H1 FY22 Investor Presentation

February 2022

1H FY21 Highlights / Company Snapshot

- 6% increase in underlying MaxiPARTS Sales versus pcp
- 11% growth in underlying MaxiPARTS segment profit versus pcp
- Completed sale of Trailer Business in September 2021
- Special Dividend of 62.5 cents per share paid in December 2021
- Launched new e-commerce platform with over 6,500 truck and trailer parts for sale online
- Locked in strategic acquisition of Truckzone Group, (completed 21 February 2022), expanding the groups national network from 19 to 27 stores and expanding the core product range

FINANCIAL OVERVIEW

1H FY22 Financial Overview

Commentary

1. Revenue of $72.6m increased by 6% from pcp, demonstrating the strength in the underlying market and MaxiPARTS strong value proposition and adaptability and knowledge of staff to manage short term supply disruption

2. Sales to the ATSG owned Trailer Solutions manufacturing division were materially in line with prior period. Sales to the Trailer Solutions service division decreased compared to pcp, however this was expected due to the non-exclusive nature of the supply agreement and MaxiPARTS was able to offset the decrease in revenue with reduced cost base for servicing the supply resulting in minimal impact to the EBITDA result

3. Segment profit pre-corporate cost of $7.3m increased by 7.9% from pcp, representing a strong drop through to the bottom line for the increase in revenue growth

4. Reportable Profit / (Loss) for the period includes a loss from discontinued operations net of tax of ($9.6m)

A$M	HY22	HY21	Change	Change %
Total Revenue 1 2	**72.6**	**68.6**	**4.0**	**5.8%**
External Revenue	68.0	57.9	10.1	17.5%
EBITDA including Corporate Cost	**8.4**	**7.7**	**0.6**	**8.4%**
Corporate Cost Allocation included in Segment profit [1]	1.4	1.4	(0.1)	(4.0%)
EBITDA pre-Corporate Cost	**9.7**	**9.2**	**0.6**	**6.4%**
Depreciation & Amortisation	0.2	0.2	-	0.0%
Lease Depreciation	1.8	1.7	0.1	(7.6%)
EBIT	**7.7**	**7.3**	**0.5**	**6.3%**
Interest - Lease	0.4	0.5	(0.1)	**(13.9%)**
MaxiPARTS segment profit excluding Corporate cost [2] 3	**7.3**	**6.7**	**0.5**	**7.9%**
MaxiPARTS segment profit including Corporate cost [1]	**5.9**	**5.3**	**0.6**	**11.1%**
Reportable Profit / (Loss) for the period 4	**(6.9)**	**5.7**	**(12.6)**	**(220.5%)**

[1] Corporate Cost Allocation included in Segment profit / MaxiPARTS segment profit including Corporate cost:
Corporate cost allocations in the HY21 and HY22 segment profit are presented in line with historical corporate cost allocation methods for the Group's segment reporting,. The MaxiPARTS segment profit including Corporate cost represents the profit for the MaxiPARTS segment inclusive of this corporate cost allocation, as presented in Note 2 Segment Information in the H1 FY22 Financial Statements

[2] MaxiPARTS segment profit excluding Corporate Cost:
MaxiPARTS segment profit excluding Corporate cost presents the NPBT for underlying MaxiPARTS excluding corporate costs. MaxiPARTS profit inclusive of the proforma Corporate costs for the standalone MaxiPARTS business (following the sale of the Trailer Solutions business) are presented in the appendix of this presentation.

Balance Sheet

Commentary

1. Receivables and Payables for the FY21 comparative period include the Trade Debtors and Payables associated with the Trailer Solutions business, that the group has subsequently collected / paid following the divestment of the business.

2. Trade Receivables for HY22 include a receivable of $2.5m in relation to the completion accounts process between MaxiPARTS and ATSG. The receivable is in dispute with ATSG and is intended to go through the dispute resolution process available under the Asset Sale Agreement.

3. Other assets includes the $4.0m deferred purchase price on the sale of the Trailer Solutions business to ATSG. The deferred receivable has a maximum term of two years from the completion date of 31 August 2021, with interest chargeable at 3% pa for the first 6 months, 5% pa for the next 6 months and 8% pa thereafter.

4. The Group established a new bank facility agreement with CBA, with the previous syndicated bank facility agreement with CBA / HSBC ceasing on 31 August 2021 upon sale of the Trailer Solutions business. The new facility includes a $10.0m term debt facility, that is fully drawn at 31 December 2021.

