20 October 2022

MaxiPARTS Limited

2022 Annual General Meeting

Chairman's and Managing Director's Addresses

Attached are the Chairman's Address, Managing Director's Address and presentation to be delivered at today's Annual General Meeting.

Authorised by:

Peter Loimaranta
Managing Director & CEO
(03) 9368 7000
ea@maxiparts.com.au

Contact:

Liz Blockley
Company Secretary
(03) 9368 7000
cosec@maxiparts.com.au

About MaxiPARTS Limited

MaxiPARTS Limited (ASX:MXI) is one of the largest suppliers of truck and trailer parts to the road transport industry in Australia.

MaxiSAFE
Send all our people home safely

20 October 2022

MaxiPARTS Limited
2022 Annual General Meeting
Chairmans's Address

We have changed our name , we have changed our core business focus, we have a new Leadership Team and we have continued the renewal of our Board of Directors. Despite the business working through significant change and significant projects in respect of the disposal of the Trailer solutions business and then the acquisition of the Truckzone business, as well as managing the significant short term challenges presented through the year in terms of staff isolations (COVID-19), global supply chain disruption and significant weather events, I am pleased to be able to report that the underlying MaxiPARTS business continued to deliver growth at both a Revenue and Profit level.

This ability to deliver consistent growth, profit improvement, enhanced cash generation and higher valuation multiples was the fundamental reason the company completed the disposal of the Trailer solutions business and we are now positioned as a market leader in the commercial vehicle parts industry and a pure distribution business.

The Annual Report and Financial Statements presented to you today are significantly influenced by completion of the sale of the Trailer business.

The highlights being a Net after tax Loss of $4.9m after taking account of a net loss from discontinued operations of $9.8m and a Balance Sheet Net Cash position of $1.9m.

Peter will discuss shortly the trading performance of our ongoing Parts business.

Strategy

Last year I discussed with you some of the key elements of our strategy:

A continued focus on operational excellence:

- driving further gains in inventory management, which in the short term will help us navigate the well documented challenges in the global supply chain and maintain service levels for our customers.
- driving both a more diverse workforce for our industry and developing our own leaders.
- changing how we approach the market first with the MaxiSTOCK solution then the very successful click and collect model followed by a new e-commerce platform. We intend to continue the evolution of our customer facing capability over the coming years.

With the changes seen in our business, along with an overall business landscape that is changing at a rate rarely seen, we have reviewed our previous plans and updated our strategic plan to take the business forward. As illustrated in recently released investor packs, our strategic plan focuses on four key pillars of activity being:

- Network
- People

- Product
- Systems and Solutions

The focused initiatives within these pillars are designed to not only drive growth in the business, but to ensure the foundations remain in place to support this growth over a sustained period.

The acquisition of the Truckzone business, so early in our journey as a pure distribution business is exciting. With this acquisition allowing us to accelerate our growth over the coming years through two key strategic areas of network and core product expansion. To find an opportunity that covered both of these areas, in a business with some scale made the acquisition extremely well aligned with the stated strategy we presented to the market earlier in the year.

Within the Network Pillar the initiatives are to improve same store performance and increase the national network footprint and customer base.

Within the People Pillar the initiatives are to develop our leaders through our talent management plan, graduate and traineeship program and safety culture and deliver our recruitment and retention plan through a focus on time to recruit, retaining our best and diversity in our recruitment.

Within the Product Pillar the initiatives are to deliver target revenue synergies from our expanded core product offering though growth of MaxiPARTS product through Truckzone sites, growth of Truck parts through MaxiPARTS sites and growth in Japanese truck parts nationally.

the other Product initiatives are to add diversity in our supplier base and drive continued supply chain cost savings to improve overall Gross Margins.

Within the Systems & Solutions Pillar, the initiatives are to increase our ecommerce presence and the range of parts available through this channel as well as developing solutions to support sales such as improved customer support and call response.

These are the Pillars on which we will build to achieve:

- Revenue growth and EBIT improvement
- Disciplined Capital Management; and
- Long Term Economic Value

The support we received from shareholders through the capital raising process that allowed us to complete the Truckzone acquisition, was very strong.

