



2023

**FINANCIAL
RESULTS
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**



International markets accounting for around **50% of sales**



Approximately **250,000 references** available



Expanding distribution network with nearly **160,000 m²** of warehouse space



Strong private label brands (including **maXgear**) generating around 20% of sales



Network of **MaXserwis** affiliated workshops (500 at year-end 2023)



Member of **GlobalOne** GPO



Effective business model



private label brands including MaXgear
other brands

broad product range
premium brands, private label brands



human resources
over 2,700 employees

sales

sales support

warehouse/logistics

IT



export



deliveries to branch offices

116 branch offices

local warehouse



deliveries to customers

partnerships and representative offices



online orders



CUSTOMERS



About **70%** of orders are placed online (abroad: as much as **99%**)



Diversified customer base

POLAND



Repair workshops

62%



Specialised stores

30%



Non-specialised repairers and retailers

8%

EXPORT

Stores, wholesalers and distributors



100%

data as at 31 December 2023

Fast business growth

IPO*

2023

60
branches



50,000 m²
of warehouse space

116
branches



Over **160,000 m²**
of warehouse space



Over
800 employees



Nearly
2,700 employees



Approximately
150,000
references available



Approximately
250,000
references available

* Data sourced from the IPO prospectus as at 31 December 2015

Fast business growth

IPO*

2023



Revenue
PLN 518.6m



Revenue
PLN 3.7bn



Net profit
PLN 16.3m



Net profit
PLN 223.6m



IPO issue price
PLN 2.20



Share price**
PLN 27.05

* Data sourced from the IPO prospectus as at 31 December 2015

** Share price as at 31 December 2023

Key developments in 2023



Record financial results: sales up 28.9%, to over **PLN 3.7bn**, with net profit up 7.9%, to **PLN 223.6m**



Strong growth in Poland (up 28.1%) and in international markets (up 29.6%)



Solid profitability with a dynamically growing business scale and despite market challenges: gross margin of 27.1% posted for 2023



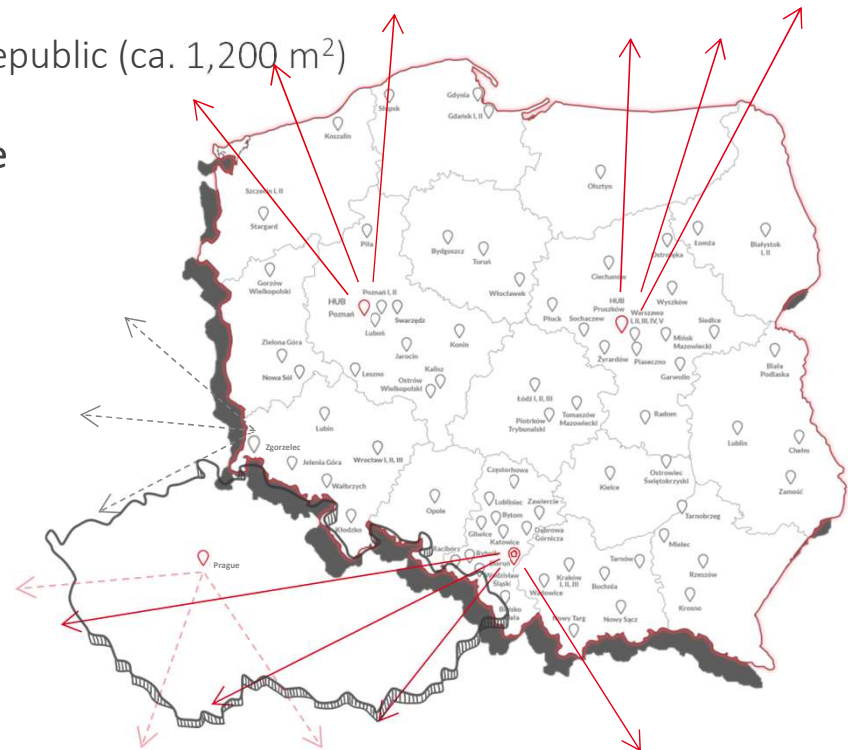
Continued international expansion – exports accounting for **50%** of revenue



Planned opening of a new distribution centre in Zgorzelec slated for late 2025 or early 2026

Well-developed distribution network

- IT-supported logistics – just-in-time deliveries to geographically dispersed customers at a frequency of **3-5** times per day
- Warehouse space leased by the Group totalling **ca. 160,000 m²**:
 - Centre in Bieruń (ca. 52,000 m²)
 - Warehouse in Pruszków (ca. 12,500 m²)
 - Warehouse in Mysłowice (ca. 24,000 m²)
 - Logistics and distribution centre (HUB) in Poznań (ca. 13,500 m²)
 - Local warehouse facilities within branches (ca. 57,000 m²)
 - Local warehouses within two branches in Prague, Czech Republic (ca. 1,200 m²)
- Domestic and export sales handled from the central warehouse in Bieruń, distribution centre in Pruszków and the Poznań HUB
- 116 branch offices covering all regions of Poland
- Subsidiary operating two branches in the Czech Republic
- Planned opening of the distribution centre in Zgorzelec in late 2025 or early 2026 (30,000 m²)