$M		HY22	FY21
Assets			
Cash		6.6	22.4
Receivables	1 2	21.6	33.1
Inventory		30.7	27.1
Other Assets	3	4.0	-
Prepayments		0.7	0.3
PPE		1.7	1.9
Intangibles		7.6	7.6
Right to Use Asset		15.6	16.8
DTA/ DTL		18.2	20.9
Assets held for sale		-	110.9
Total Assets		**106.9**	**241.1**
Liabilities			
Payables		23.0	44.5
Provisions & Entitlements		3.4	4.0
Lease Liability		16.6	17.6
Borrowings	4	10.0	17.3
Liabilities held for sale		-	75.2
Total Liabilities		**53.1**	**158.6**
Net Assets		**53.8**	**82.5**

Cashflow

Commentary

1 Operating cash outflow for the period of ($13.4m) included ($11.7m) outflow from the discontinued operations that included: ($3.9m) of exit, separation, cyber fraud and litigation costs, ($2.5m) outstanding payment from ATSG in relation to the completion account process and ($5.3m) due to the operating performance of the Trailer Solutions business.

2 MaxiPARTS (continuing operations) invested ($3.6m) in higher inventory levels over the period to ensure service level are maintained and to support continued growth of the MaxiPARTS operations during this time of global supply chain uncertainty. The supply to the Trailer Solutions business also transitioned to an external Trade Account for a one-off lag impact to operating cash flow.

3 The proceeds from the sale of the Trailer Solutions business and Trailer Solutions properties were utilised to pay a one off Special Dividend of 62.5 cents per share, ($22.0m) cash outflow, and repayment of ($7.25m) in bank borrowings.

4 Capex of ($0.7m) includes ($0.32m) expenditure for the MaxiPARTS business primarily on expenditure relating to the new ecommerce platform and IT separation project. The balance of the capex for the half year was for the Trailer Solutions business.

$M		HY22	HY21
Receipts from customers		148.4	222.2
Payments to suppliers and employees		(161.7)	(199.9)
Interest and other costs of finance paid		(0.1)	(0.8)
Cashflow from Operating activities	1 2	**(13.4)**	**21.6**
Dividends Received		0.4	1.5
Capex	4	(0.7)	(3.5)
Acquisition (Trout River) [1]		(0.5)	-
Proceeds from sale of Trailer Solutions business [1]		5.0	-
Proceeds from sale of Land & Buildings		25.5	-
Cashflow from Investing activities	3	**29.7**	**(2.0)**
Lease Payments		(2.9)	(4.8)
Special Dividend paid	3	(22.0)	-
Repayment of borrowings		(7.3)	(13.8)
Cashflow from Financing activities		**(32.1)**	**(18.5)**
Net increase / (decrease) in cash		(15.9)	1.0
Opening Cash on Hand		22.4	25.5
Closing Cash on Hand		**6.6**	**26.5**

