



FINANCIAL RESULTS

AUTO PARTNER GROUP

Q1–Q3 2022

November 17th 2022

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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

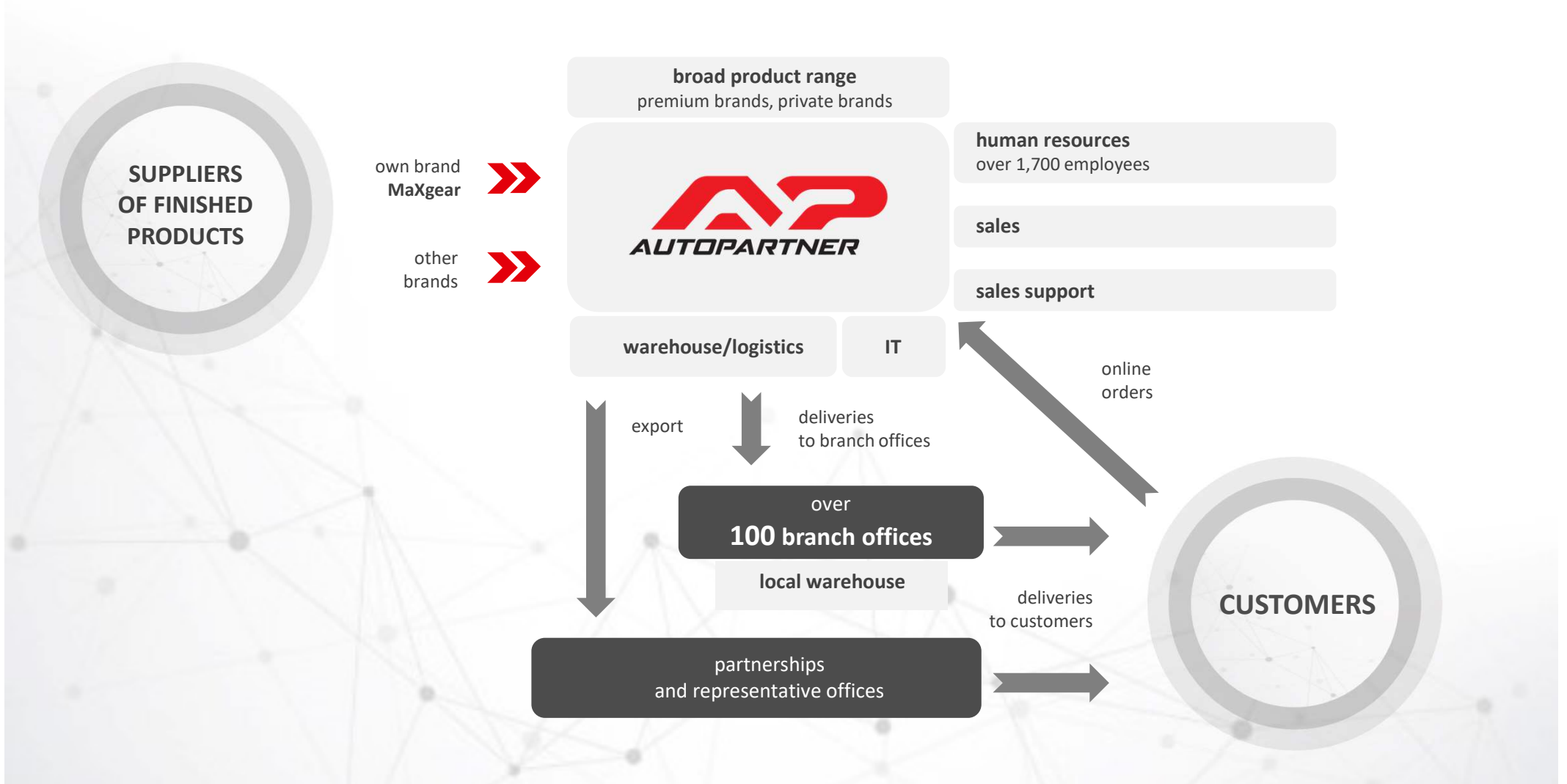


About **62%** of orders placed
online



Member of **GlobalOne GPO**

Business model



Key developments in Q1–Q3 2022



25% sales growth to almost PLN 2.1bn – for the first time the PLN 2bn mark already surpassed in the first nine months of the year



Continued foreign expansion – exports accounting for 50% of revenue,



Strong profitability maintained, with steep growth in the scale of business: gross margin at 29.7%