20% share of private label brands in revenue, with rapidly growing sales



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[®]

over **35,000**
references available

18
years of experience

80
product groups





02

Market environment

Market environment

POLAND

- In 2023, **the number of new passenger car registrations rose** by **13.2%** year on year and by **3.7%** in the case of light commercial vehicles (KPMG/PZPM);
- In March 2024, the **median price of pre-owned cars** remained unchanged relative to the previous month, at PLN **32.9** thousand (AAAAuto);
- **Average age of imported passenger car** in 2023: **12.2** years (IBRM Samar);
- **Unemployment rate** at end of February 2024: **5.4%** (Statistics Poland);
- **GDP growth in 2023: +0.2% y/y** (Statistics Poland).

EUROPA (European Union)

- **574** cars **per 1,000 inhabitants** of the European Union (ACEA);
- ACEA: in 2023, **new passenger car registrations rose** by **13.9%**;
- **Average age of passenger cars: 12.3** years (ACEA);
- **EU unemployment rate** at end of February 2023: **6%** (Eurostat);
- **EU GDP growth in 2023: +0.4% y/y** (Eurostat).

Electric vehicles: continued market expansion with no impact on the Group's business

- In 2019, electric cars represented just **1.9% of total car sales in the EU**. By the end of 2023, the share of new registrations for battery electric vehicles (BEVs) rose to **14.6% (ACEA)**.
- Forecasts indicate a promising outlook, with the European electric car industry expected to achieve an **annual growth rate (CAGR 2024–2028) of approximately 10% (Statista)**.
- As at the end of 2023, Poland had registered **approximately 57.1 thousand passenger and commercial BEVs**, marking a 52% increase from the beginning of the previous year (*Licznik Elektromobilności*).

HOWEVER ...



- This rise contrasts sharply with the fact that BEVs made up **only 1.2% of the European car fleet in 2022 (EEA)**.
- Poland's rate of new electric car registrations remains among **the lowest in Europe (EEA)**.