As a Board and business we thank you for your trust and support through this process.

A return to Dividend distribution in the 2nd Half, in line with our stated distribution policy, as well as utilising a portion of the trailer business sale proceeds for a special dividend, allowing a one time utilisation of the significant franking credit balance, has been very pleasing.

At last years AGM, I discussed some significant changes to the composition of the Board as a result of our board renewal program. This year the renewal has continued with Debra Stirling recently joining. Debra will add to our breadth of experience. Greg Sedgwick resigned in order to pursue other interests and Mary Verschuer, Chair of the Audit and Risk Committee, was also appointed Deputy Chair. I am two years in to my final three year term and at the appropriate time Mary will assume the Chair. I remain confident that this board has the skills to take MaxiPARTS to the next level.

-END-

20 October 2022

MaxiPARTS Limited
2022 Annual General Meeting
Managing Director's Address

To echo our Chair's statements, FY21 has seen significant change within the business and this has created a range of disruption and distraction. The fact the business has been able to continue to deliver both revenue and profit growth in the underlying parts business despite these changes is a credit to all of our staff and I would like to thank them all for their support and contribution over a difficult but exciting period for the business.

Safety

During the year, the business worked through various projects to ensure our safety program was suitable for the distribution business that we are today, as well as ensuring we integrated the Truckzone business to quickly lift the safety standards of those new sites to be in-line with the larger Group.

The traditional parts business incurred 4 recordable injuries in the financial year which although disappointing, is consistent with the average over the past 3 years. That said, on a positive note, the last 7 months of the year saw zero injuries recorded demonstrating that real progress has been made.

There were 2 recordable injuries in the newly acquired Truckzone sites over the 4 and a bit months of operation, which was a significant reduction over the historical performance of those sites and once again, we saw strong improvement at the end of the year with May and June being injury free.

Until we are injury free we will never be happy with our safety performance but we do believe we have made strong improvements over the year and are well placed as we move forward.

FY22 Results

With the sale of the Trailer solutions business taking place at the start of September 2021, our full year accounts once again show a significant profit impact from the discontinued operations with a $9.8m net of tax loss reported in the financial year for these discontinued operations resulting in a total reportable loss for the group of $4.9m for the year.

Adding to the complexity of year on year reporting is the significant change in corporate cost structure of the group that has seen a large actual reduction since the sale of the trailer business but an historical business unit allocation process still impacting the segment reporting. With the simplified structure in the business, corporate allocations within segments will no longer be required as we move forward, providing a simpler report.

Focusing our review on the continuing underlying parts operation, it was pleasing to be able to report a record Revenue result of $157.4m, which was a 14.7% increase over the prior year.

If sales to the previously owned Trailer solutions business and sales from the acquired Truckzone sites are excluded, the year on year growth from the traditional MaxiPARTS network was 8.3%.

The business was able to pass on to our customer base the well published cost inflation pressures over the year to maintain margin levels materially in line with prior periods.

This along with strong cost base control saw the MaxiPARTS segment profit excluding corporate cost allocations grow by 11.6% year on year.

The business ended the 2022 financial year in a positive net cash position of $1.9m maintaining the significantly improved financial capacity created by the sale of the trailer solutions business.

Like most businesses, we invested further in inventory holdings during the first half of the financial year as the global supply chain disruption continued however pleasingly maintained inventory levels during the second half of the year in the traditional MaxiPARTS sites.

As outlined when we acquired the Truckzone business, we believed there was an opportunity to recovery approximately $3m of excess inventory over the first 18 months of operation and pleasingly we are well on track to achieving that benefit with $1.3m recovered during the last quarter of 2022.

The receivables value at year end was higher than normal as a result of including the $2.5m receivable linked to the completion account dispute with the new owners of the trailer business, which at year end was being reviewed by an independent expert in line with the terms of the asset sale agreement. The independent expert's determination has now been received and was materially in line with the MaxiPARTS position and we are in the process of recovering the receivable.

