



MAXIPARTS LIMITED



Acquisition - Förch Australia

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This presentation contains non-IFRS financial information including EBITDA (earnings before interest, tax, depreciation and amortization) 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.

Förch financial information

MaxiPARTS undertook a due diligence process in respect of the Förch Business, which relied in part on the review of financial and other information (including unaudited financial information) concerning the business and corporate structure of Förch Australia, which was provided to MaxiPARTS by the vendors of Förch Australia.

MaxiPARTS has prepared (and made assumptions in the preparation of) the financial information relating to Förch (on a stand-alone basis and also with MaxiPARTS post-acquisition of Förch) included in this Presentation from financial and other information (including unaudited financial information) provided by the vendors of Förch. MaxiPARTS is unable to verify the accuracy, reliability or completeness of all of this information. If any of the data or information provided to and relied upon by MaxiPARTS in its due diligence process and its preparation of this Presentation proves to be incomplete, incorrect, inaccurate or misleading, there is a risk that the actual financial position and performance of Förch and the combined group may be materially different to the financial position and performance expected by MaxiPARTS and reflected in this Presentation.

Past Performance

Past performance and pro-forma historical information in this Presentation is given for illustrative purposes only and should not be relied upon (and is not) an indication of future performance including future share price information.

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EXECUTIVE SUMMARY

Executive Summary



Acquisition of Förch Australia Pty Ltd (ACN 20 151 607 555)	<ul style="list-style-type: none">• MaxiPARTS has entered into a binding agreement to acquire 80% of the shares of Förch Australia Pty Ltd for an estimated \$9.7 million in cash subject to normal working capital adjustments• Put and call option linked to the acquisition of the remaining 20% of shares in 2 to 5 years. The put and call option has an agreed valuation methodology of a maximum 7 times the average annual adjusted EBITDA² (based on previous 3-year period at the time of being exercised). The 7x multiple is subject to further extensions on the Australian Distribution agreement with FÖRCH Germany.
Overview of Förch Australia (www.forch.com.au)	<ul style="list-style-type: none">• Förch Australia is a distributor of workshop consumable parts, predominately in the automotive and commercial vehicle markets, and is the exclusive Australian Distributor of FÖRCH products. Förch Australia has 2 sites (Perth and Victoria) and @ 37 direct employees. It also distributes product to South Queensland and Northern NSW through a 3rd party distributor based in Brisbane. The assets of the Förch Melbourne dealership are being acquired by Förch Australia as part of this transaction.• Based on the July – December 2022 trading period, Förch Australia had adjusted¹ annual financial results of:<ul style="list-style-type: none">• Revenue of \$11.7m• Operating EBITDA¹ of \$2.5m
Acquisition Valuation	<ul style="list-style-type: none">• Acquisition price of \$9.7m for 80% ownership stake (based on a 7x multiple for a EBITDA² average based on the last 3 years + 80% of the Net assets of the Förch Melbourne Dealership)• Acquisition price values Förch Australia business at 4.8x multiple based on annualised H1 FY23 EBITDA¹• Acquisition price includes approximately \$2.8m of inventory
Strategic Rationale	<ul style="list-style-type: none">• Adjacent product acquisition opportunity offering immediate improvement to MaxiPARTS Group in operating margins and EPS• Aligns with MaxiPARTS M&A criteria• Profitable, growing business• Ability to scale by transforming what is primarily a successful WA business into national operation by utilising existing network and structure of MaxiPARTS as well as leveraging MaxiPARTS customer database to drive growth
Funding	<ul style="list-style-type: none">• Acquisition funded by an increase to MaxiPARTS debt facility and Group cash• MaxiPARTS revised facility, once executed, will provide MaxiPARTS with a loan facility of \$20m with a maturity date of 31 May 2026. The loan is interest only for year 1, then amortising by \$0.5m per quarter thereafter (through paydown or reduction in limit if not fully drawn)• MaxiPARTS leverage ratio following completion will be approximately 1.5x EBIT and is expected to decrease to below 1.0x EBIT within 1 year of completing the acquisition

1. Based on normalised adjusted EBITDA for the July 2022 through to Dec 2022 period. Adjusted EBITDA is before AASB16 Lease accounting standard

2. Operating EBITDA is before AASB16 lease accounting standard.



STRATEGIC RATIONALE

Aligns with Core M&A Strategy

Criteria

Förch Australia



Operating in the commercial vehicle parts market	✓	Supplier of workshop consumables to a variety of B2B customers, including the Commercial vehicle market
Enhances product range and geographies	✓	Enhances Group's core product range into a logical adjacent product segment with only minor current exposure
Clear post-acquisition integration and growth strategy	✓	Detailed integration planning complete / plans for the activities to grow into a national business utilising existing MaxiPARTS network and administration support
Cultural and corporate fit	✓	Culture and business operating fundamentals strongly aligned
Experienced leadership team	✓	Existing staff, including current owners (Founders) continuing in current roles post completion
Attractive valuation and earnings accretive	✓	Attractive valuation multiple with immediate benefits to margins and EPS

Logical adjacent product acquisition of a manageable size and immediate financial benefits. Opportunity to expand into a national business and leverage MaxiPARTS customer base, network and support services to add further scale benefits in future years.