03

Financial results

2023 results

REVENUE

3,653.4

PLNm



+29%

EBITDA

346.2

PLNm



+10%

EBIT

302.7

PLNm



+8%

NET PROFIT

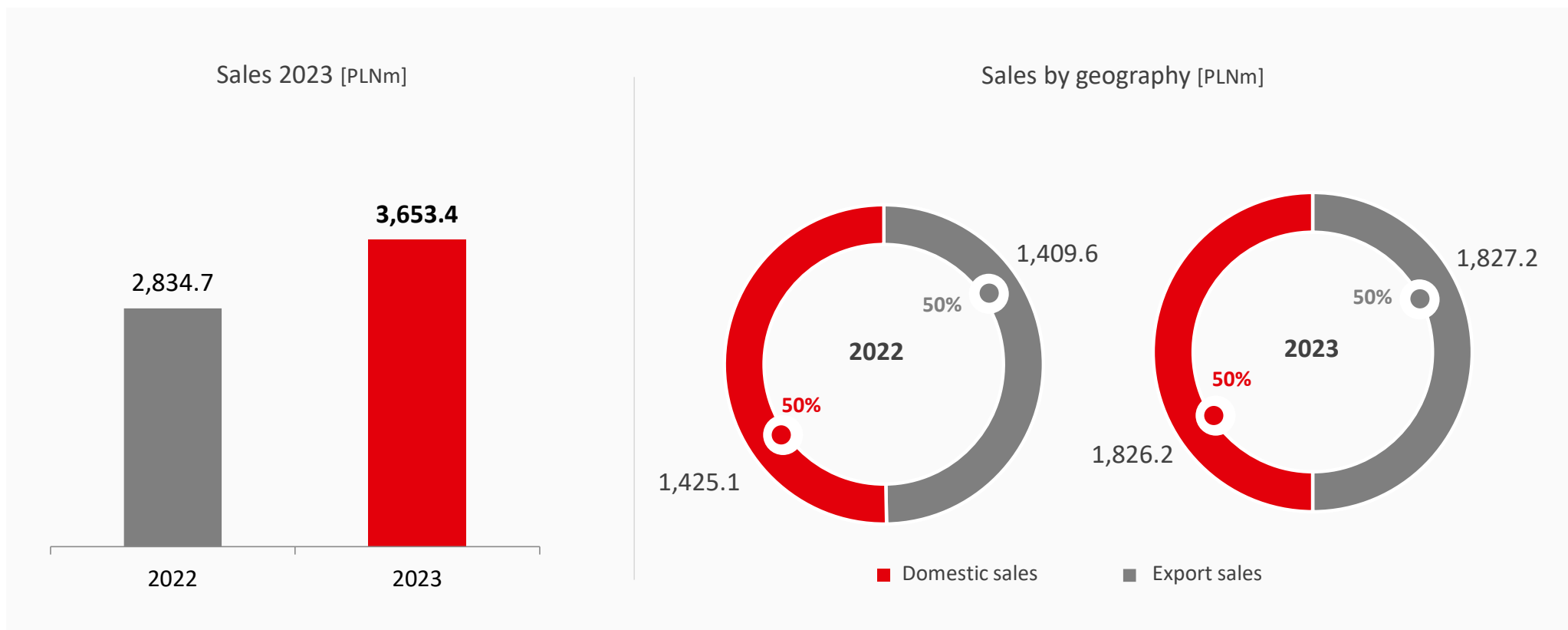
223.6

PLNm



+8%

Strong sales growth in 2023



- Revenue up **+28.9%** y/y
- Equal shares of domestic and export sales in revenue

Strong domestic and export sales

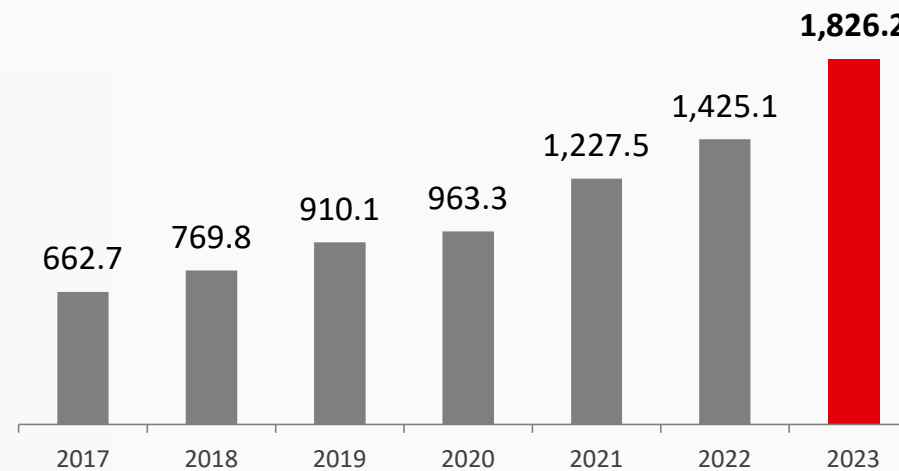
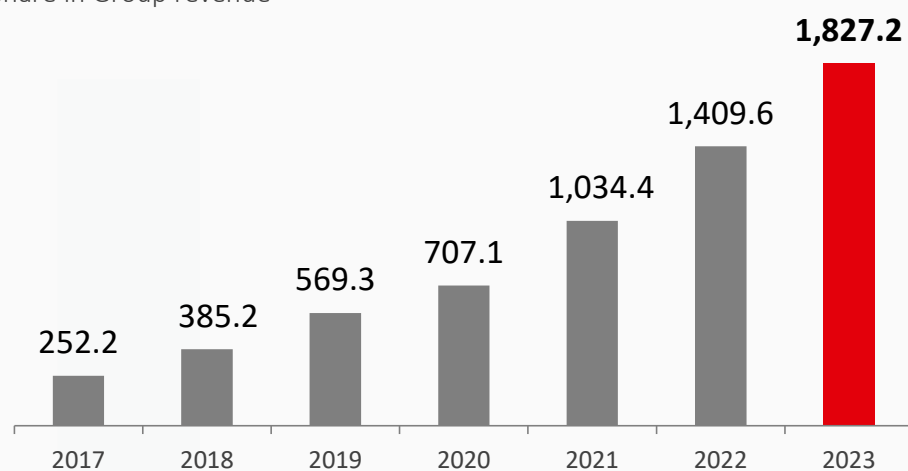
Export sales

