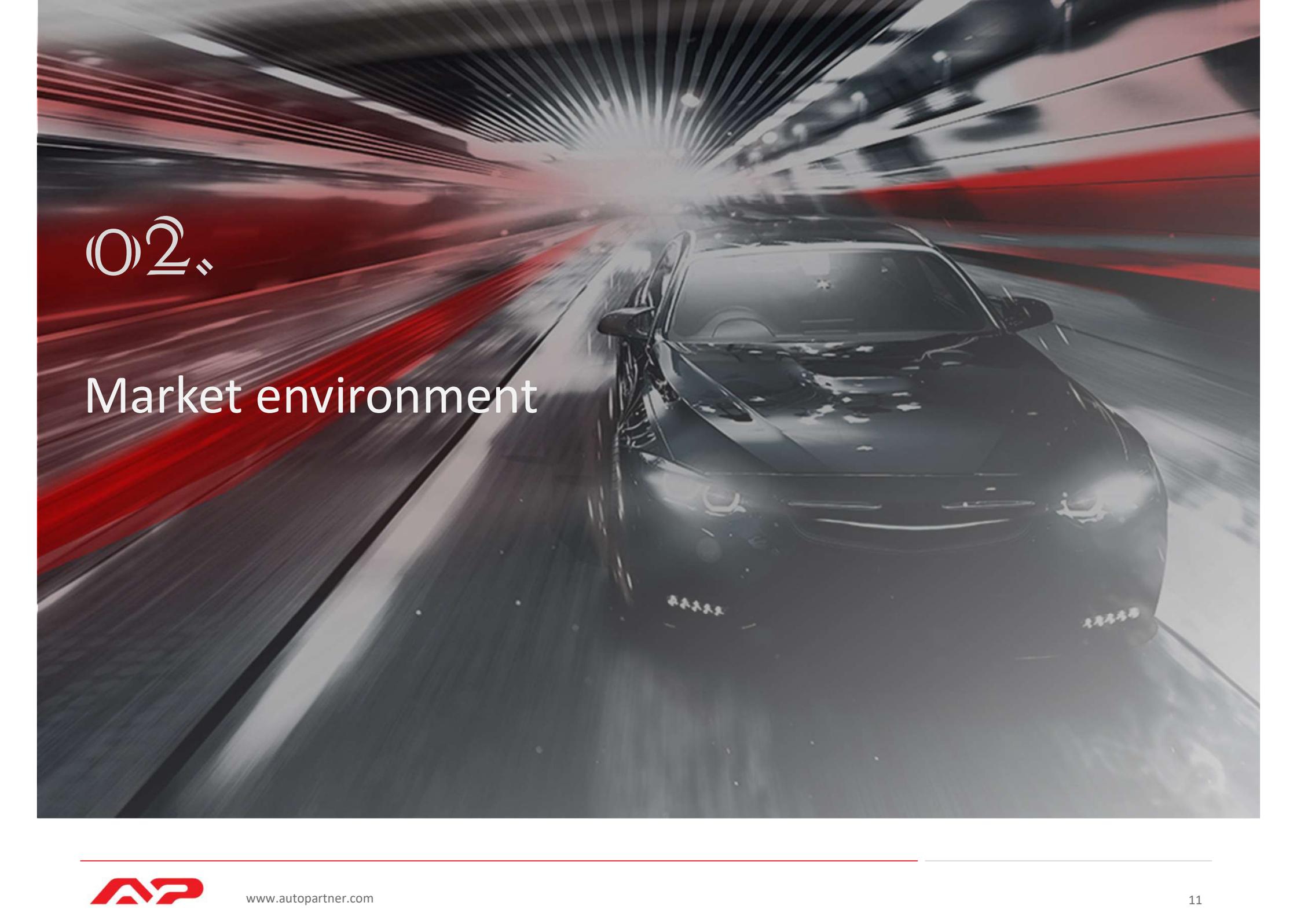
over **35,000**
references available

16
years of experience

80
product groups

21%
contribution to revenue





02

Market environment

Market environment

POLAND

- In Q1 2023, **the number of registrations increased** by **21%** year on year for **new passenger cars** and by **19.2%** for **light commercial vehicles** (KPMG/PZPM);
- In April 2023, the **median price of pre-owned cars dropped** by PLN **2,000** relative to the previous month, to PLN **28.9** thousand (AAAAuto);
- **Average age of imported passenger car in 2022:** **13.1** years (IBRM Samar);
- **Unemployment rate** at the end of March 2023: **5.4%** (Statistics Poland);
- **GDP growth in 2022:** **+4.9% y/y** (Statistics Poland).

EUROPE (European Union)

- **567** cars **per 1,000 inhabitants** of the European Union (ACEA);
- ACEA: in 2022, **new passenger car registrations fell by 4.6%**;
- **Average age of passenger cars:** **11.8** years (ACEA);
- **EU unemployment rate** at the end of March 2023: **6%** (Eurostat);
- **EU GDP growth in 2022:** **+3.5% y/y** (Eurostat).