The other asset value reported includes the $4m deferred settlement from the sale of the trailer solutions business which is due in August 2023. As outlined previously, this debt has an escalating interest rate attached to it which will result in 8% pa interest being earned from September 2022 through to collection.

The increase in Intangible assets of $1.4m reflects the goodwill paid as part of the $18.3m Truckzone acquisition completed in the second half of the financial year.

As a result of both the sale of the Trailer Solutions business and the Truckzone acquisition there were a number of larger financing events in the year including:

- Cash received from the sale of the trailer solutions business and associated properties ($30.5m)
- Payment of a 62.5 cent fully franked special dividend, ($22m)
- Renegotiation of the groups debt facility post the trailer sale with a net debt reduction of ($7.25m) in the year (new $10m facility in place)
- Capital raising to fund the Truckzone acquisition ($23.7m net of fees)
- Acquisition of the Truckzone business ($18.3m)

The above combined with ($11.7m) negative operating cash flow with:

- the discontinued operations generating negative ($11.6m)
- negative cash flow from the continuing MaxiPARTS operations of ($0.1m).

Operating cash flow from the MaxiPARTS operations was impacted by an investment in inventory in the first half as discussed previously as the business filled supply gaps from the prior year and adjusted inventory management settings to help manage the ongoing supply disruption. The supply to the trailer solutions business also transitioned to an external trade account that drove a one-off lag impact to operating cash flow in the year.

Outlook

The FY23 year has started in line with our expectations and we remain confident of continuing to deliver growth and profit improvement in the current and future years.

The transport industry generally and the parts distribution businesses that operate within it (including MaxiPARTS) have proven to be very resilient over the various economic cycles so despite the ongoing inflationary challenges, the uncertainty around the impact of higher fuel prices that significantly impacts our customer base and the ongoing market labour challenges, we expect to deliver ongoing revenue and profit improvements in the coming period.

In terms of the non- ATSG revenue base, we expect to achieve low double digit revenue growth during FY23.

As outlined in the investor pack when we released the full year results, we do expect to see a reduction in low margin sales to the formerly owned trailer solutions business in H2 FY23 as both businesses look to reduce reliance on each other. This reduction in sales would also drive a reduction in cost and inventory holdings.

Higher than normal cost inflation in key cost lines including wages and lease expenses potentially will impact the profit drop through rates in the short term.

The business will be focused on realising the cost and revenue synergies associated with the Truckzone acquisition and will potentially look at further network expansion over the course of the year.

On the back of planned site relocations in Brisbane and Adelaide during the year and some one-off Capital expenditure related to the final items of the Truckzone integration the business does expect to have a higher than traditional capital expenditure year.

I would like to thank all of our shareholders for your continued support.