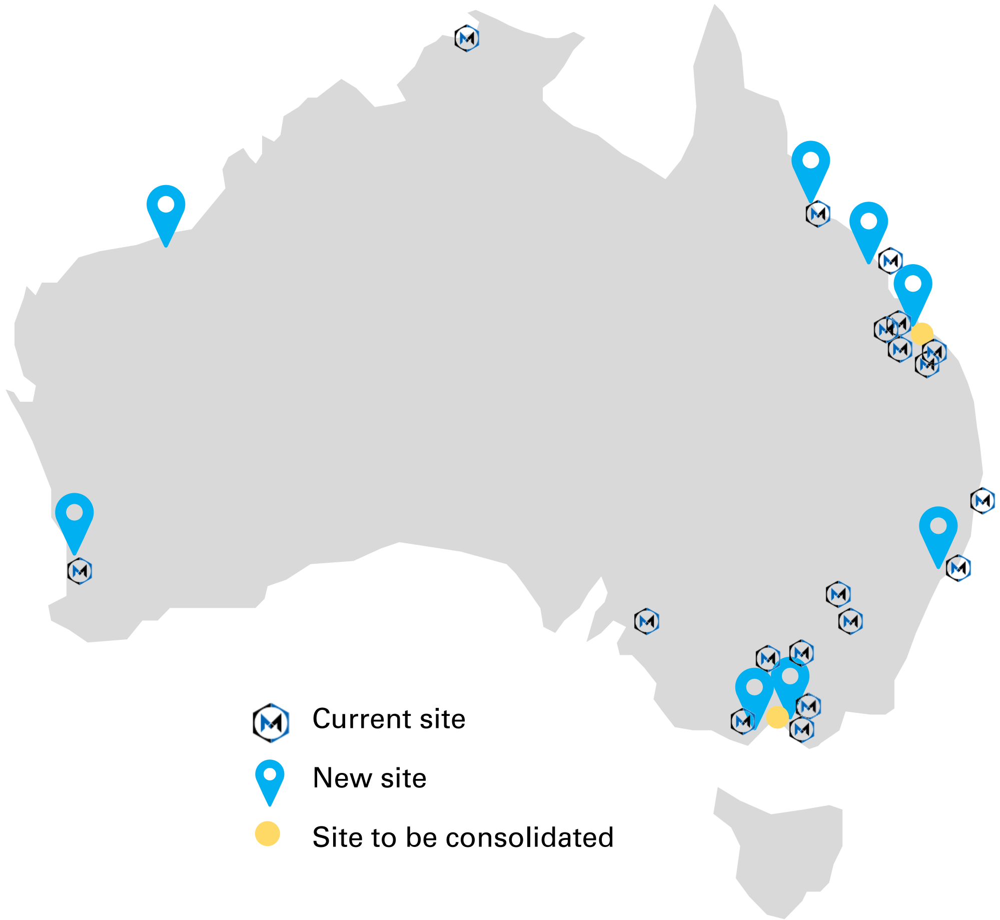
[1] On 1 July 2021 the Group acquired 20% of the shares and voting interests in Trout River and as a result, the Group's equity interest in Trout River increased from 80% to 100%, granting it control of Trout River. Trout River was included in the sale of Trailer Solutions business to ATSG. Proceeds from sale of Trailer Solutions business, net of cash of $4.9m represent total proceeds of $7.3m, offset by $2.3m of cash disposed of in Trout River

UPDATE ON ACQUISITION OF TRUCKZONE GROUP

Update on Acquisition of Truckzone Group

Overview of Acquisition	
Timing	• Completed on 21 February 2022
Purchase price & Payment Milestones	• Estimated to be $18 million subject to normal working capital adjustments • $10 million paid on completion • Balance payable 5 days after inventory valuation finalised (post-stocktakes)
Equity Raise	• Placement and Institutional Entitlement Offer has completed raising ~$20.4m • Retail offer is due to close on 3 March 2022 and is expected to raise $4.6m • Proceeds will fund 100% of the acquisition of Truckzone, additional working capital, organic growth initiatives and the associated transaction costs
Integration Activities (H2 FY22 focus)	• Consolidation of stores to increase scale • Leveraging best commercial arrangements on common suppliers/product ranges • Integrate product range to realise enhanced benefits across both MaxiPARTS and Truckzone product ranges