Q3

Financial results

Q1 2023 results

REVENUE

836.6

PLNm



+31%

EBITDA

72.0

PLNm



-3%

EBIT

62.0

PLNm



-7%

NET PROFIT

43.0

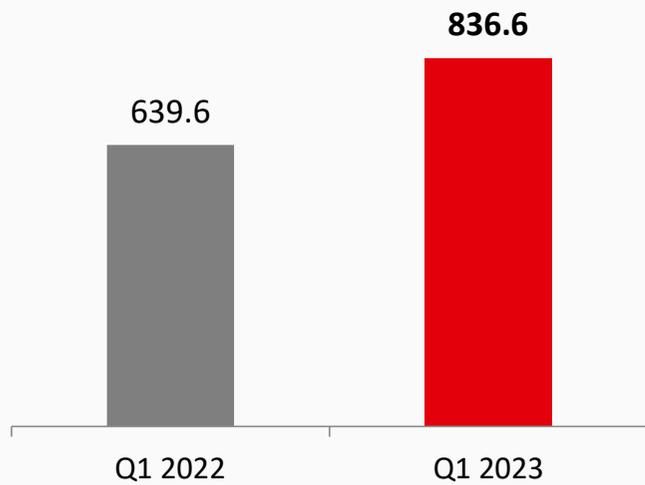
PLNm



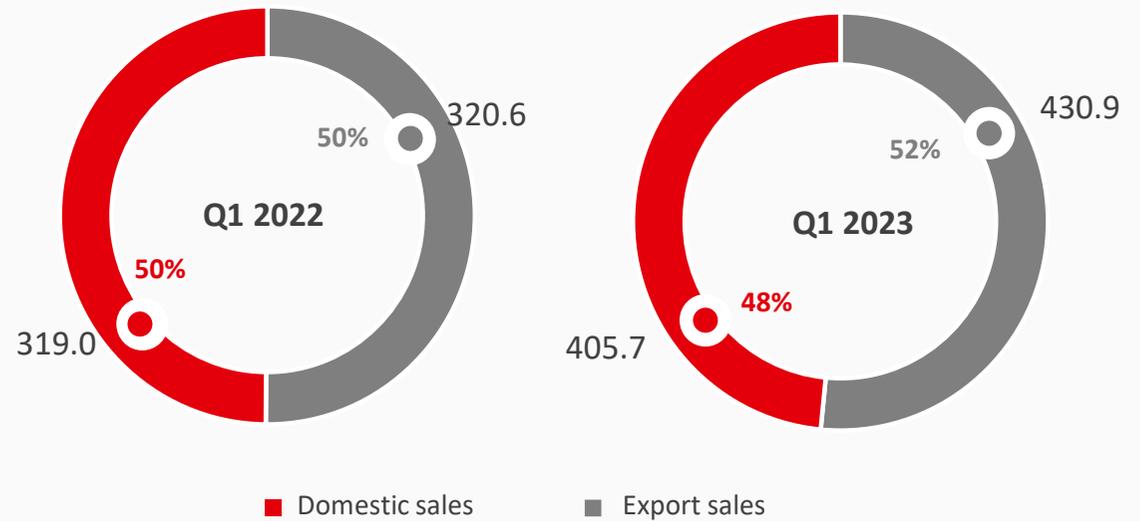
-14%

Q1 2023 sales

Sales in Q1 2023 [PLNm]