-END-

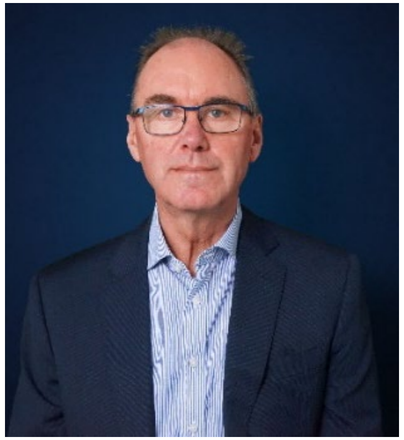
MaxiPARTS®

YOUR ONE-STOP SHOP FOR TRUCK AND TRAILER PARTS

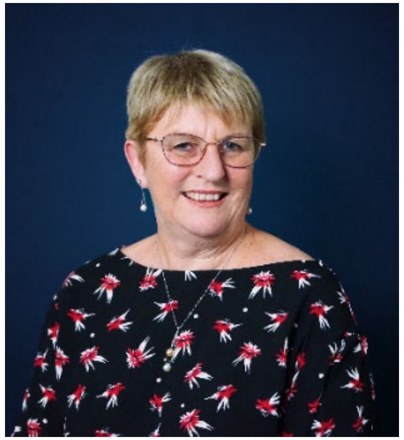
2022 Annual General Meeting

Board Of Directors and Executive Leadership Team

Board of Directors

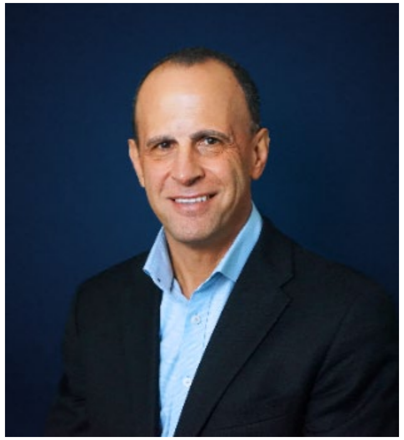


Robert H. Wylie
Chairman, Non-Executive



Mary Verschuer
Director, Non-Executive

Peter Loimaranta
Chief Executive Officer and Managing Director

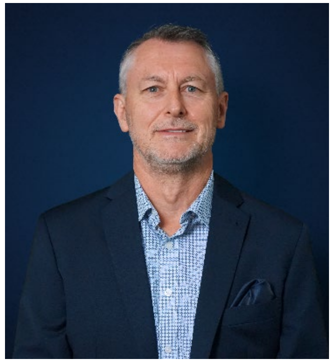


Gino Butera
Director, Non-Executive

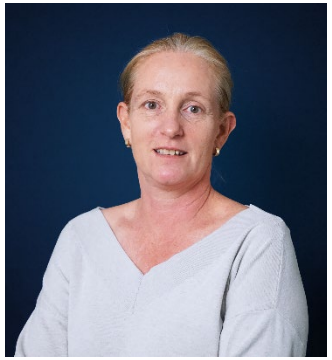
Debra Stirling
Director, Non-Executive

Executive Leadership Team

Peter Loimaranta
Chief Executive Officer and Managing Director



Neil Auld
GM – Product and Procurement



Liz Blockley
Chief Financial Officer and Company Secretary

Heath Mooney
GM – Sales and Distribution

Narelle Banfield
GM – People, Safety and Culture

Chairman’s Address

Strategy

Strategic Pillars

NETWORK	PEOPLE	PRODUCT	SYSTEMS AND SOLUTIONS
IMPROVE SAME STORE PERFORMANCE	DEVELOP OUR LEADERS FOR THE FUTURE	DELIVER TARGET REVENUE SYNERGIES FROM EXPANDED CORE PRODUCT OFFERING	INCREASE IN E-COMMERCE PRESENCE
GROW NATIONAL NETWORK FOOTPRINT AND CUSTOMER BASE	DELIVER RECRUITMENT AND RETENTION PLAN	STRENGTHEN SUPPLY CHAIN	DEVELOP SOLUTIONS TO SUPPORT SALES GROWTH

Managing Director’s Address

FY22 Highlights

Execution of Strategic Projects	• Disposal of Trailer Solutions Business • Acquisition of Truckzone Group
Capital Distribution	• 62.5 cent fully franked special Dividend paid December 21 • 2.5 cent fully franked H2 dividend declared with payment scheduled for 19th Sept 22
Safety	• Zero recordable injuries in FY22 H2 at traditional MXP sites • Significant reduction in the number of reportable injuries (2) in acquired TZ sites since acquisition
Underlying Growth	• Total Revenue of $157.4m (up 14.7%) • 8.3% same store growth* • 11.6% growth in MaxiPARTS Segment Profit (excluding corporate overheads)** • MaxiPARTS revenue and profit guidance was achieved at mid to top end of range (refer to appendix)
Cash and Inventory Management	• Net Cash of $1.9m • Inventory Values maintained in FY22 H2 over traditional MXP sites despite ongoing supply chain disruption • $1.3m excess inventory recovered from acquired TZ sites

* Same store = Total MaxiPARTS excluding sales through acquired Truckzone sites and sales to the Trailer Solutions Business

** see slide 19 for profit reconciliation

Total Revenue defined on slide 8

FY22 Financial Recap

(from FY22 Full Year Results Announcement on 18 August 2022)