Total of **27** MaxiPARTS owned sites post acquisition



Strategic Rationale

MaxiPARTS

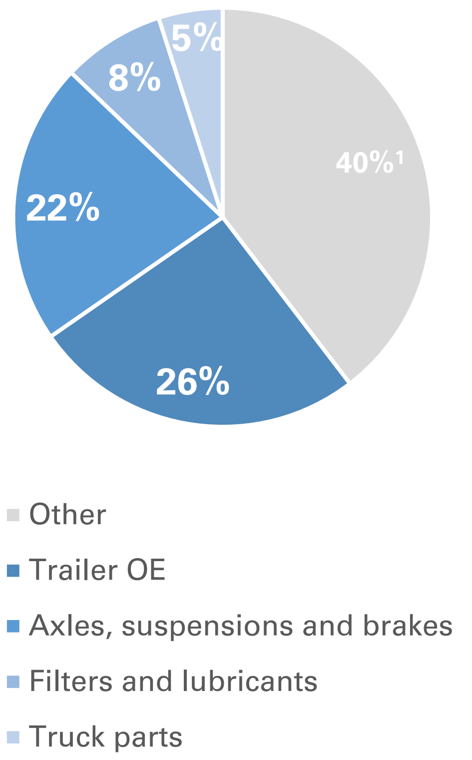
Immediate geographic expansion	• Positions MaxiPARTS as one of the largest independent multi-site parts only businesses in Australia with a strong geographic footprint • Significantly expands existing geographic footprint and provides further scale in existing markets – Additional 8 sites added to the MaxiPARTS portfolio (post store rationalisation) • Ability to consolidate two Truckzone metro stores into existing MaxiPARTS branches to increase scalability
Expansion of core product range	• Rapid expansion to the core product range underpinning future growth • Provides access to new range of quality high margin products including an established Japanese parts program (Parts Peek) • Combining the core product range strengths of MaxiPARTS and Truckzone offers an expanded product range throughout the enlarged business • Immediately increases the MaxiPARTS customer base and reduces key customer reliance risk
Aligns with Company core M&A strategy	• Commercial truck and trailer parts provider with a national store network • Ideal in terms of size and allows consolidation of one of the largest non-listed groups in the market • Attractive acquisition multiple and identified synergies to be realised within 2 years • Compatible culture to facilitate corporate fit and integration
Accretive opportunity with identified financial synergies	• Highly complementary acquisition with mid-to-high single digit EPS accretion expected in FY24 inclusive of cost synergies • Cost synergies related to site consolidation and supply chain savings of $2.5m (fully realized in FY24 – excluding implementation costs) • In addition, revenue synergies are expected to be realised through the expanded core product range and network expansion • Strategic fixed asset acquisition with minimal goodwill included as part of the transaction

Expansion of Core Product Range

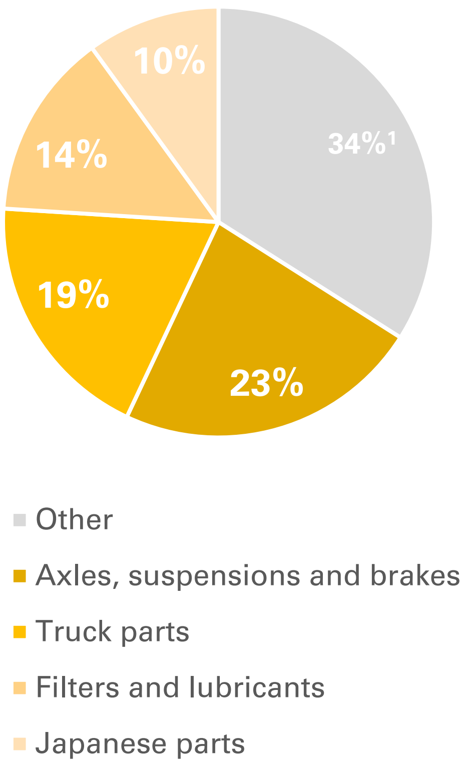
Product Mix Diversification

- Combination provides product diversification with Truckzone focus skewed more towards trucks than trailers
- Mature Japanese Parts program with overseas supply chain and product catalogue support