Domestic sales

27%* 33% 38% 42% 46% 50% **50%**

73% 67% 62% 58% 54% 50% **50%**

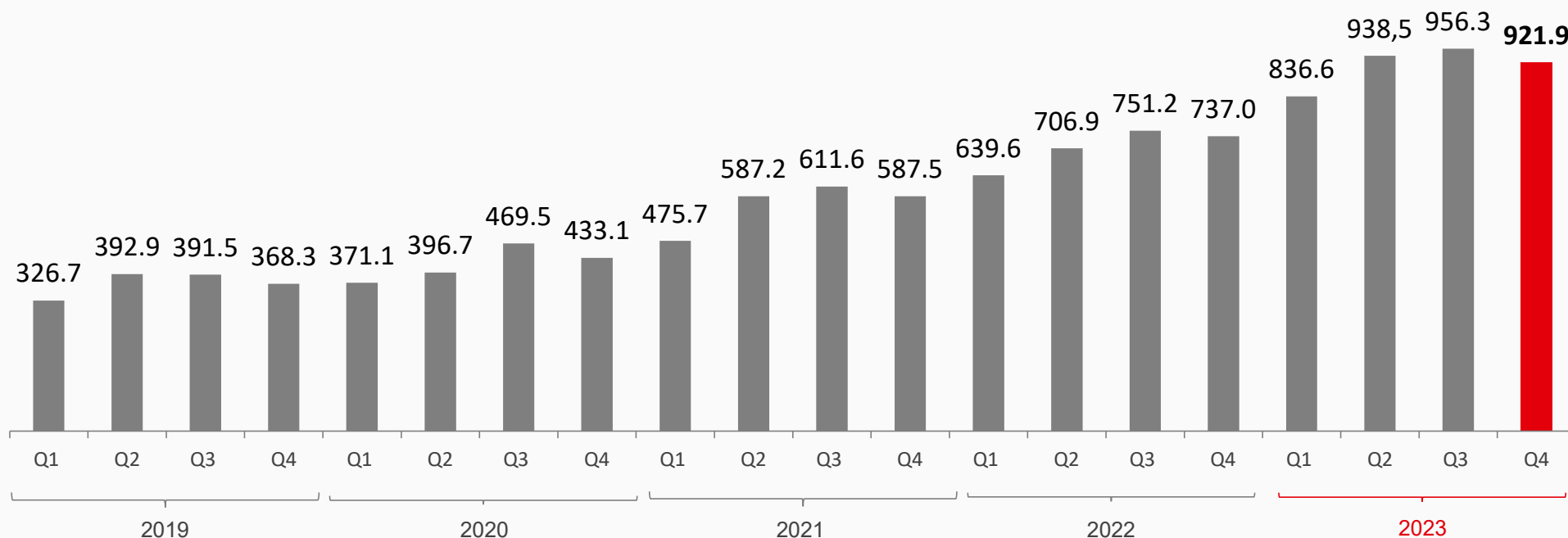
* Share in Group revenue



- Growth in export sales: **up +29.6%** in 2023
- Higher sales in Poland: **up +28.1%** y/y