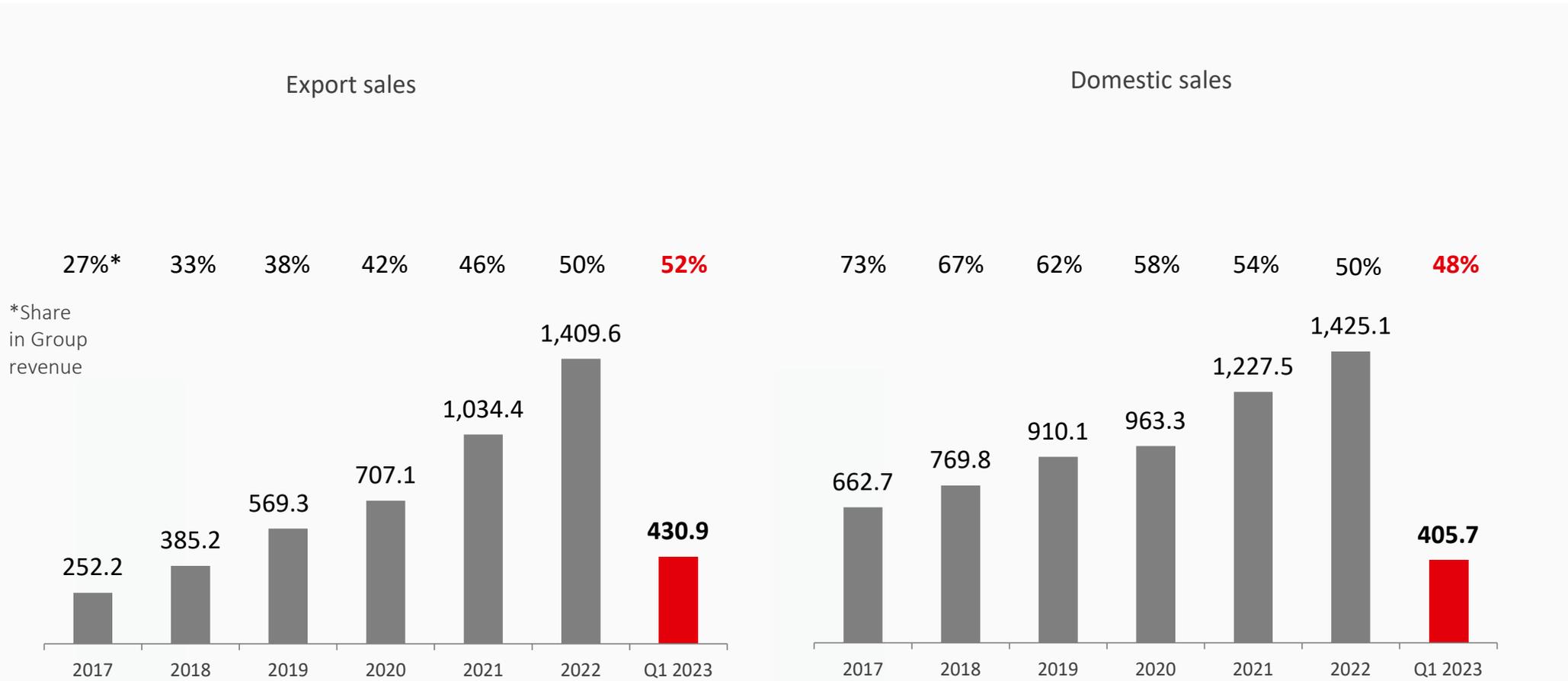


Sales by geography [PLNm]



- Revenue up **+30.8%** y/y
- Growing contribution of exports to total revenue

Strong sales in Poland and growing share of exports in revenue

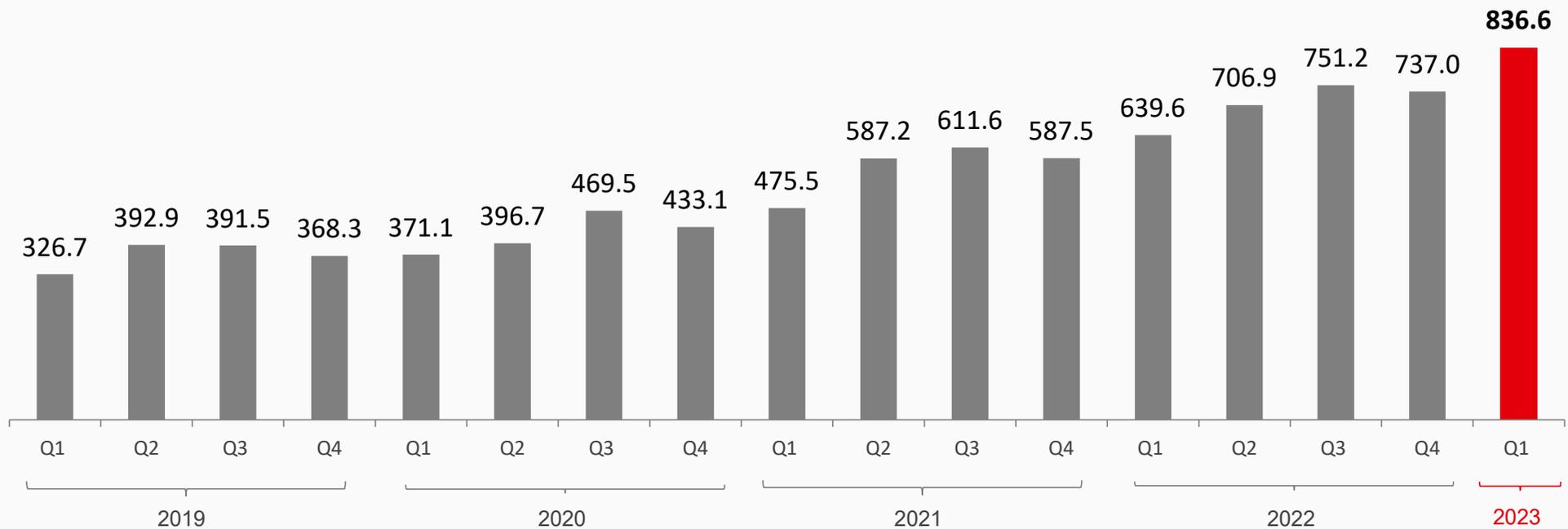


*Share in Group revenue

- Strong growth in export sales: up +34.4% in Q1 2023
- Higher sales in Poland: up +27.2% y/y