FY22 Financial Overview

Commentary

1. Revenue of $157.4m increased by 14.7% from pcp, this includes an 8.3% growth in same store sales (excludes sales to ATSG) along plus 4 months of sales from the Truckzone acquisition. The strong growth 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 business manufacturing division were materially in line with prior period. Sales to the Trailer Solutions business Service decreased compared to pcp, however this was expected due to the non-exclusive nature of the supply 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 $14.5m increased by 11.6% 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 ($9.8m). FY21 included the significant favorable $7.2m legal settlement related to the ERP Transform project

A$M	FY22	FY21	Change	Change %
Total Revenue 1 2	**157.4**	**137.1**	**20.2**	**14.7%**
External Revenue	152.8	114.6	38.2	33.3%
EBITDA including Corporate Cost	**17.1**	**15.5**	**1.5**	**9.9%**
Corporate Cost Allocation included in Segment Profit[1]	3.1	2.4	0.7	28.4%
EBITDA Pre-Corporate Cost	**20.1**	**17.9**	**2.2**	**12.3%**
Depreciation and Amortisation	0.6	0.4	-	0.0%
Lease Depreciation	4.0	3.5	0.5	(14.2%)
EBIT	**15.6**	**14.0**	**1.6**	**11.3%**
Interest – Lease	1.1	1.0	0.1	**7.2%**
MaxiPARTS segment profit excluding Corporate Cost 3	**14.5**	**13.0**	**1.5**	**11.6%**
MaxiPARTS segment profit including Corporate Cost[1]	**11.4**	**10.6**	**0.8**	**7.8%**
Reportable Profit / (Loss) for the period) 4	**(4.9)**	**4.6**	**(9.5)**	**(206.9%)**

[1] Corporate Cost Allocation included in Segment profit / MaxiPARTS segment profit including Corporate cost: Corporate cost allocations in the FY21 and FY22 segment profit are a combination of historical corporate cost allocation methods for the Group's segment reporting with allocations to the Trailer solutions segment ceasing on the date of sale of the business, and standalone business support costs for the MaxiPARTS business (excluding unallocated corporate costs). Unallocated corporate costs are excluded from this table and is consistent with the prior year classification.

A profit bridge between MaxiPARTS segment profit to continued Operations and Reportable profit / (Loss) for the period has been included in the Appendix of this presentation.

Total Revenue includes segment revenue plus revenue to the trailer business before disposal

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. The growth since HY22 is reflective of the sales volume added from the Truckzone business. Closing payables position lower than “normal” as a result of excess inventory reductions (Truckzone recovery) in Q4 that has the impact of pushing cash into start of FY23.

2. Trade Receivables for FY22 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 currently going through the dispute resolution process available under the Asset Sale Agreement, with an independent expert expected to make a determination during the early stages of FY23.

3. The increase in inventory in H2 FY22 relates to the $15.8m of inventory acquired with the Truckzone acquisition. MaxiPARTS underlying inventory was increased in H1 FY22 to support continued revenue growth and manage the uncertainty in the supply chain.

4. 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.

5. The increase in Right to Use Asset and Lease liabilities reflects $9.7m of leases assumed as part of the Truckzone acquisition.

$M		FY22	HY22	FY21
Assets				
Cash		11.9	6.6	22.4
Receivables	1 2	28.2	21.6	33.1
Inventory	3	45.1	30.7	27.1
Other Assets	4	5.1	4.7	0.3
PPE		3.4	1.7	1.9
Intangibles		9.0	7.6	7.6
Right to Use Asset	5	23.3	15.6	16.8
DTA/DTL		19.7	18.2	20.9
Assets held for sale		-	-	110.9
Total Assets		**145.6**	**106.9**	**241.1**
Liabilities				
Payables	1	25.8	23.0	45.1
Provisions and Entitlements		5.8	3.4	3.5
Lease Liability	5	24.5	16.6	17.6
Borrowings		10.0	10.0	17.3
Liabilities held for sale		-	-	75.2
Total Liabilities		**66.1**	**53.1**	**158.6**
Net Assets		**79.6**	**53.8**	**82.5**

Cashflow

Commentary

1. Operating cash outflow for the period of ($11.7m) included ($11.6m) outflow from the discontinued operations that included: ($3.6m) of exit, separation, cyber fraud and litigation costs, ($2.5m) outstanding payment from ATSG in relation to the completion account process and ($5.5m) due to the operating performance of the Trailer Solutions business.