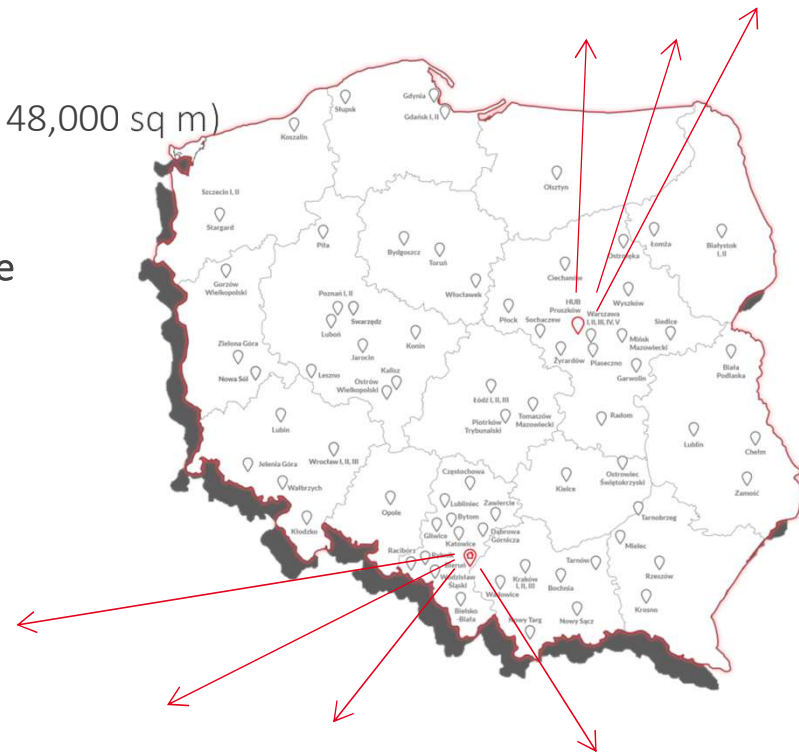
Financial performance at a new record level with net profit at PLN 156.5m



Further development of the distribution network – opening of new branches

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
- **115 branch offices** covering all regions of Poland
- Subsidiary and warehouse in the Czech Republic