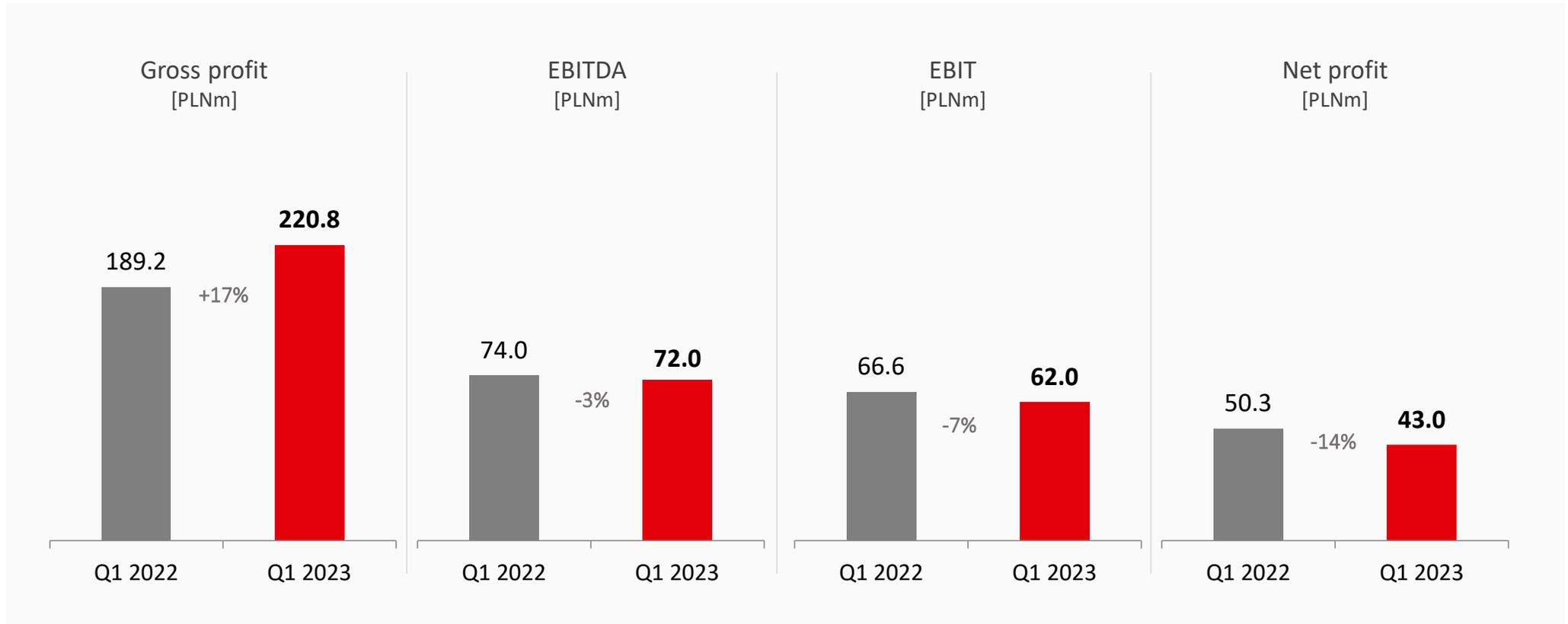
Strong quarterly sales growth

Quarterly sales [PLNm]



