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23 November 2023

MaxiPARTS Limited
2023 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.

Enquiries

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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.

About Förch Australia

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.

About IP

IP is one of the largest remaining privately owned commercial truck & trailer parts distribution companies in Western Australia, with over 450 customers and 4 strategic regional retail centres (Perth, Port Hedland, Geraldton & Bunbury). IP's products include transmissions and differentials, drivelines, brake parts, trailer parts, general truck parts, and accessories.



CHAIR'S ADDRESS

Mary Verschuer

23 November 2023

**MaxiPARTS Limited
2023 Annual General Meeting
Chair's Address**

I'd like to start by acknowledging the traditional owners of the lands on which we are meeting the Wurundjeri people, of the Kulin Nation. We pay respects to their elders past present and emerging.

It brings me great pride to lead my first AGM as Chair of MaxiPARTS. FY23 has shown the strength and discipline of the underlying business and the logic of our strategy by delivering top line revenues above \$200M and ongoing EBITDA improvements. To put this in context the FY21 comparable sales at the time of separation was \$137M.

Other key headlines were the return to profit at all levels and an NPAT of \$6.0M, cash generation from operating activities of \$15M and a net debt at year end of only \$1M.

I can't thank the team enough for their consistent focus on delivering our growth strategy.

From a market perspective the impact of COVID disruptions was waning as we started the year, however the impacts of inflation and labour shortages have needed to be carefully managed throughout the year and will continue to impact in the near future.

As shared previously our strategy has four pillars – network, people, product, systems and solutions. Our prior year acquisition of Truckzone is now successfully integrated and showing synergistic benefits as expected in the pillars of network and product. During the FY23 year we acquired 80% of the Forch Australia business. This business predominantly supplies workshop consumables which aligns with our product expansion strategy and provides us an opportunity to expand this distribution model nationally in line with our network strategy. As recently announced, we have also entered into further agreements to acquire Independant Parts and the Forch Brisbane distributor which are both expected to complete in the coming weeks. Being able to complete the acquisition program we have within 2 years of separation is a testament to the focus of the team. We continue to be on the alert for further opportunities to enhance the value of this business.

Successfully executing elements of our people strategy have been critical to the success of these acquisitions, and to embedding our safety approach into the larger organisation.

Within the systems and solutions pillar we continue to enhance our E-Commerce offering across the whole product range and looking at how we can further increase our customer responsiveness and productivity through leading edge innovation.

The successful growth of the business allowed us to declare a fully franked H2 dividend of 3.22cps taking the full year dividend payment to 6.39cps. I'd like to take the opportunity to thank all our shareholders for their patience and support over the last years and with our much more stable business model we plan to continue to pay dividends in line with our policy. We also appreciate the support of shareholders who have participated in the dividend reinvestment plan.

As foreseen by Rob Wylie at last year's AGM we have now completed our process of board renewal. We appointed Frank Micallef to our board in February, Frank is a seasoned finance professional and brings a wealth of experience in listed businesses. He moved into the Chair of Audit and Risk in May when Rob retired, and I took the Chair. With Gino, Deb and Peter we have a diverse board to take us forward and meet the challenges and opportunities we will encounter.

To close I would like to once again thank our staff, our shareholders and in particular our leadership team for their ongoing diligent effort and focus and congratulate them on the results.

And I will now hand over to Peter for a more detailed look at the operational result for the year.

-END-



MANAGING DIRECTOR'S ADDRESS

Peter Loimaranta

23 November 2023

**MaxiPARTS Limited
2023 Annual General Meeting
Managing Director's Address**

At a macro level, FY23 saw MaxiPARTS produce a strong set of financial and non-financial results. The strong financial results have been delivered through a consistent focus on delivering organic growth projects, margin management, synergies linked to the Truckzone acquisition and for one month, a contribution from the acquisition of the Forch Australia business.

We are delivering on the expectations we set at the time of disposing of the trailer solutions business to deliver a business model that has:

- Stable earnings with consistent growth
- Improving profitability metrics
- Strong cash generation allowing both further investment in the business as well as consistent capital distribution to shareholders

Our key FY23 financial highlights included:

- EPS growth from continued operations of 29.5% year on year
- Sales growth of 28.1% with revenue exceeding \$200m
- Operating cash flow of \$15.1m
- Growth in profit before tax (continued operations) of 43.8% year on year
- EBITDA % increasing 2 bps to 9.2%