2. MaxiPARTS (continuing operations) generated an operating cashflow of ($0.1m), which included ($2.2m) investment 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. As outlined in a prior slide, lower closing payables pushes operating cash recovery into start of FY23.

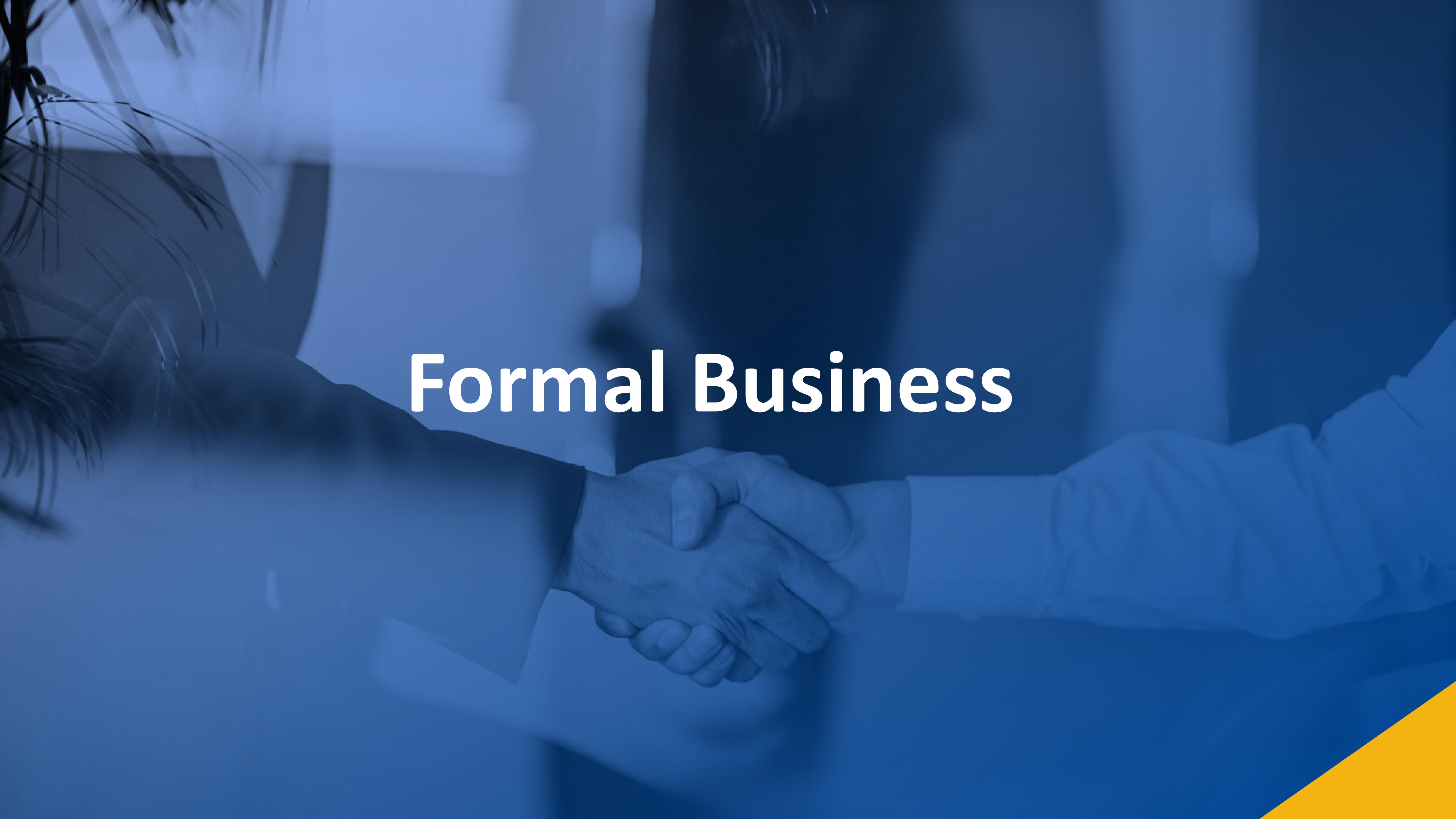
3. The proceeds from the sale of the Trailer Solutions business and Trailer Solutions properties we utilised to pay a one-off Special Dividend of 62.5 cents per share, ($22.0m) cash outflow, and repayment of ($7.25m) in bank borrowings.