New Auto Partner branches opened in Q1–Q3 2022

NEW AP BRANCHES

GRUDZIĄDZ

OTWOCK

JAROSŁAW

SZCZECINEK

TYCHY

BOLESŁAWIEC

MYŚLENICE

KUTNO

RADOMSKO

WIELUŃ

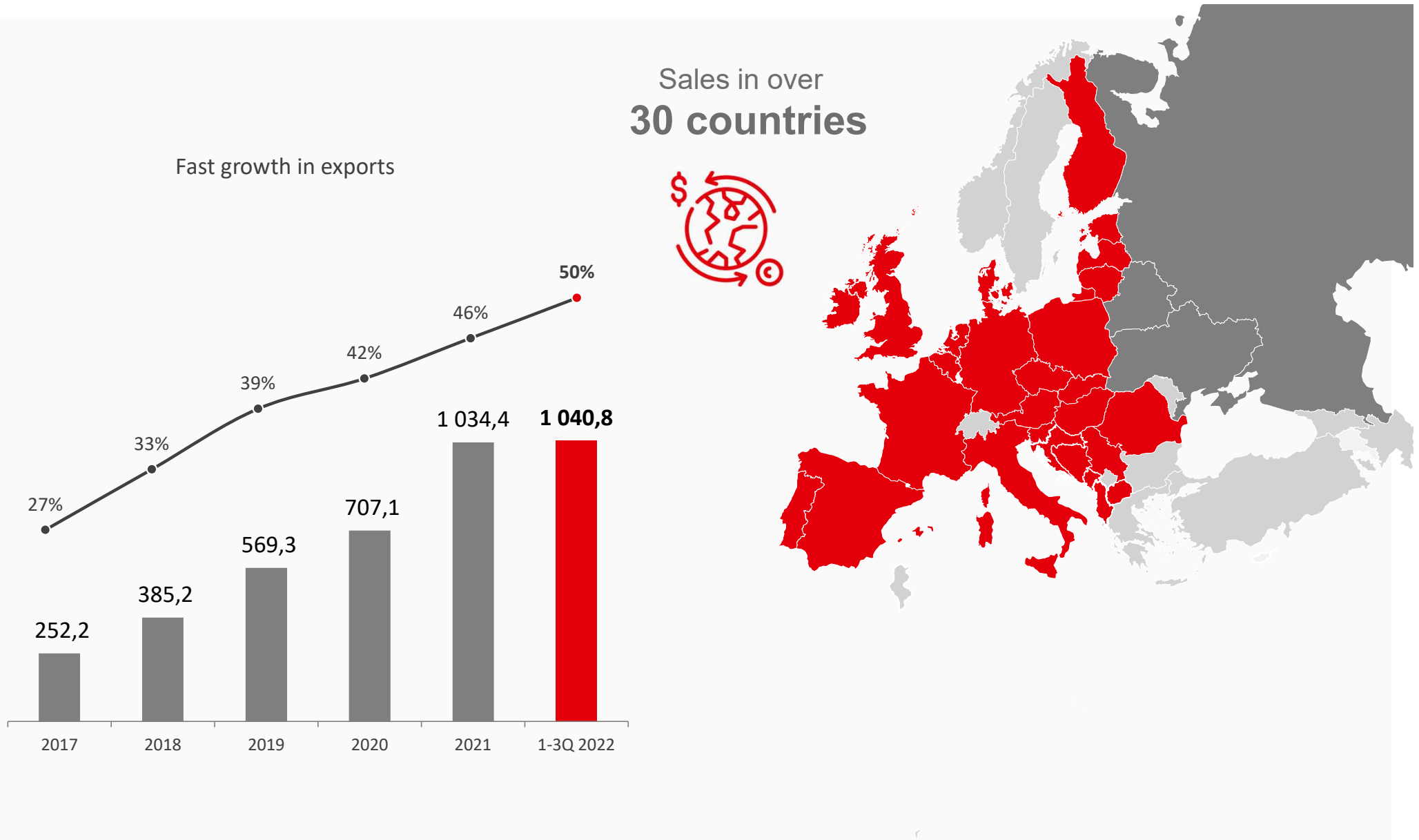
ZABRZE

11 new branch offices
in Q1–Q3 2022

Current network: **115**
branch offices*
throughout Poland

• as at September 30th 2022

Growing contribution of exports to total revenue



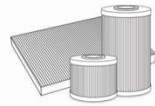
Growing importance of own brand



**Suspension
and
steering**



Brakes



Filtres



Drivetrain



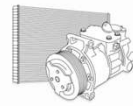
**Automotive
chemicals and
care products**



**Motorcycle
parts and
accessories**



**Cooling
system**



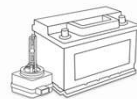
**Air
conditioning**



Engine



**Hydraulic
parts**



**Electrical
parts**



Accessories

maxgear®

35,029
available products

16
years of experience

80
product groups

21%
contribution to revenue





02

Market environment

Market environment

POLAND

- In the first nine months of 2022, **the number of registrations fell** by **9%** year on year **in the case of new passenger cars** and by **17%** in the case of light commercial vehicles (KPMG data);
- In October 2022, the **median prices of pre-owned cars dropped** **PLN 300** relative to the previous month, to **PLN 29.4 thousand** (AAAAuto);
- **Average age of imported passenger car in October:** over **12.92** years (according to IBRM Samar);
- Unemployment rate at end of September 2022: **5.1%** (according to Statistics Poland);
- **GDP growth in Q3 2022: +3.5% year on year** (according to Statistics Poland).

EUROPA (European Union)

- **662 cars per 1,000 inhabitants** of the European Union (according to ACEA);
- ACEA: in the first nine months of the year, new passenger car registrations fell by **9.6%**;
- Average age of passenger cars: **11.8** years (according to ACEA);
- **Prices of pre-owned cars up by nearly 20%** in 2021; (AutoScout24);
- EU unemployment rate at end of September 2022: **6%** (according to Eurostat);
- **EU GDP growth in Q3 2022: +2.4% year on year** (according to Eurostat).