In addition to the financial achievements the business

- Continued to successfully execute our strategic plan including
 - Network investment resulting in a significant increase in national site capacity
 - An adjacent product acquisition of the Forch Australia business that is immediately earnings accretive
- Completed the various projects linked to the integration of the Truckzone business which includes realising sales growth of key product initiatives including the Japanese parts program
- Improving diversity measures
- A significant reduction in injuries and injury statistics

Since completion of the Forch acquisition at the start of June 23, we have implemented a range of projects that will allow us to accelerate and support growth of this business. This has included:

- Consolidation of the Melbourne warehouse facility into the MaxiPARTS Truganina warehouse
 - Development of a new E-Commerce system that is expected to launch in February 24
 - Expansion of the infield sales team
 - and as recently announced, the agreement to acquire the Forch Brisbane business
-

Last week we announced the acquisition of Independent Parts which is expected to complete in the coming weeks. Independent Parts is an acquisition that meets both our strategic and financial criteria and provides:

- A differentiated embedded onsite operating model with inventory and employees embedded on customer sites driving reliable and growing revenue channels
- Strengthens our strategic footprint in Western Australia with 3 additional stores (after consolidation) and a high-quality customer base
- A mature and profitable business with a track record of growth
- An acquisition that strongly aligns with the Company's core M&A strategy
- Is EPS accretive with identified cost and revenue synergies

I would like to thank our banking partners CBA for their funding support for both the Forch Australia acquisition and for their contribution to the Independent Parts acquisition.

I would also like to thank our institutional shareholders for their support of the capital raising process undertaken last week.

Trading update and Outlook

As disclosed last week, the business maintains its previously issued full year guidance statements for the existing business and has experienced a strong first quarter with

- Revenue from our underlying MaxiPARTS Operations growing by 15.5%
- Forch Australia contributing \$3.35m
- Sales to the previously owned Trailer business declining in line with our expectations
- EBITDA growing 32.6% year on year to \$5.7m for Q1

I would like to thank all of our staff, shareholders, customers and suppliers for your continued support.

-END-



AGM SLIDE PACK

Strategic Pillars



Board of Directors



Mary Verschuer
Chair, Non-Executive



Peter Loimaranta
CEO & Managing Director



Gino Butera
Director, Non-Executive



Debra Stirling
Director, Non-Executive



Frank Micallef
Director, Non-Executive

FY23 HIGHLIGHTS

The background features a dynamic, futuristic aesthetic with a perspective view of a road or tunnel. The scene is dominated by vibrant red and orange light trails that create a sense of rapid motion and depth. The lighting is dramatic, with bright highlights and deep shadows, giving the impression of a high-tech environment or a fast-paced journey.

FY23 Financial Highlights



Capital Distribution & EPS

- Return to consistent fully franked Dividend Distribution

H2 FY22	2.5 cents
H1 FY23	3.17 cents
H2 FY23 (<i>declared</i>)	3.22 cents

- EPS Growth from continued operations of 29.5% to 15.53 cents per share



Capital Management & Cash

- Debt Facility renegotiated to provide additional funding for acquired business and extension on maturity of debt out to May 26
- Strong Operating Cash Flow Performance of \$15.1m



Sales Growth

- Revenue pushed over \$200m for first time
- 28.1% increase YOY
- Underlying Revenue growth accelerated in H2



Profitability

- Growth in Profit Before Tax (Continued Operations) of 43.8% YOY to \$10.5m
- EBITDA % of 9.2% increased by 20 bps from pcp of 9.0%



Execution of Strategic Projects

- Network investment resulting in a significant increase in national site capacity
- Adjacent Product acquisition of Förch Australia (Jun 23) that is immediately earnings accretive



Truckzone Integration

- Completion of branch rebrand, IT systems, data consolidation, safety processes, site consolidations
- Increased sales volume in underperforming sites (Wetherill Park, Eagle Farm, Rockhampton)
- Growth in Trailer products in TZ stores and Japanese Product nationally progressing in line with expectations
- Supply Chain benefits being realised materially in line with expectations – translating to GP% increase YOY



Diversity

- Significant increase in Female representation:
 - Total Company basis move from 15% to 21%
 - Sales and Operations area moving from 7% to 14%
 - Gender balance reached for NED with first female Chair appointed



Safety

- 73% YOY reduction in TRIFR to 4.3

An aerial, top-down view of a complex multi-level highway interchange. The roads are layered, with several overpasses and underpasses. The entire image is overlaid with a semi-transparent red color. In the center, the text 'FÖRCH UPDATE' is written in a bold, white, sans-serif font.