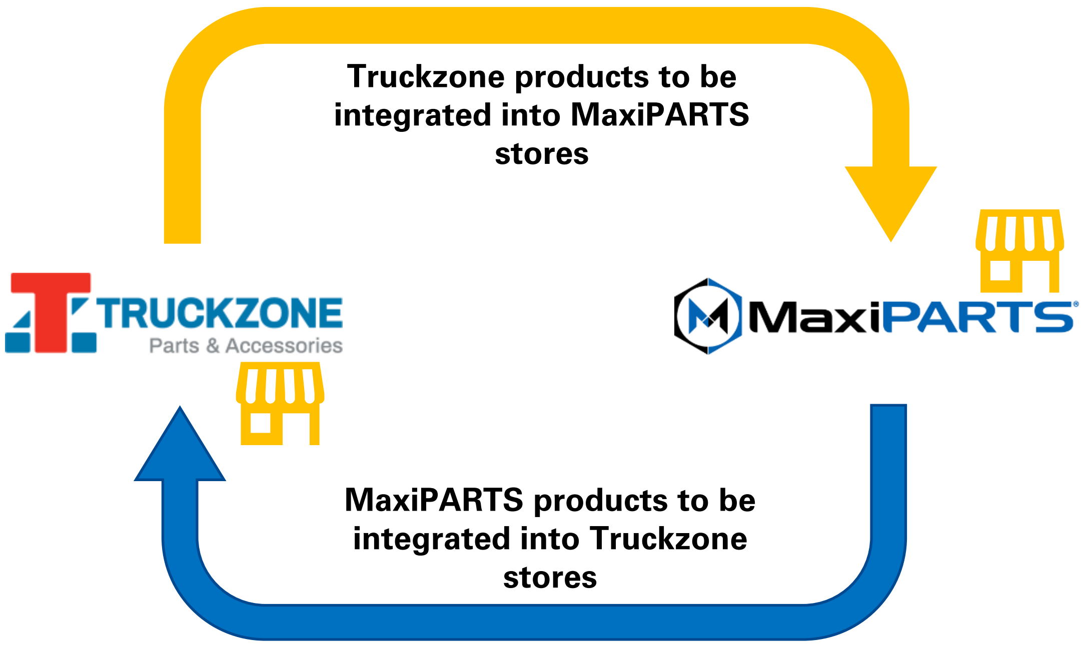
MaxiPARTS product mix



Truckzone product mix



Product Range Enhancement



- Enhanced benefits to both MaxiPARTS and Truckzone product range
- MaxiPARTS stores to benefit from integration of Truckzone product range
- Truckzone stores to benefit from integration of MaxiPARTS product range

1. Other product category includes a large number of unrelated product ranges

Accretive Opportunity with Identified Synergies

Cost synergies of $2.5m[1]

Further upside through revenue synergies

Supply chain/cost consolidation

- Consolidation of stores to increase scale
- Back end/support savings due to increased scale
- Leveraging best commercial arrangements on common suppliers/product ranges

Enhanced product range growth

- Integration of high quality trucking parts
- Access to specialist North American and Japanese parts
- MaxiPARTS existing core range distributed through Truckzone sites

Expected benefits

- ✓ Increased scale benefits
- ✓ Decreased costs
- ✓ Streamlined operations
- ✓ Strong revenue growth
- ✓ Access to higher margin products

The acquisition is expected to deliver mid-to-high single digit EPS accretion in FY24 inclusive of cost synergies

1. Fully realised in FY24 – excluding implementation costs

OUTLOOK

OUTLOOK

- The Group remains cautious about the ongoing impact of the COVID-19 pandemic. In particular, staffing shortages linked to isolation increased in December 2021 and January 2022. To date the Group has been able to continue operations with no sites having closed and expects that staffing levels will improve as infection rates start to decline in coming months.

- The disruptions to global supply chain are expected to continue in the second half of the financial year. However, pleasingly the Group has seen stock availability of aftermarket ranges improve towards the end of the first half and was able to invest in additional inventory holdings which should place the Group in a good position to continue with strong sales in the second half.

- Subject to no worsening of economic conditions, guidance for the full year remains in line with broker forecasts. The Group issued revenue and profit guidance for the full year in its announcements to the market on 1 February 2022, for Revenue \$141m - \$145m and adjusted EBIT including corporate costs (full year proforma) and inclusive of all lease depreciation and interest of \$8.1m - \$8.7m [1].