Q3

Financial results

Record-breaking performance figures for Q1–Q3 2022

REVENUE

2,098.0

PLNm



+25%

EBITDA

235.9

PLNm



+16%

EBIT

212.2

PLNm



+15%

NET PROFIT

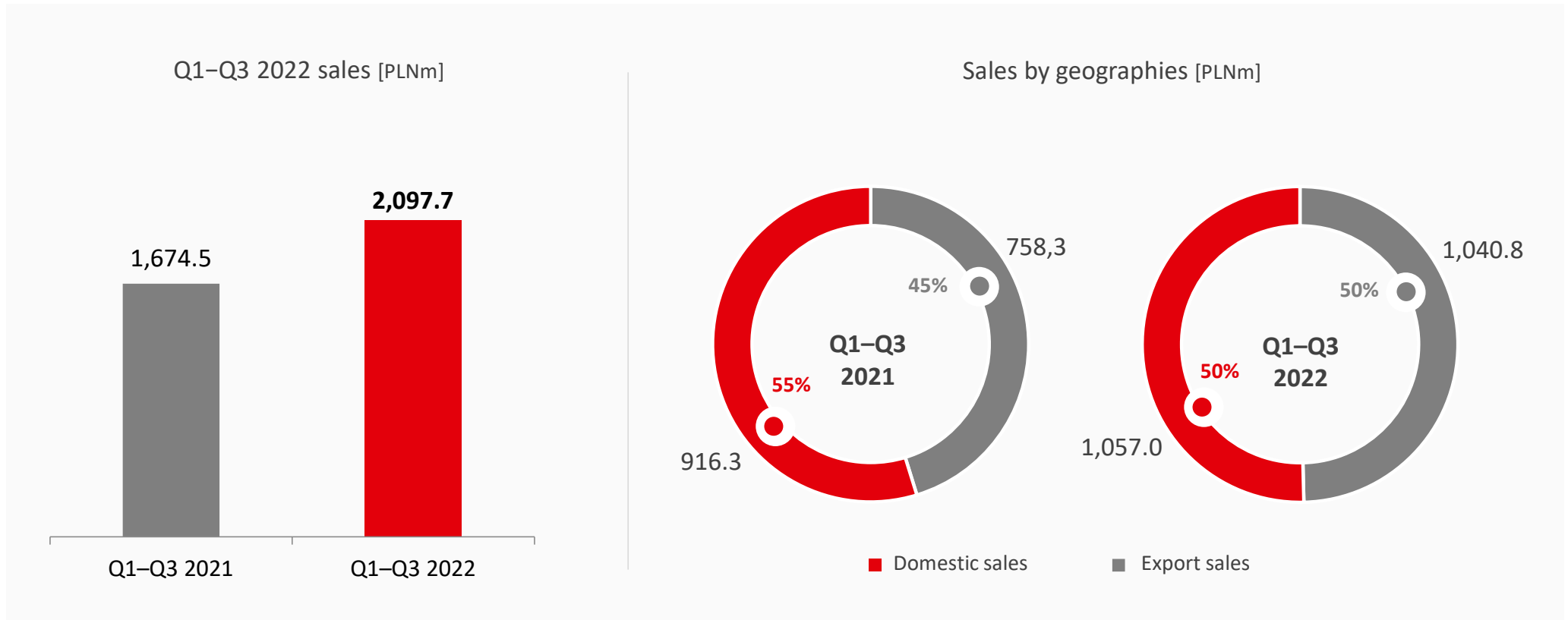
156.5

PLNm



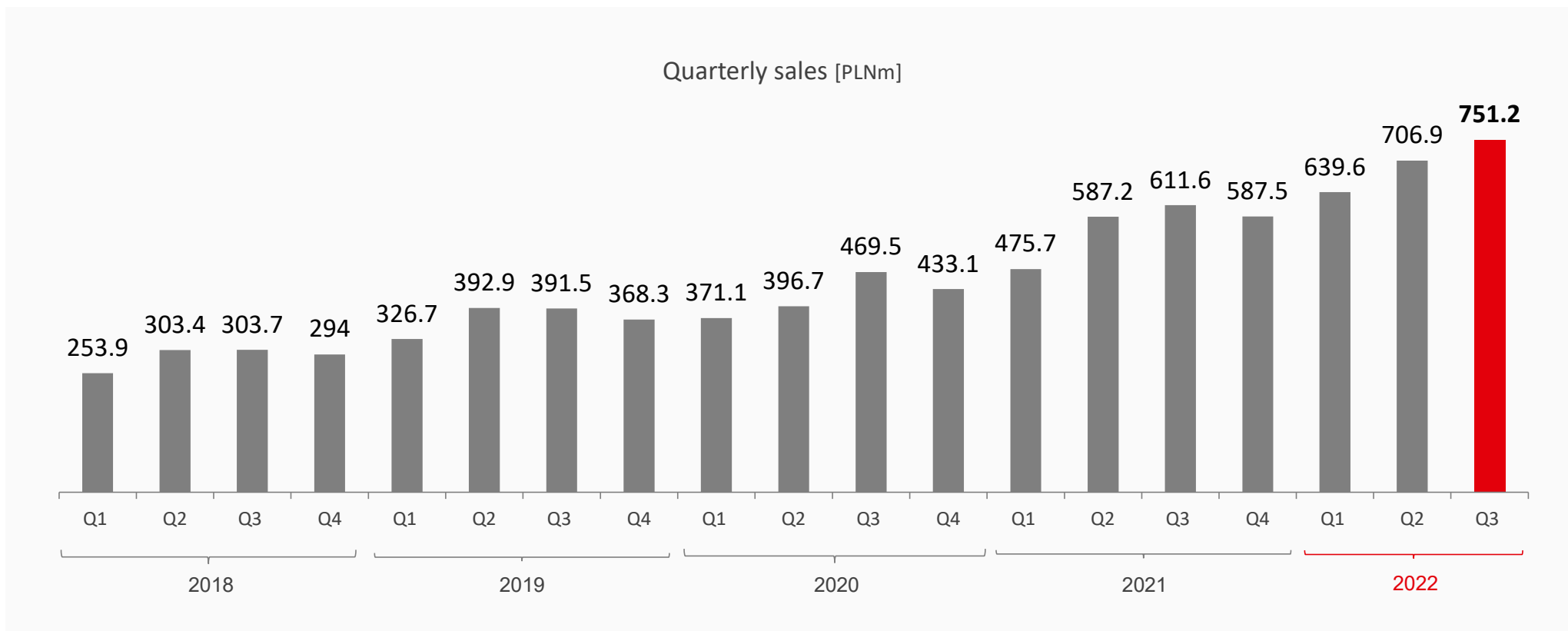
+8%