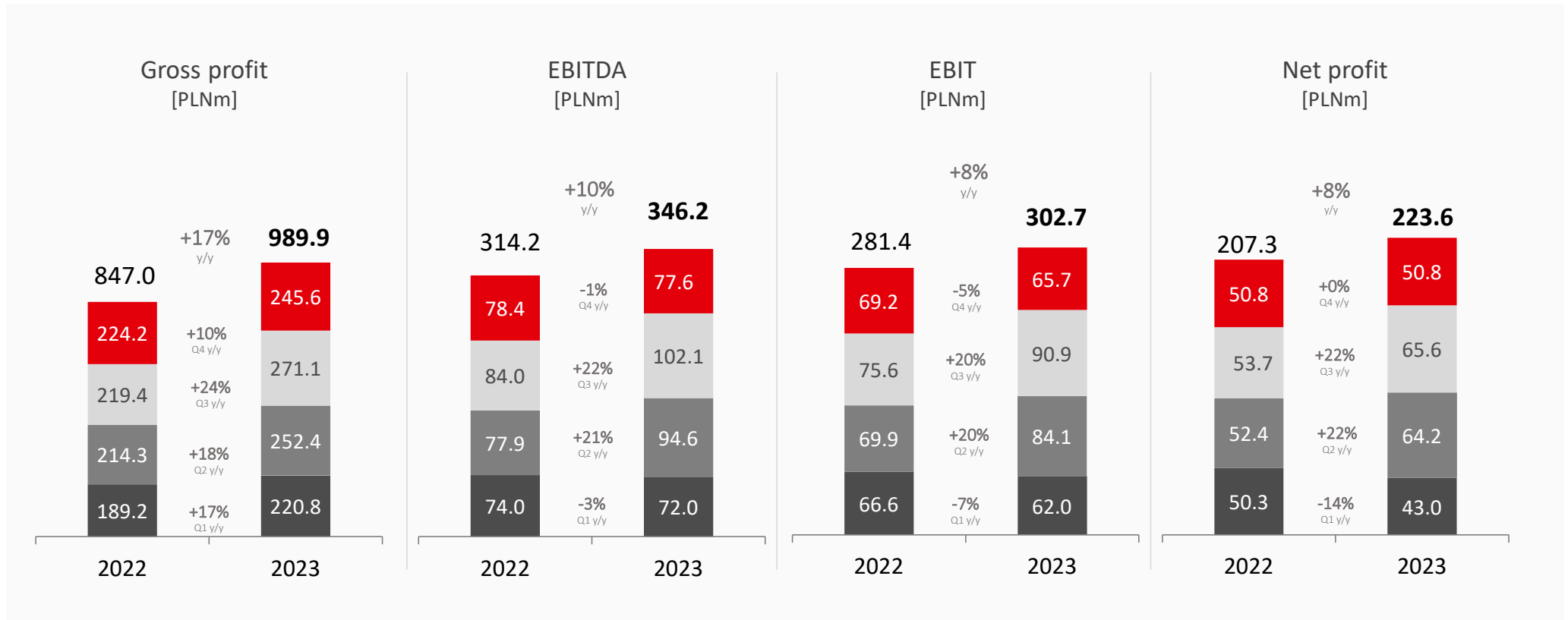
Strong quarterly sales growth

Quarterly sales [PLNm]



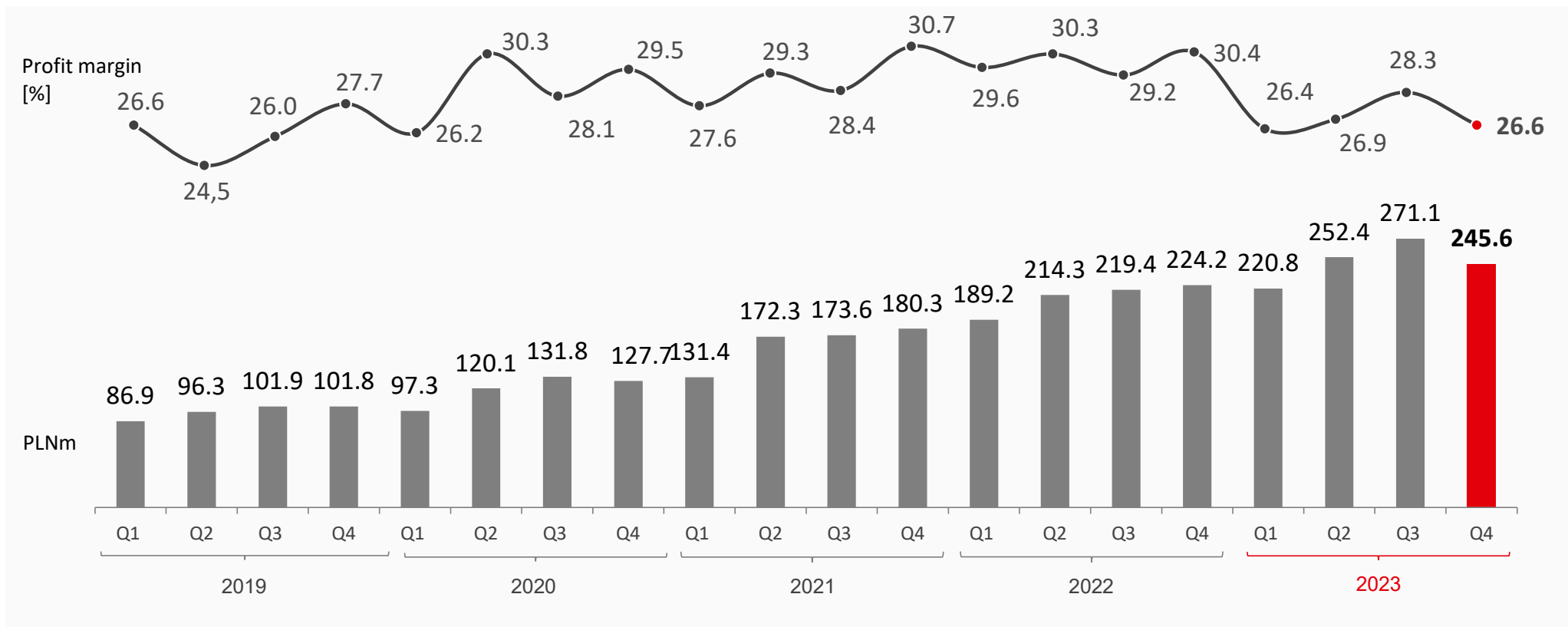
- Strong two-digit growth in sales (+25.1% y/y) continued in the fourth quarter on the back of efforts to strengthen position on foreign markets and in Poland
- Key drivers of sales:
 - new export destinations and routes
 - new branch openings in Poland
 - further expansion of the product mix and better aligning the mix with customer needs within different price segments
 - price increases attributed to the rising costs of automotive parts, as well as fluctuations in the EUR/PLN and USD/PLN exchange rates