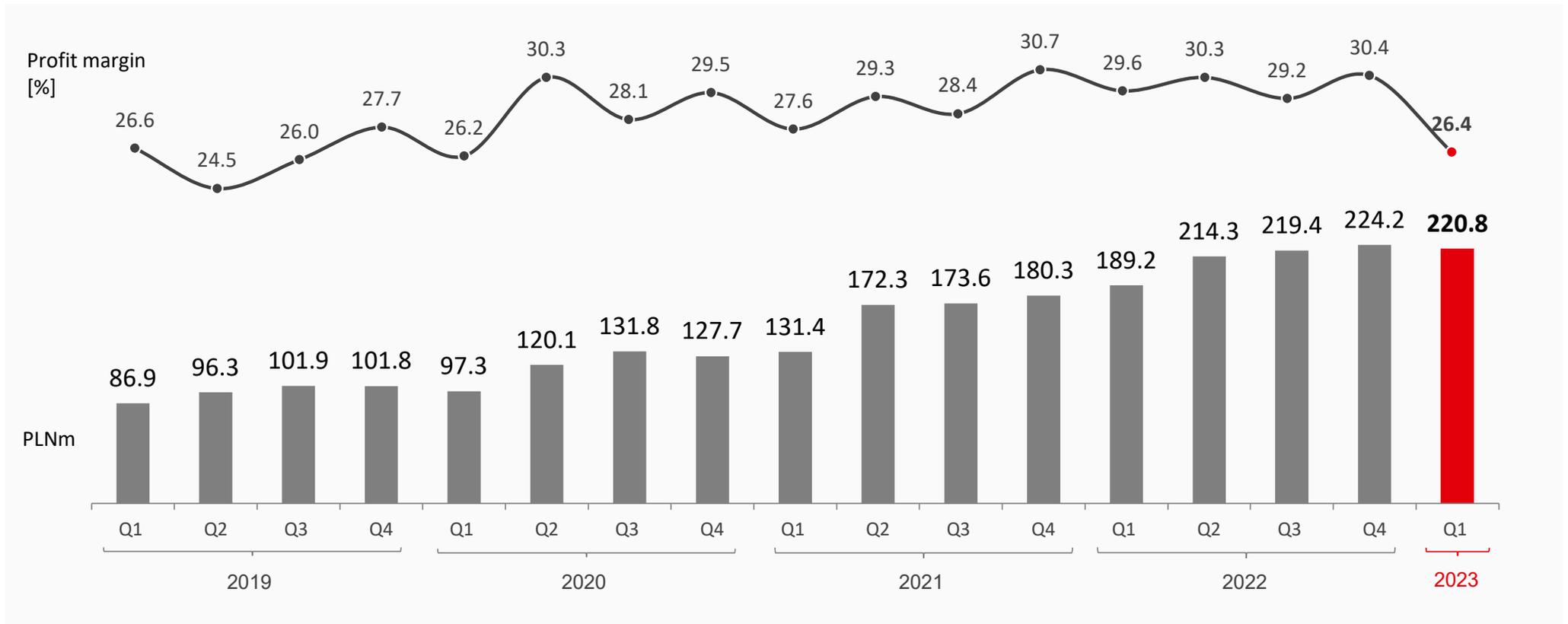
- Strong two-digit growth in sales (+31% y/y) continued on the back of efforts to strengthen position on foreign markets and in Poland
- Key drivers of sales:
 - new export destinations and routes
 - further expansion of the product mix and better aligning the mix with customer needs within different price segments
 - strong demand for automotive parts in Poland and abroad

High profitability continued despite a temporary drop in margins

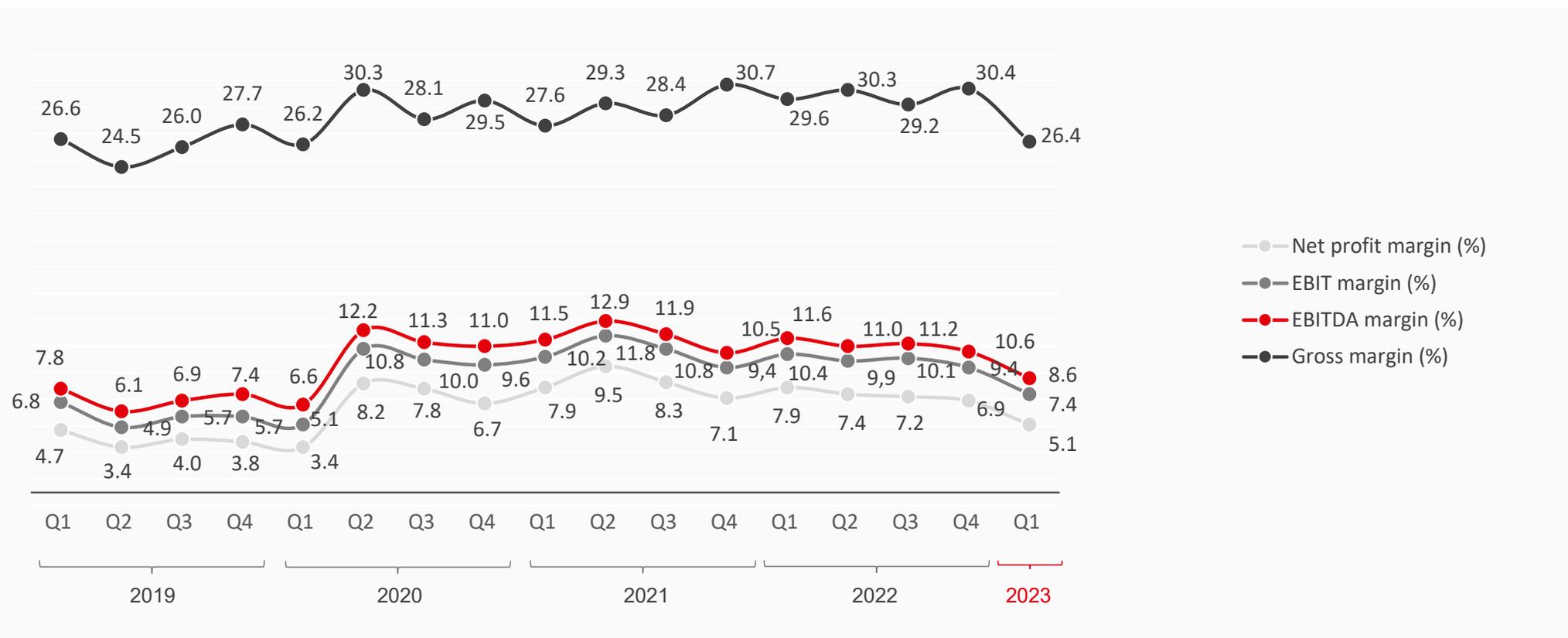


- Low debt maintained (net debt/ EBITDA=1.0x)