Q1–Q3 2022 sales at all-time record level



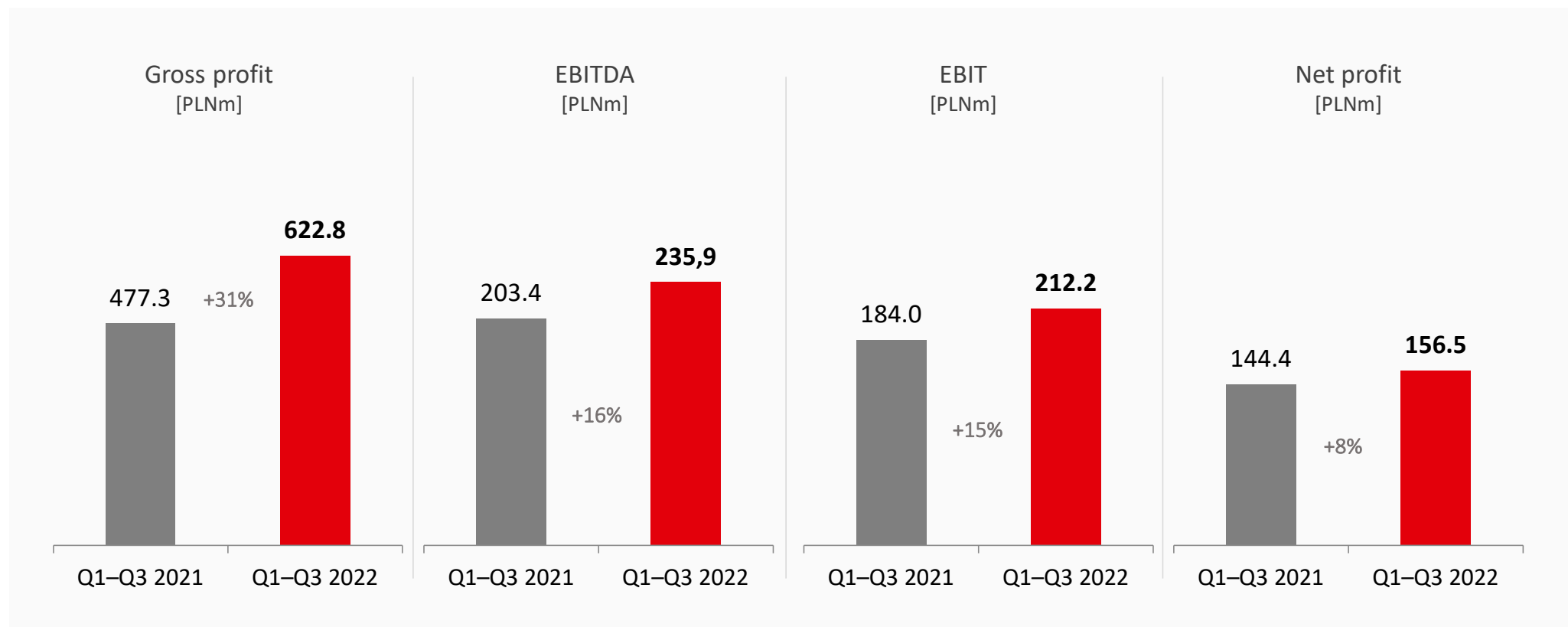
- revenue up **+25.3% y/y**
- Strong growth in export sales: **up +49.6% y/y**
- Growing share of foreign sales in revenue – foreign sales again higher than domestic
- Sales in Poland **up 15.4% y/y**