Profitability at satisfactory levels



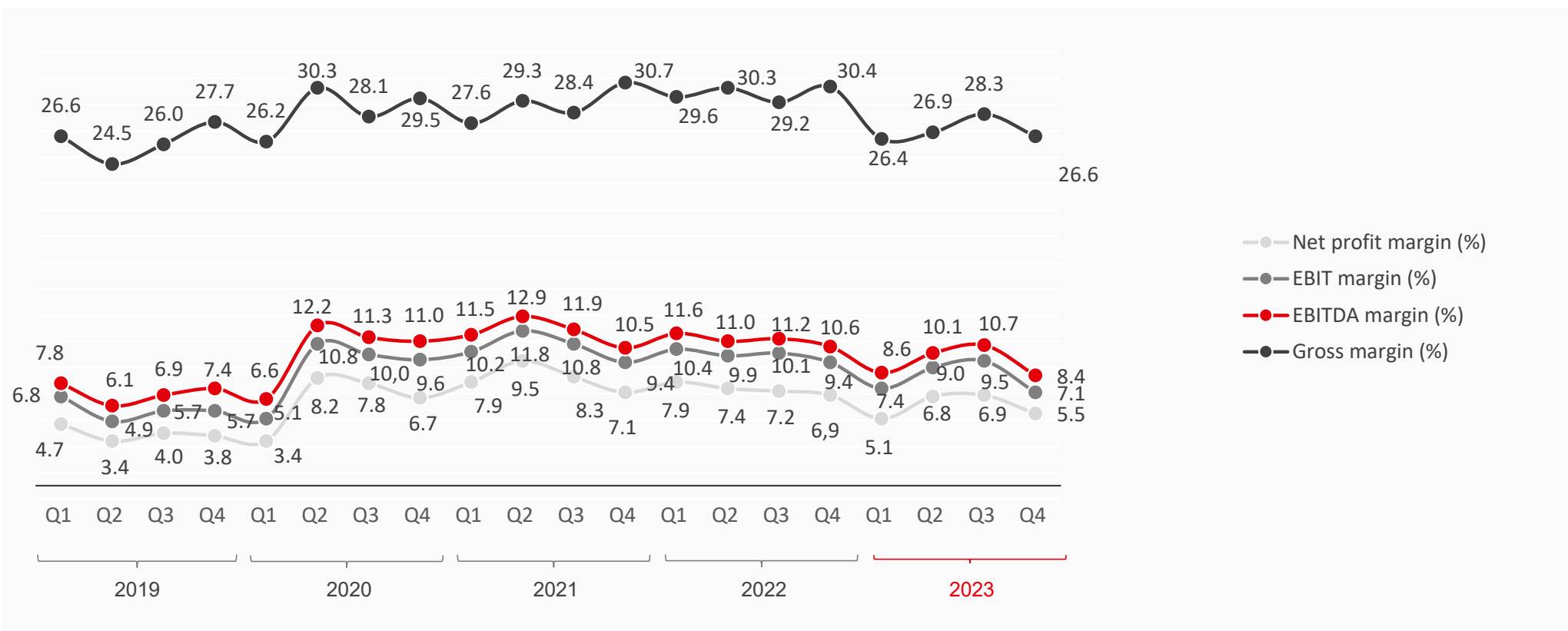
- Solid margins despite wage pressure (inflation) and higher finance costs (high interest rates)
- Low debt maintained (net debt/ EBITDA = 1.2x)

Gross profit



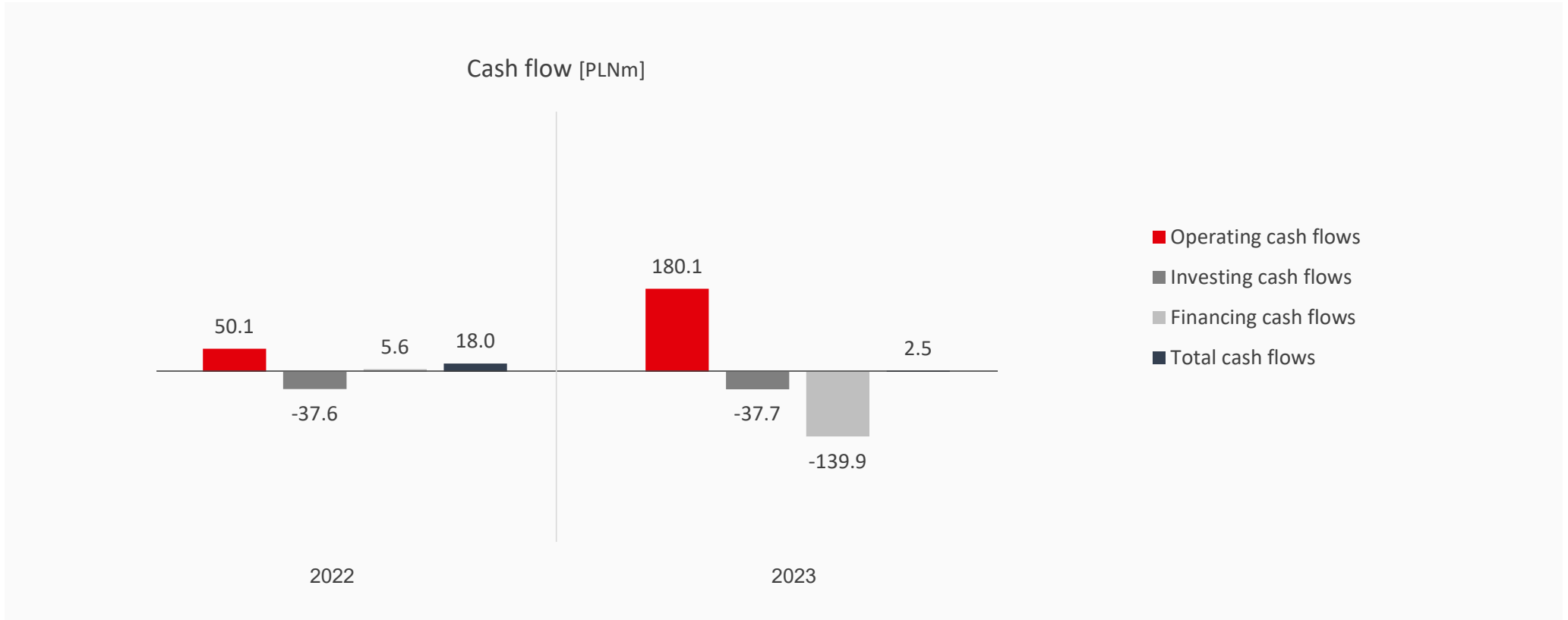
- Decline in gross margin was primarily due to the significant appreciation of PLN against EUR and USD in the first half of 2023, followed by a subsequent short-term depreciation of PLN, which was then succeeded by a strengthening trend continuing until the end of 2023.