4. The assets of Truckzone were acquired for $18.3m (including $15.8m of inventories). The acquisition was funded by a $23.7m capital raise (net of fees), with the funds used towards the purchase price of the acquisition, transaction costs and provide the Group with working capital flexibility and funding further organic initiatives

$M	FY22	FY21
Receipts from customers	217.2	413.9
Payments to suppliers and employees	(228.6)	(380.9)
Interest received	(0.3)	(1.2)
Cashflow from Operating activities 1 2	**(11.7)**	**31.8**
Payments for property, plant and equipment	(0.8)	(6.1)
Payments for intangibles	-	(1.0)
Dividends received	0.4	2.6
Acquisition of new business	(18.3)	-
Acquisition of Trout River, net cash[1]	(0.5)	-
Proceeds from sale of Trailer Solutions Business, net cash[1] 3	5.0	-
Proceeds from sale of Land and Buildings	25.5	-
Cashflow from Investing activities	**11.3**	**(4.6)**
Repayment of borrowings 3	(17.3)	(20.3)
Proceeds from borrowings	10.0	-
Proceeds from issue of share capital 4	23.7	-
Dividends paid 3	(22.0)	-
Payment of leases	(4.7)	(10.1)
Cashflow from Financing activities	**(10.1)**	**(30.3)**
Net increase/(decrease) in cash	**(10.6)**	**(3.1)**
Opening Cash on Hand	22.4	25.5
Closing Cash on Hand	**11.9**	**22.4**

[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

Formal Business



Questions

Financial Statements and Reports

To receive and consider the financial report, the director's report and the auditor's report for the Company and its controlled entities for the year ended 30 June 2022

Adoption of the Renumeration Report

That the Company's Remuneration Report for the year ended 30 June 2022 be adopted.

Valid Proxies have been received in respect of this resolution as follows:

For	Against	Proxy's discretion	Abstain
22,659,186	1,066,947	445,996	119,157
93.74%	4.41%	1.85%	

Re-election of Director, Mary Verschuer

That Mary Verschuer, who retires in accordance with the Company's Constitution and being eligible for election, is re-elected as a Director of the Company.

Valid Proxies have been received in respect of this resolution as follows:

For	Against	Proxy's discretion	Abstain
29,640,246	43,687	446,996	129,335
98.38%	0.14%	1.48%	

Re-election of Director, Debra Stirling

That Debra Stirling, who retires in accordance with the Company's Constitution and being eligible for election, is re-elected as a Director of the Company.

Valid Proxies have been received in respect of this resolution as follows:

For	Against	Proxy's discretion	Abstain
29,639,254	42,801	446,996	131,213
98.38%	0.14%	1.48%	

Grant of Performance rights to the Managing Director and CEO

For the purposes of Listing Rule 10.14 to approve the grant of performance rights to Peter Loimaranta, Managing Director and Chief Executive Officer, as described in the Explanatory Memorandum.

Valid Proxies have been received in respect of this resolution as follows:

For	Against	Proxy's discretion	Abstain
28,557,545	980,949	455,611	266,159
95.21%	3.27%	1.52%	

Appointment of Auditor

That subject to the consent of the Australian Securities & Investment Commission to the current auditor resigning, HLB Mann Jude (Vic Partnership) be appointed as the Company's auditor.

Valid Proxies have been received in respect of this resolution as follows:

For	Against	Proxy's discretion	Abstain
29,726,102	2,601	446,996	84,565
98.51%	0.01%	1.48%	

MaxiPARTS®