Gross profit



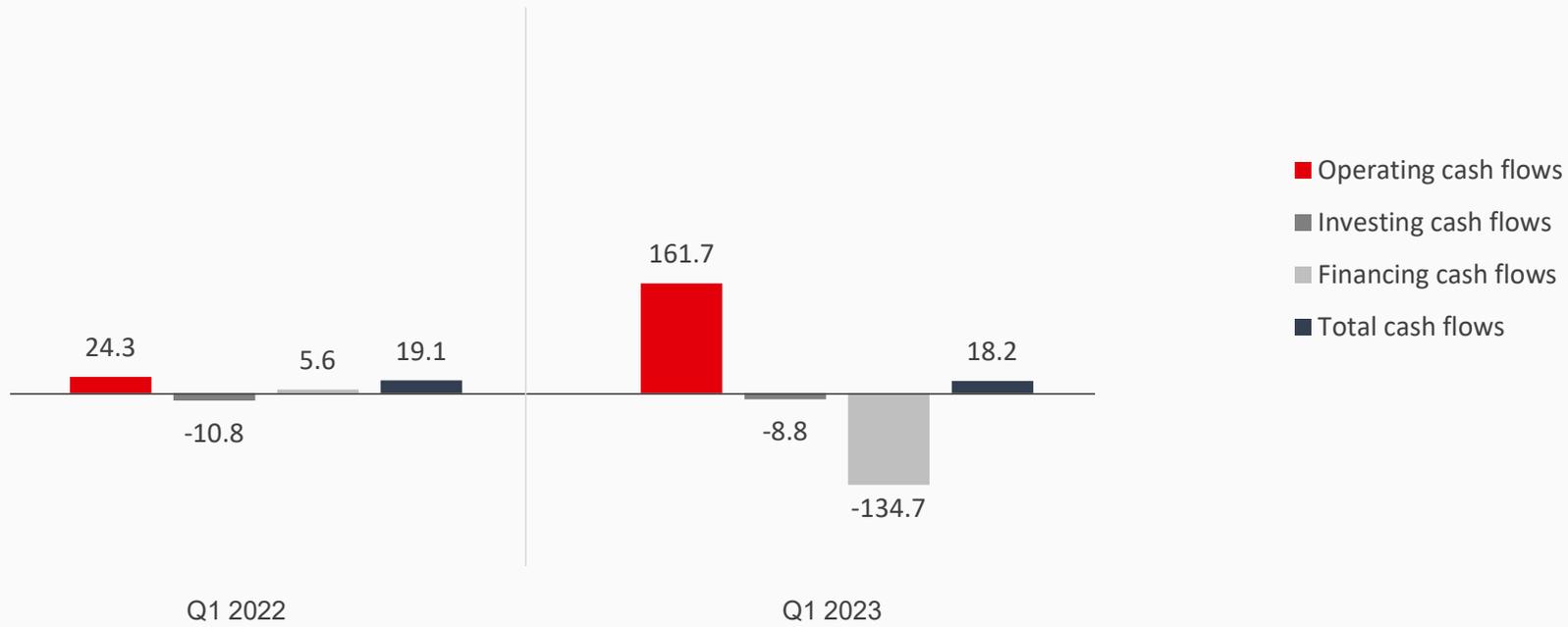
Profit margin



- Solid margins maintained despite a challenging market environment
- Drop in profitability in Q1 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.