FÖRCH UPDATE

Förch Status and Priorities



- Acquisition of the independent Brisbane distributor announced (in the process of being completed) creating the accelerated national expansion opportunity + immediate earnings accretion
- Melbourne warehouse successfully consolidated into MaxiPARTS Truganina site during September and in the process of agreeing lease surrender
 - Group cost save @\$120k pa
 - Larger staffing base to manage sales ramp up
 - More efficient / safer warehouse environment
- New E-Commerce system development on track and scheduled to launch Q3 FY24
- Accelerated expansion of the sales team and support areas to maximize favorable customer feedback
 - Sales team increased from 17 (at completion) to 27 with further roles in recruitment system
 - Short term focus on markets where MaxiPARTS customer base can be leveraged

An aerial photograph of a complex multi-level highway interchange, possibly a cloverleaf interchange, with multiple overpasses and ramps. The image is heavily stylized with a red color overlay, giving it a dramatic, almost abstract appearance. The roads are clearly marked with white lines, and some vehicles can be seen on the lower levels of the interchange. The overall composition is symmetrical and geometric.

Independant Parts

Independant Parts – Acquisition Overview



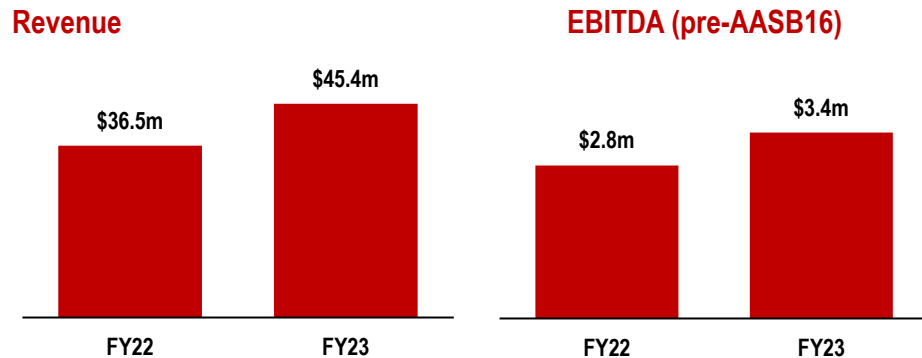
Company Overview

- One of the largest remaining privately owned commercial truck & trailer parts distribution companies in Western Australia
- IP supplies general and heavy-duty truck and trailer parts to the mining and transport industry statewide
- Its products include transmissions and differentials, drivelines, brake parts, trailer parts, general truck parts, and accessories

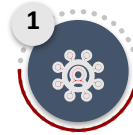


Financial Profile

24% and 28% YoY revenue and EBITDA growth in FY2023, respectively



Competitive Advantages



Highly-scalable embedded operations business model & commercial know-how

- Entrenched with key customers at high-value sites via an embedded operations business model
- Highly scalable and delivers long-term customer retention through high customer value proposition, technology integration, loyal customer base, personnel & parts becoming mission critical to remote operations



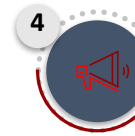
In-depth specialist parts knowledge & industry expertise

- Knowledgeable and experienced staff, combined with an extensive range of parts enable rapid delivery of optimal and cost-effective solutions to customers
- Specialist industry knowledge of American truck & trailer parts ensures customer fleet asset availability and utilisation are maximised



Long-term relationships with key suppliers and leading driveline workshop

- Established long-term relationships with leading suppliers of truck & trailer parts products, including international suppliers (>340 suppliers)
- Largest independent dedicated driveline rebuilding workshop off the east coast for heavy vehicles and off-highway trucks



Industry-leading reputation & customer service

- Strong reputation for having a comprehensive inventory of truck & trailer parts and ability to offer customers rapid sourcing on spare parts
- Market-leading customer service and reputation a key driver of growth across both the retail & embedded operations segments