Profit margin



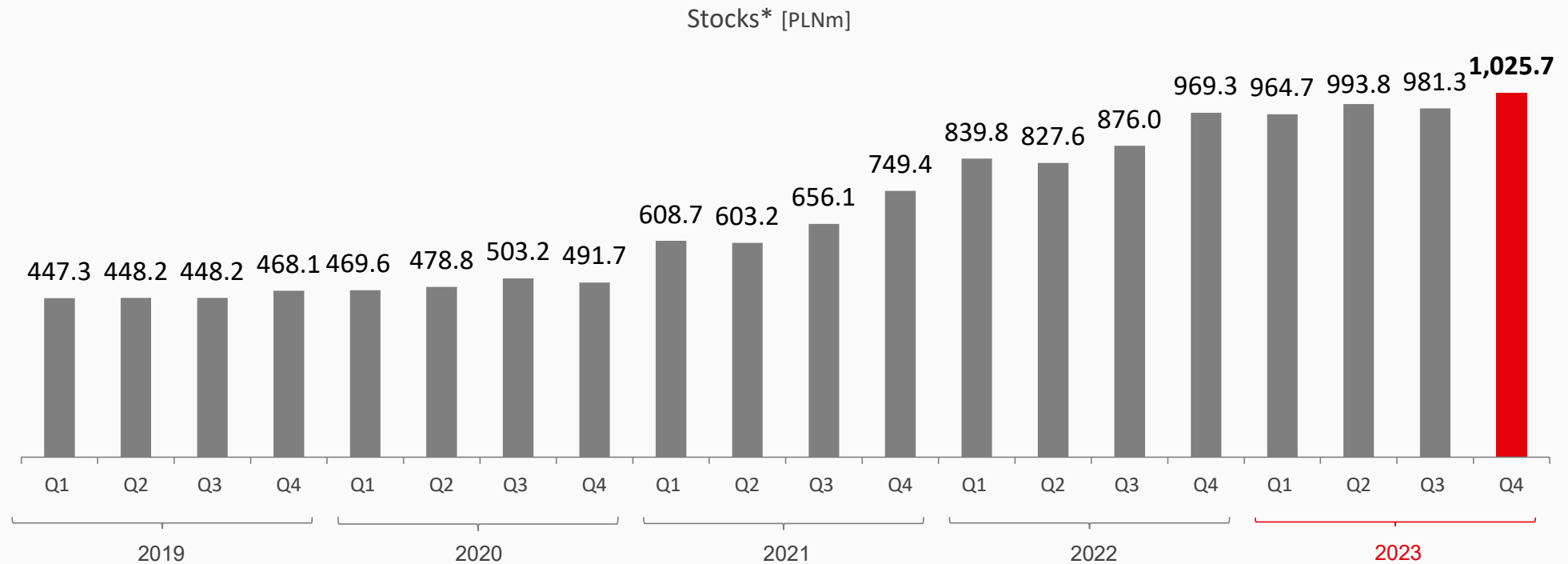
- Solid margins maintained despite a challenging market environment
- Reasons for the year-on-year decline in margins in 2023:
 - The decline in gross margin was due to the significant appreciation of PLN against EUR and USD in the first half of 2023, followed by a subsequent short-term depreciation of PLN, which was then succeeded by a strengthening trend continuing until the end of 2023.
 - H1 2023 margins affected by sale of merchandise purchased in H2 2022 – a period of unprecedented depreciation of the Polish zloty and inflated transport costs
 - inflation (including wage pressure) and business expansion as the main drivers of growing operating expenses
 - significantly higher finance costs, due to interest rate hikes, affecting net margin