Strong quarterly sales growth



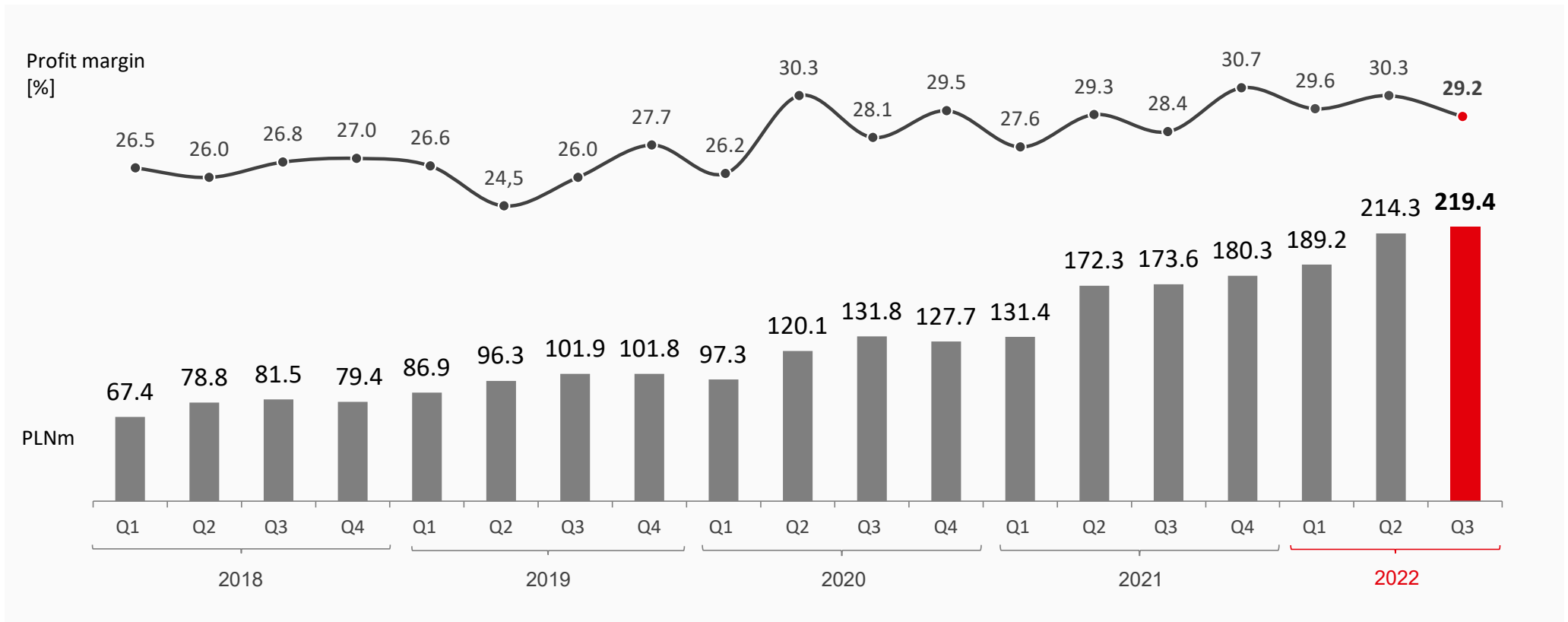
- Strong two-digit growth in sales (+23% y/y) continued on the back of efforts to strengthen position on foreign markets and in Poland
- Key drivers of sales:
 - more new branches opened in Poland and launch of new export directions and routes
 - product price increases in response to growing costs
 - further expansion of the product mix and better aligning the mix with customer needs within different price segments