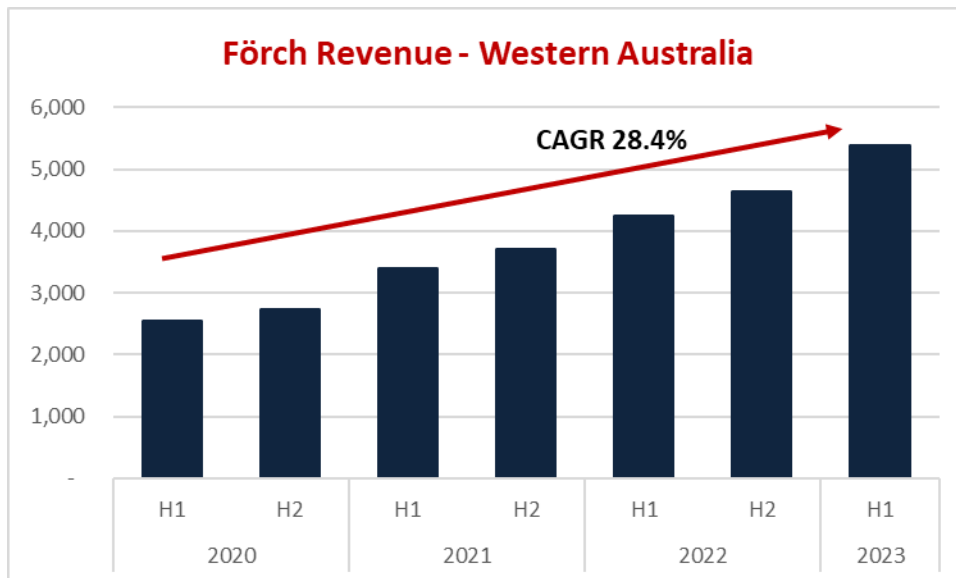
The image features a network of white cubes, each with a black laptop icon, connected by thin white lines. A hand is visible in the bottom right corner, holding one of the cubes. The entire scene is set against a solid red background. The text 'ACQUISITION OVERVIEW' is centered in white, bold, uppercase letters.

ACQUISITION OVERVIEW

FÖRCH Australia Overview



- Australian distributor of quality tools and consumables
- Products are used for mining maintenance, engineering, workshops, panel beaters, truck & bus maintenance and mechanical
- Existing exclusive Australian FÖRCH product distribution agreement runs to April 2030
- Locations in Perth and Melbourne @ 37 direct employees with 3rd party distributor in Brisbane
- Attractive Gross Profit Margin % / consistent growth
- Various vendor managed inventory options available for customers



Key Product Categories





- **Australian Market maturity**

 - Western Australia market is the most mature (11 years in operation)

 - Melbourne operations started up Jan-20 (just before COVID-19)

 - SE QLD market serviced via 3rd party dealership

 - All other Australian markets are largely untapped

- **Diverse customer base**

 - Over 1,400 customers (WA business)

 - Top 10 representing less than 25% of total revenue

- **Product Range**

 - @ 6,000 different products sold

 - Top 100 parts make up @ 60% of total sales



Key Acquisition Terms

Purchase Price	<ul style="list-style-type: none"> Estimated to be \$9.7 million (subject to normal working capital adjustments) for 80% ownership. The acquisition is on a debt free basis.
Put and Call Option on remaining 20%	<ul style="list-style-type: none"> Exercisable between 2 and 5 years from completion An agreed valuation methodology of a maximum 7 times the average annual adjusted EBITDA² (based on previous 3-year period at the time of being exercised). The 7x multiple is subject to further extensions on the Australian Distribution agreement with FÖRCH Germany.
Timing	<ul style="list-style-type: none"> Completion expected at end of May 2023
Key Conditions precedent	<ul style="list-style-type: none"> Completion of Förch Australia acquisition of the assets of Förch Melbourne All existing Debt of Förch Australia being settled MaxiPARTS executing its new Debt Facility
Acquisition multiples	<ul style="list-style-type: none"> 7x multiple based on normalised annual EBITDA² (based on a 7x multiple for a EBITDA² average based on the last 3 years + 80% of the Net assets of the Förch Melbourne Dealership) Acquisition price values Förch Australia business at 4.8x multiple based on H1 FY23 EBITDA ¹
Förch Australia a Division of MaxiPARTS Limited	<ul style="list-style-type: none"> Founding owners will remain in Executive Director roles, and will report into the MD / CEO of MaxiPARTS Forch Australia will be a division / segment of MaxiPARTS Limited (separate to that of MaxiPARTS existing Truck and Trailer Parts Australian store network)