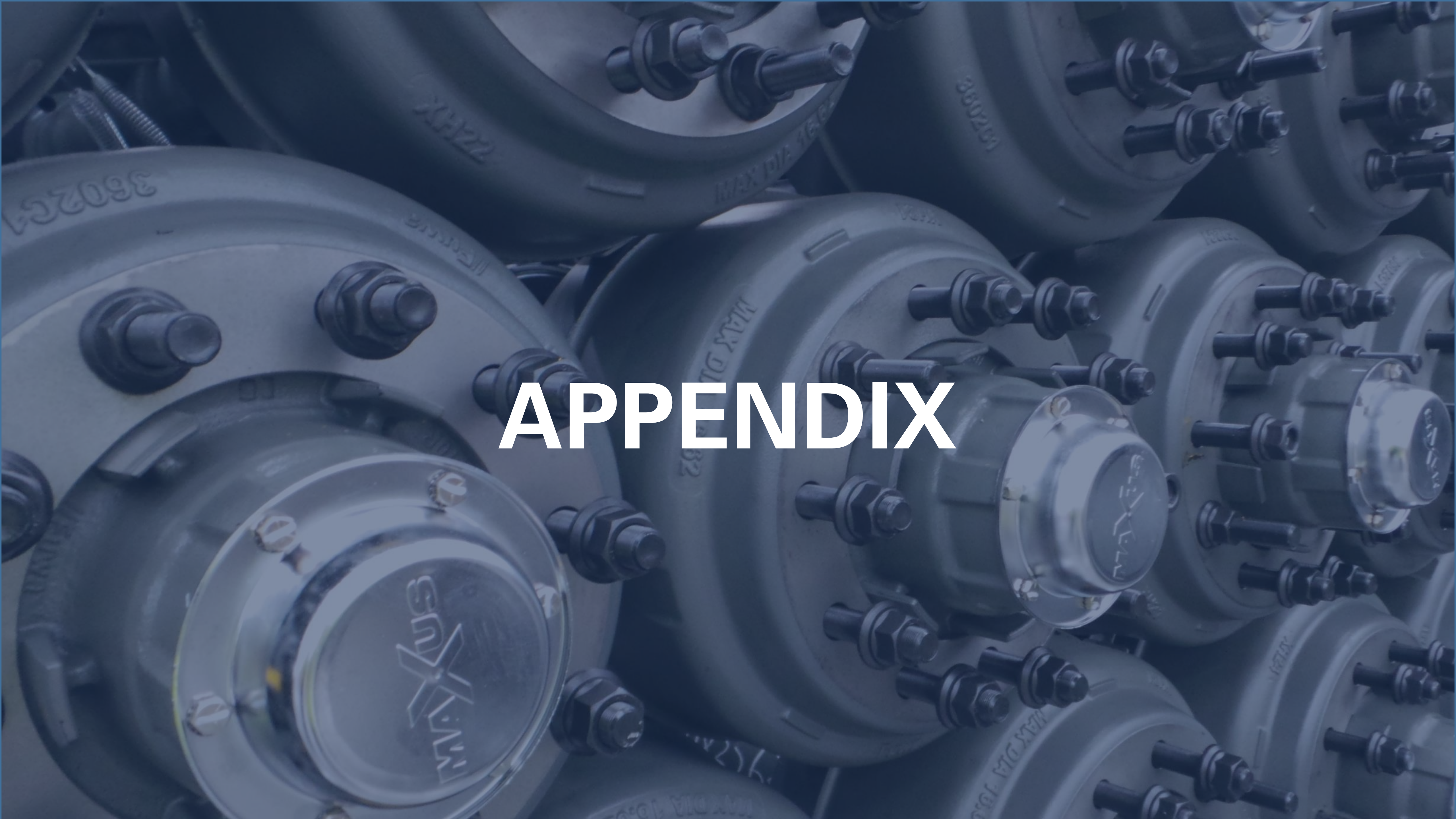
- On 1 February 2022, the Group announced it had entered into an agreement to acquire the inventory and assets of Truckzone Group for an estimated \$18.0m in cash, subject to customary working capital adjustments. The Group also announced a \$25m equity raise through a combined placement and an accelerated non-renounceable entitlement offer. The proceeds of the equity raise will fully fund the acquisition of Truckzone Group and associated transaction and integration costs, while also providing the Group with working capital flexibility and funding for further organic growth initiatives.

- The Truckzone acquisition completed on 21 February 2022 with \$10.0m payable on completion and the balance payable after inventory valuation is finalised post stocktakes, expected to occur within 60 days post completion. The Placement and Institutional Entitlement Offer component of the equity raise has completed with new shares issued on the 9 February 2022, raising \$20.4m in funds. The Retail offer is due to close on 3 March 2022 and is expected to raise a further \$4.6m.

- Post settlement of the acquisition, the Group expects that it will see only minor profit improvement in the second half of FY22 as the Group focuses on integration activities and the early stages of deployment of additional capital to drive both cost and revenue synergy benefits that will be realized in FY23 and beyond.

[1] The guidance refers to the underlying MaxiPARTS business and excludes discontinued operations and includes full year proforma corporate costs of \$5.7m, and not the historical corporate cost allocation method as reported in the H1 FY22 financial statements. Refer to the Appendix for further details.