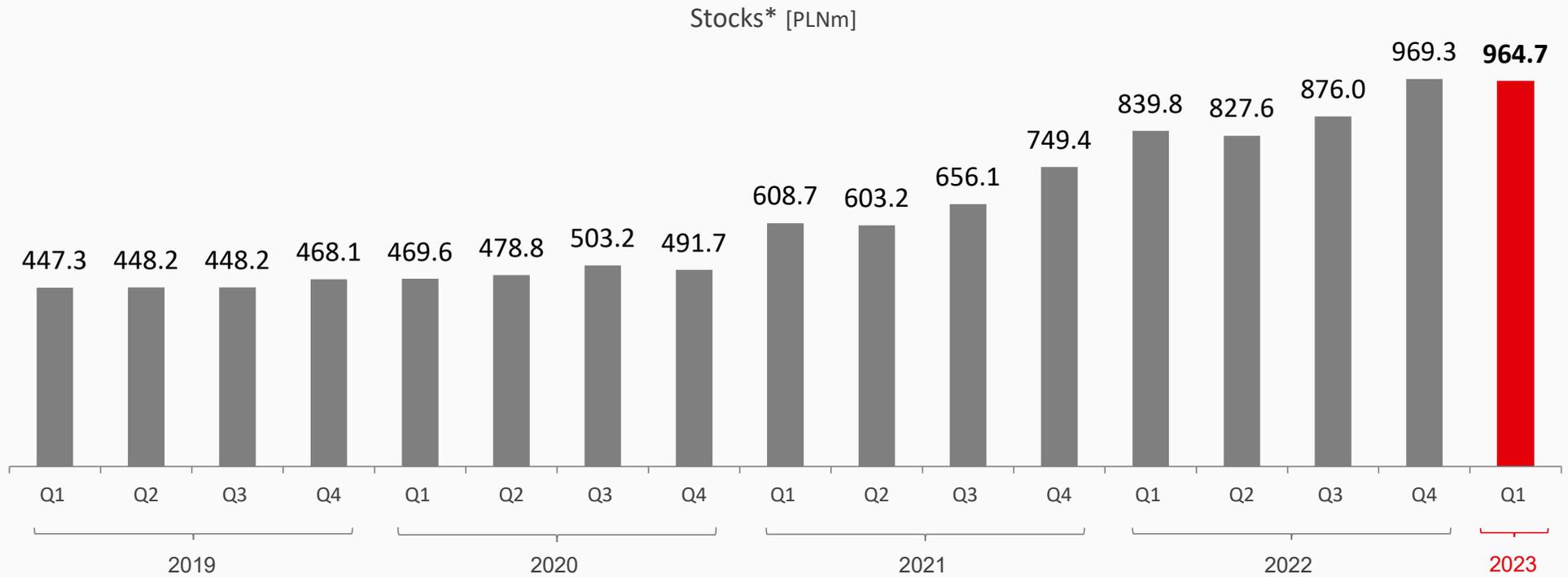
Cash flow

Cash flow [PLNm]



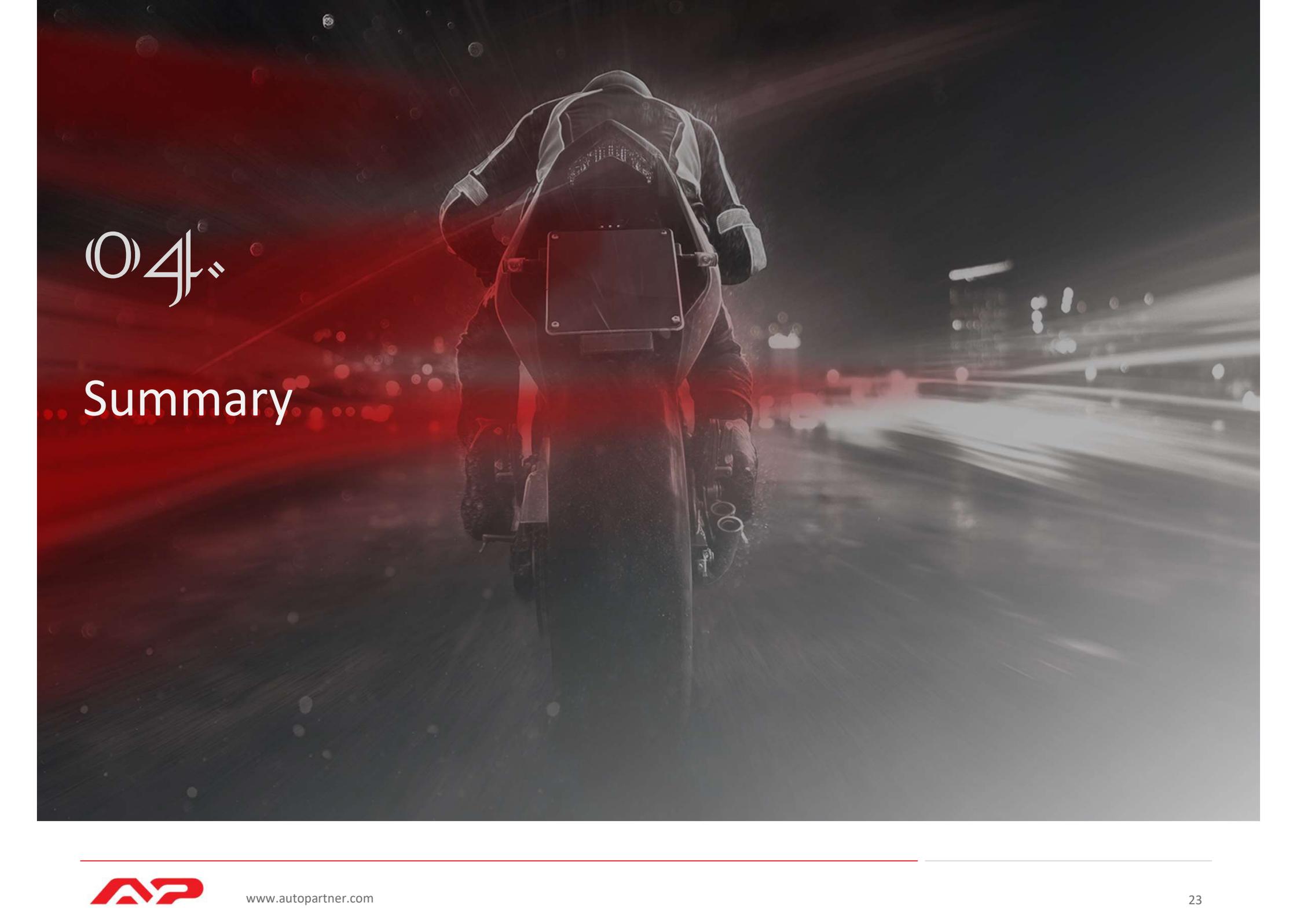
- Stable liquidity position of the Group