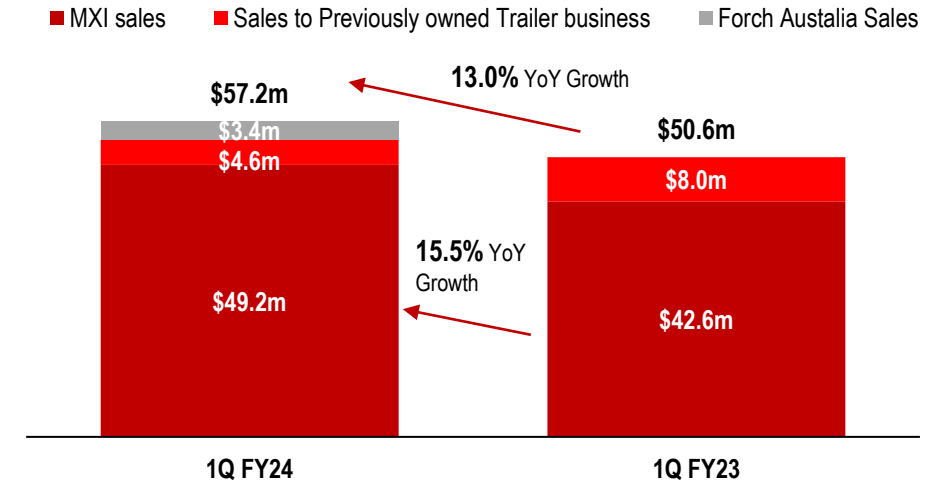
The image features a person in a dark suit and tie, seen from the chest up, pointing their right index finger towards a large, prominent, upward-pointing arrow. This large arrow is the central focus and is rendered in a lighter shade of red. The background is a solid, deep red color. Scattered across the lower half of the image are numerous smaller, upward-pointing arrows of varying sizes and orientations, all in the same red color as the background. The overall composition suggests a theme of growth, progress, and forward-looking strategy.

OUTLOOK

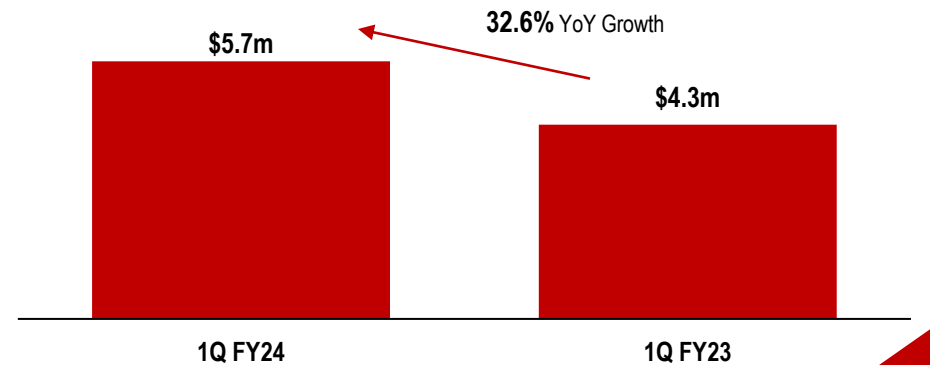
FY24 Outlook

- **MaxiPARTS full year guidance remains inline with previously communicated outlooks (as per FY23 Results Presentation released on 24 August 2023)**
- Trading in the MaxiPARTS operations business in Q1 FY24 has continued the H2 FY23 trends with:
 - a) Growth in the underlying revenue base growing in the mid-teens year on year (Q1 FY24 vs Q1 FY23)
 - b) Decline (as anticipated) in low margin sales to the previously owned trailer business (ATSG) by greater than -40% from Q1 FY23 to Q1 FY24
 - c) YoY operating margin improvement
- Förch Australia has contributed \$3.35m of revenue in Q1 FY24 with the accelerated investment in the sales force outlined as part of the full year results announcements progressing as planned
- Deferred consideration payment of \$4.0m that was due to be paid to MaxiPARTS for the sale of its trailer solutions business to ATSG has not been made. MaxiPARTS now intends to commence action to recover the funds

1Q FY24 Revenue Performance¹



1Q FY24 EBITDA (post-AASB16) Performance¹



1. 1Q FY24 results are prepared on the basis of Management accounts and are unaudited. MaxiPARTS quarterly results are subject to highs and lows of seasonality and therefore cannot be extrapolated to reach an expected full year result

A photograph of a woman with short blonde hair and glasses, wearing a textured grey sweater, sitting at a wooden table. She is looking towards the right. Behind her, a man in a white button-down shirt is partially visible, with his hands clasped. The entire image is overlaid with a semi-transparent red color. The text "Formal Business" is centered in white, bold font.

Formal Business

The background is a solid dark red color with a repeating pattern of lighter red speech bubbles. Each bubble contains a white question mark. The bubbles are arranged in a staggered, overlapping grid.

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 2023

Adoption of the Remuneration Report

That the Company's Remuneration Report for the year ended 30 June 2023 be adopted.

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

For	Against	Proxy's discretion	Abstain
27,103,245	918,263	57,485	95,561
96.53%	3.27%	0.2%	

Re-election of Director, Frank Micallef



That Frank Micallef, 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
28,437,344	45,000	53,730	67,841
99.65%	0.16%	0.19%	

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
27,136,297	996,522	57,267	413,829
96.26%	3.54%	0.20%	