Significant growth in profits and earnings



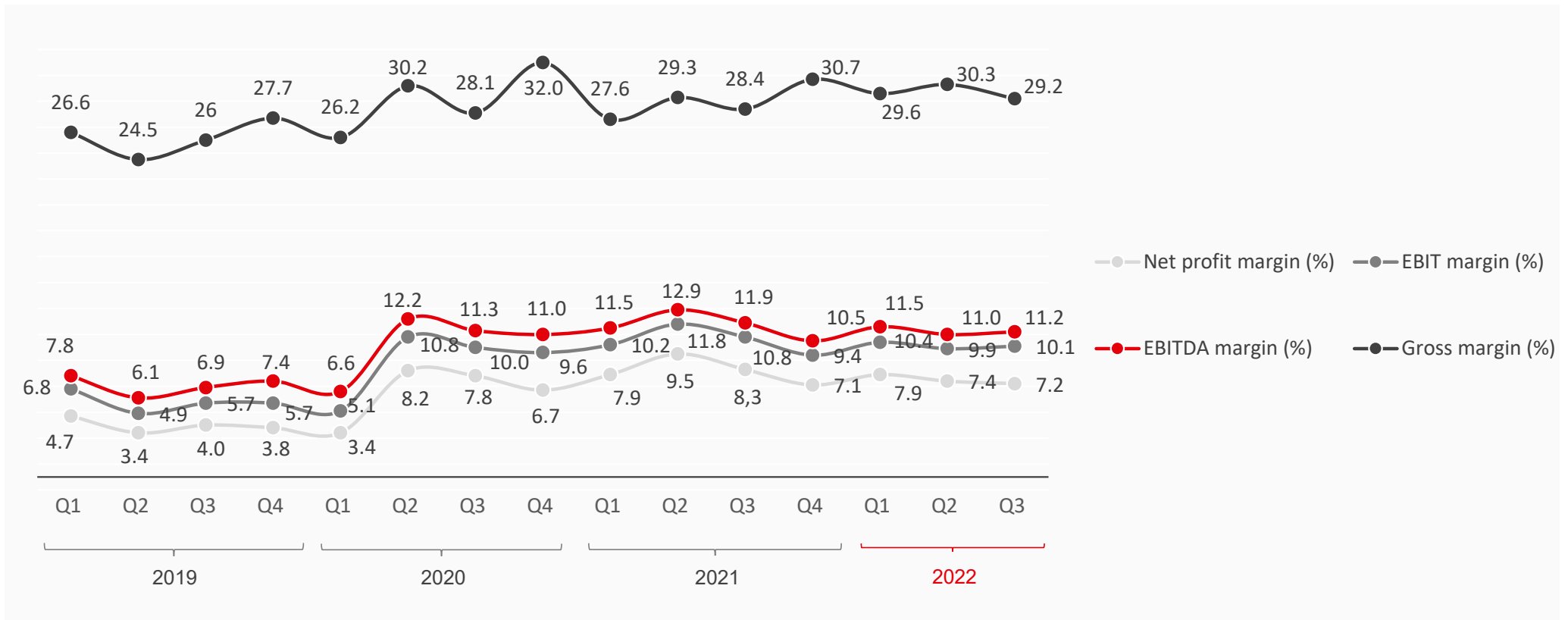
- Solid year-on-year growth across all P&L levels
- Pandemic-related subsidies received in the first half of 2021 led to lower operating and net profit growth year on year
- Low debt maintained (net debt/ EBITDA=1.3x)

Gross profit



- Gross margin solid despite steady increase in export sales (which deliver lower gross margin but higher net margin)