APPENDIX



Appendix

Bridge of H1 FY22 Segment Profit to Continued Operations and Profit / (Loss for the period)

$M	HY22	HY21	Change
MaxiPARTS Segment profit before Corporate Cost	**7.3**	**6.7**	**0.5**
Allocated Corporate costs	(1.4)	(1.4)	-
MaxiPARTS Segment profit [1]	**5.9**	**5.3**	**0.6**
Continued Operations Profit bridge			
Unallocated Corporate Costs	(1.3)	(3.4)	2.1
Significant costs (non-underlying)	(0.1)	-	(0.1)
Segment vs. continued ops difference	0.1	0.2	(0.2)
Interest - finance costs	(0.1)	(0.8)	0.7
Profit / (Loss) before income tax from continuing operations [2]	**4.4**	**1.3**	**3.1**
Income tax (expense) / benefit	(1.7)	(0.4)	(1.3)
Profit / (Loss) from continuing operations	**2.8**	**0.9**	**1.8**
Profit / (Loss) from discontinued operations net of tax	(9.6)	4.8	(14.4)
Profit / (Loss for the period) [2]	**(6.9)**	**5.7**	**(12.6)**

[1] MaxiPARTS segment profit – refer to Note 2 Segment information of the 1H FY22 Financial Statements

[2] Profit / (Loss) before income tax from continuing operations and Profit / (Loss for the Period) – refer to the consolidated statement of profit or loss of the 1H FY22 Financial Statements

Bridge of H1 FY22 final results to MaxiPARTS underlying results provided in investor presentation dated 1 February 2022

$M	1H FY22			1H FY21		
	Segment result [1]	Underlying MaxiPARTS [2]	Variance [3]	Segment result [1]	Underlying MaxiPARTS [2]	Variance [3]
Revenue	72.6	72.3	0.3	68.6	67.8	0.8
Profit before corporate costs [5]	**7.3**	**7.3**	**(0.0)**	**6.7**	**6.6**	**0.2**
Proforma corporate costs [4]		(2.9)			(2.5)	
MaxiPARTS underlying profit		**4.5**			**4.1**	
Interest - Finance Costs		(0.1)			(0.8)	
Proforma NPBT		**4.4**			**3.3**	

[1] Segment result refers to the H1 FY22 Financial Statements released on 25 February 2022
[2] Underlying MaxiPARTS refers to the 1H FY22 unaudited results with proforma corporate overheads included in the Acquisition and Capital Raising presentation released to investors on 1 February 2022
[3] The revenue and profit variance relates to a minor revenue stream within MaxiPARTS segment that is now discontinued following the sale of the Trailer Solutions business
[4] Corporate / support costs are presented as proforma of $5.7m for FY22 full-year (pcp at $5.0m for FY21 full-year) due to the divestment of the Trailer business occurring during H1 FY22 (31 Aug 2021) and the change in corporate structure resulting from the divestment (as included in the Acquisition and Capital Raising presentation released to investors on 1 February 2022).
[5] Profit before Corporate costs includes both Lease Depreciation and Lease Interest relating to AASB16 leases. Lease interest included in the profit result is: 1H FY22 of $0.4m; and 1H FY22 of $0.5m

IMPORTANT INFORMATION

IMPORTANT INFORMATION

This document should be read in conjunction with the periodic and continuous disclosure announcements of MaxiPARTS Limited (MaxiPARTS) that have been lodged with the ASX, in particular the financial report for the full-year ended 30 June 2021 (available at www.asx.com.au).

This document contains forward looking statements. Forward looking statements, opinions and estimates contained in this document involve a number of risks, assumptions and contingencies, many of which are beyond the control of MaxiPARTS and its related bodies corporate (MaxiPARTS Group) and which are subject to change without notice. It is believed that the expectations reflected in these forward looking statements, opinions and estimates are reasonable but there can be no assurance that actual outcomes will not differ materially from these statements. You are cautioned not to place undue reliance on any forward looking statements regarding our belief, intent or expectations with respect to MaxiPARTS' businesses, market conditions or results of operations, as actual results may vary in a material manner.

Information in this document should not be considered advice or a recommendation to investors or potential investors in relation to holding, purchasing or selling securities.

No member of the MaxiPARTS Group gives any warranties in relation to the statements or information contained in this document, or warrants or guarantees the future performance of MaxiPARTS securities nor any return on investment made in MaxiPARTS shares.

This presentation contains non-IFRS financial information including EBITDA (earnings before interest, tax, depreciation and amortisation) and EBIT (earnings before interest and tax). EBITDA and EBIT are reported to provide improved clarity of the group's underlying business performance. Non-IFRS financial information contained in this document has not been subject to audit or review.


MaxiPARTS
Your one-stop shop for truck and trailer parts.
Axles | Suspensions | Brakes | Tools | Oil & Filters | Electrical | Tyres