Cash flow



- Stable liquidity position of the Group

Stable stock levels



- Very good inventory turnover: **137 days** vs 158 days the year before (as at 31 December 2023)

* Inventories and right of return assets

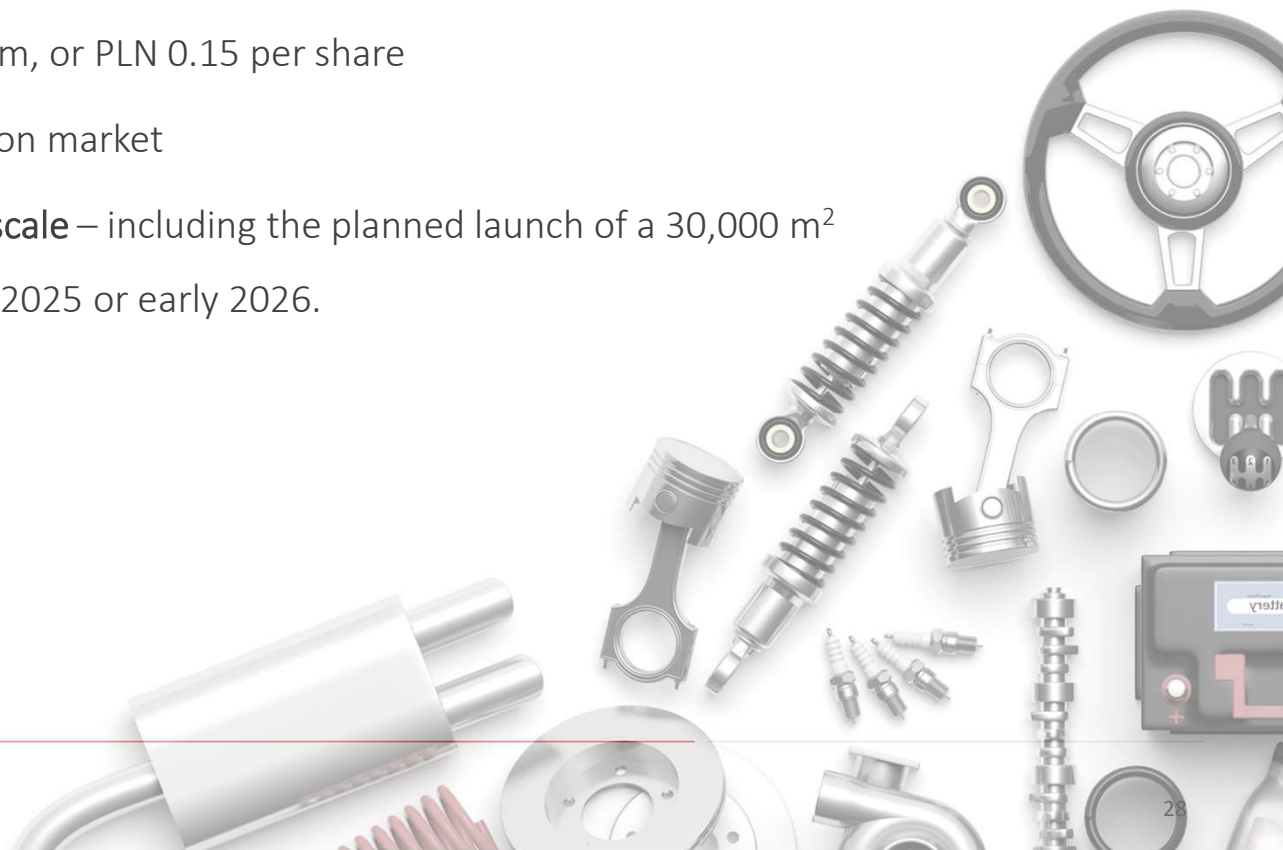


04

Summary

Summary

- Record financial results posted for 2023
- Maintaining a strong growth rate in Poland and abroad – sales exceeded **PLN 3.7bn** for the first time in the Company's history
- **Solid profit margins** despite market challenges
- **Low debt** maintained (net debt/ EBITDA= **1.2x**)
- **Planned dividend payment** of PLN 19.6m, or PLN 0.15 per share
- **Good prospects** for the parts distribution market
- Plans to **further increase the business scale** – including the planned launch of a 30,000 m² distribution centre in Zgorzelec in late 2025 or early 2026.





THANK YOU!