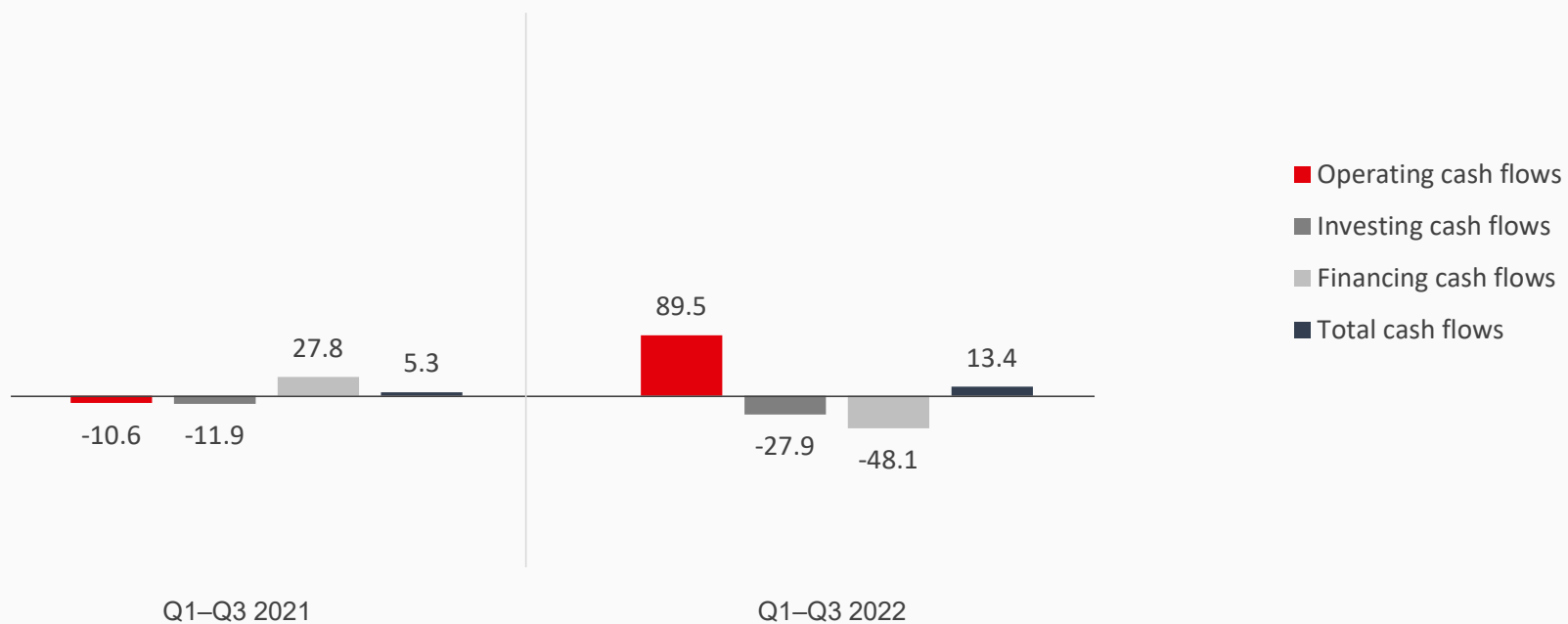
Profit margin



- High gross margin maintained with steady growth in business scale
- Positive effect of high-margin proprietary brands and brands offered on an exclusive basis
- Solid margins maintained despite a challenging market environment

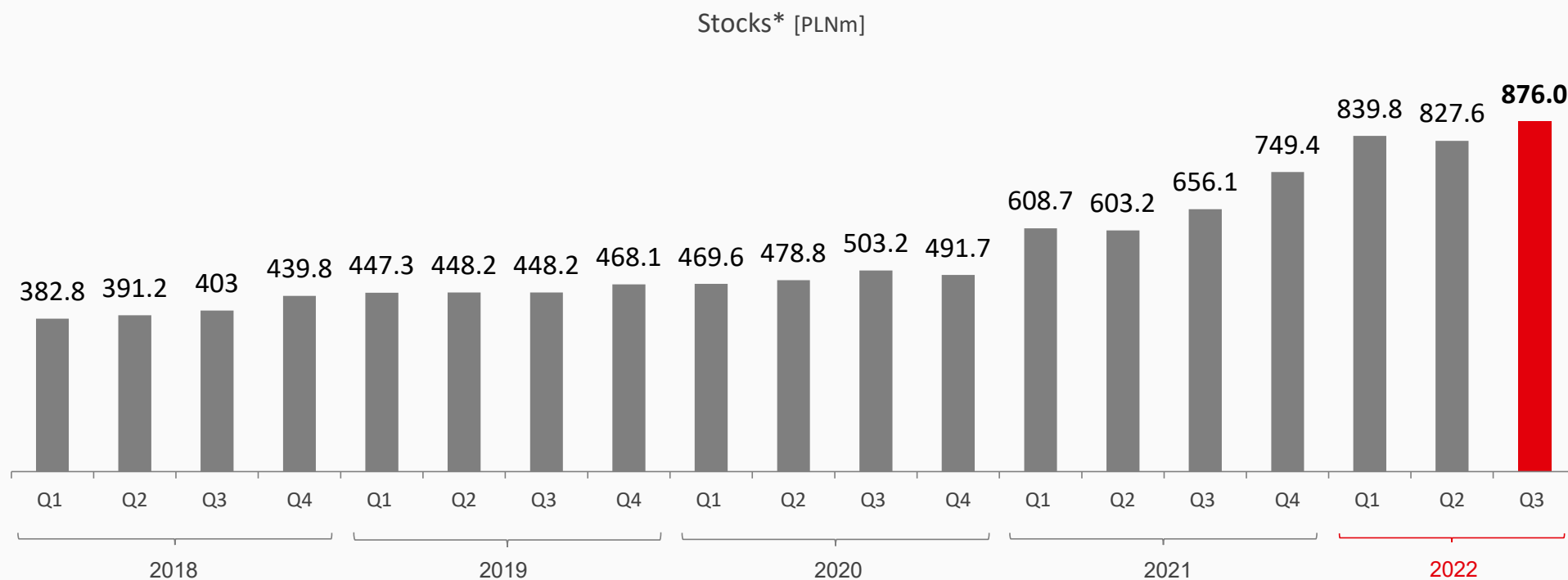
Cash flow

Cash flow [PLNm]



- Stable liquidity position of the Group

Stable stock levels



- Inventory turnover as at September 30th 2022: **151 days** vs 131 days the year before (no change on H1 2022)

* Inventories and right of return assets



04

Summary

Summary

- Record high sales and financial results
- Over 37% growth in export sales
- Solid margins maintained despite a challenging market environment
- Low debt maintained (net debt/ EBITDA= **1.3x**) – a major advantage given the rising borrowing costs
- Sales in October: **PLN 254.7m** – the full-year 2021 sales figure surpassed after the first 10 months
- Good prospects for the parts distribution market despite volatile market conditions





THANK YOU!