1. Based on normalised adjusted EBITDA for the July 2022 through to Dec 2022 period. Adjusted EBITDA is before AASB16 Lease accounting standard
 2. Operating EBITDA is before AASB16 lease accounting standard.



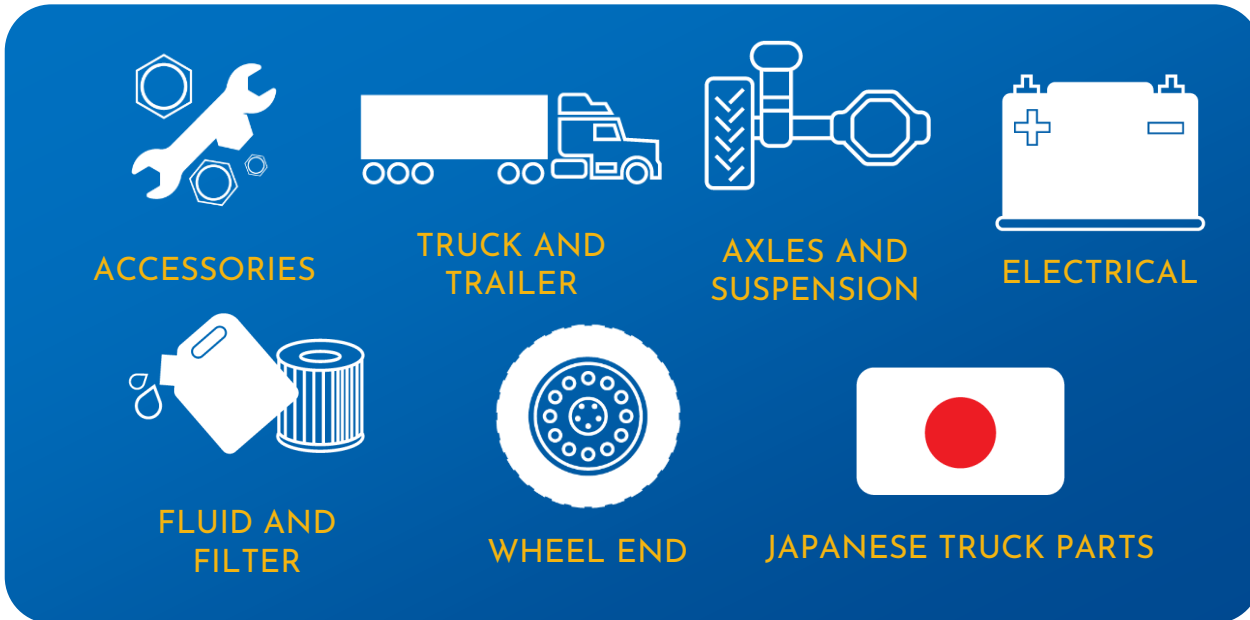
APPENDIX

Divisional Hierarchy



- MaxiPARTS is one of Australia's largest distributors of commercial truck and trailer parts with 27 stores conveniently situated across Australia
- Over 15,000 truck and trailer parts for sale online, and over 50,000 different parts stocked in stores nationwide
- Core product range that covers lights, tools, oil & filters through to axles, suspensions and brakes
- Strategic partnerships with industry leading automotive suppliers, alongside own brand MAXUS and Exxel, ensuring a range of products in OEM and aftermarket available

Key Product Categories



A blue rounded rectangle containing eight icons and their corresponding category names:

- ACCESSORIES**: Icon of a wrench and bolts.
- TRUCK AND TRAILER**: Icon of a truck and trailer.
- AXLES AND SUSPENSION**: Icon of an axle and suspension component.
- ELECTRICAL**: Icon of a battery.
- FLUID AND FILTER**: Icon of a fluid container and a filter.
- WHEEL END**: Icon of a wheel.
- JAPANESE TRUCK PARTS**: Icon of the Japanese flag.