Stable stock levels



- Inventory turnover as at March 31st 2023: **141 days** vs 159 days the year before

* Inventories and right of return assets

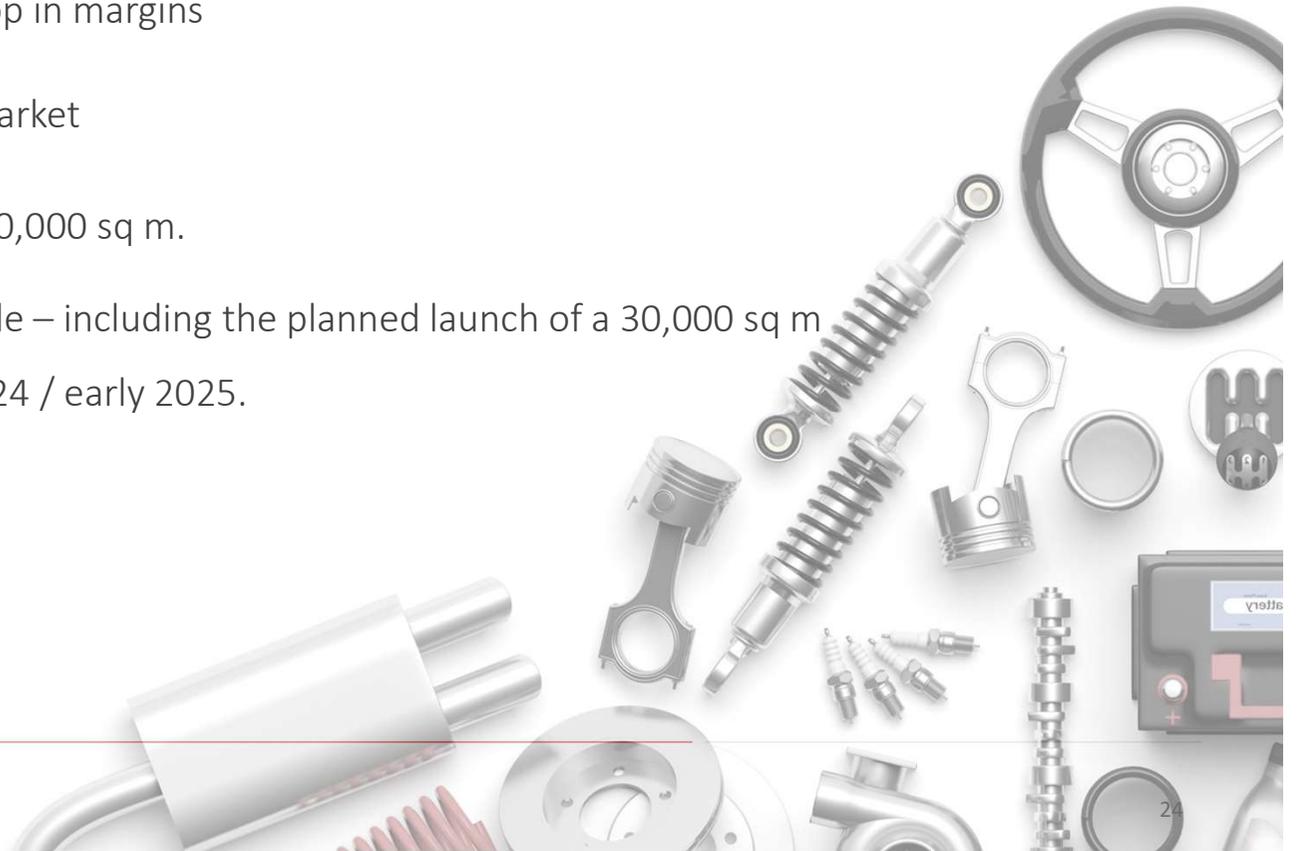


04

Summary

Summary

- Rapid sales growth and strong financial performance
- More than 34% growth in exports
- Low debt maintained (net debt/ EBITDA = **1.0x**) – a major advantage given the rising borrowing costs
- Solid profitability despite a temporary drop in margins
- Good outlook for the parts distribution market
- Increase in warehouse space to nearly 140,000 sq m.
- Plans to further increase the business scale – including the planned launch of a 30,000 sq m distribution centre in Zgorzelec in late 2024 / early 2025.





THANK YOU!