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21 November 2024

**MaxiPARTS Limited**  
**2024 Annual General Meeting**  
**Results**

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

**Enquiries**

Authorised by:

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Managing Director & CEO  
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Company Secretary  
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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.





# CHAIR'S ADDRESS

Mary Verschuer

**21 November 2024**

**MaxiPARTS Limited  
2024 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.

September 2024 marked three years since our separation from the trailer solutions business, and the birth of MaxiPARTS as a pure play parts distribution business. Our clear strategy has been to grow both organically and by acquisition, in either complementary or adjacent segments, to scale the business and build long term shareholder value.

In our historic truck and trailer parts segments the acquisitions to date include Truckzone in February 2022 followed by this year's acquisition of Independant Parts in November 2023. This further strengthened our core parts business and significantly increased our West Australian footprint, with an expanded offering of an on-site presence with large customers as well as supporting various mining operations. It gives us an opportunity to expand this offering nationally and increases the resilience and scope of the business through exposure to the \$488 billion mining sector, which is often countercyclical to the rest of the economy.

In May 2023 we entered the complimentary segment of workshop consumables with the acquisition of 80% of the Forch Australia business. Our participation in this segment was deepened with the further acquisition of the independently operated Forch Brisbane and Forch Mandurah during the current year. We now have solid national coverage in this segment and have invested in people and inventory to grow our share of this market. The complimentary nature of the product offering has allowed us to further strengthen our relationships with major customers of all acquired businesses.

This expansion focus has seen the business grow from a pro-rata revenue base of \$137M at separation to \$244M in FY24, with the team growing from 250 to over 400. There has been a strong internal drive to integrate the acquisitions quickly and successfully reap the synergies identified.

I am also pleased to acknowledge that with the settlement of the disputes with Freightier Group this week we are now able to give the full focus to enhancing the current business.

Looking to the future we remain dedicated to delivering further improvement in our financial returns. Our focus for the short term will be on organic programs to continue to extract value from the acquisitions we have made. We continue to adapt and improve our strategy and our strategic business pillars as we move forward, incorporating new challenges and opportunities as they arise.

The successful growth of the business allowed the Company to declare a final dividend of 2.57cents per share (cps) taking the full year dividend payment to 5.14cps. I'd like to take the opportunity to thank all our shareholders for their patience and support over the past years and in particular those who participated in the equity raising and dividend reinvestment plan.

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Subsequent to year end we welcomed Brendan York to our board and appreciate the continuing support and interest of NAOS Asset management in our business. With this addition, we have in place a strict protocol to ensure that all shareholder interests are always considered. I would like to take the opportunity to thank all my fellow Non-Executive directors for their diligence and commitment to the business.

Finally, I wish to express the Board's appreciation of the ongoing effort from our Managing Director & CEO, Peter Loimaranta, the executive management and the whole MaxiPARTS team to deliver both organic and inorganic growth and ongoing EBITDA improvement in a very difficult market, whilst keeping themselves and their colleagues safe. Be assured of our total commitment to delivering the highest quality service and products to our customers and long-term value growth to all of our shareholders.

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

-END-

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# Board of Directors



**Mary Verschuer**  
Chair, Non-Executive



**Peter Loimaranta**  
CEO & Managing Director



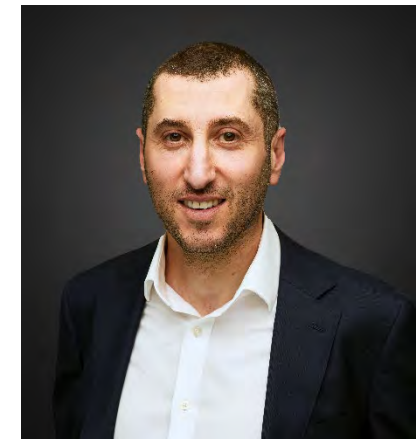
**Gino Butera**  
Director, Non-Executive



**Debra Stirling**  
Director, Non-Executive



**Frank Micallef**  
Director, Non-Executive



**Brendan York**  
Director, Non-Executive



# MANAGING DIRECTOR'S ADDRESS

Peter Loimaranta

**21 November 2024**

**MaxiPARTS Limited  
2024 Annual General Meeting  
Managing Director's Address**

FY24 saw the business continue to execute on the strategic agenda that has been in place since we separated from the Trailer Solutions business in September 2021. These plans were based around creating a consistent, growing distribution business that could both improve margins, generate strong cashflow and diversify our revenue and profit stream away from the sales to the previously owned trailer solutions business which at the time of separation, represented a significant portion of our total revenue.

Given our Chair has just talked through the strategic acquisitions completed, I will focus my attention on the organic projects that we focused on over the period with key highlights being:

- continued growth in the Japanese parts program that was acquired as part of the Truckzone acquisition completed in FY22, with year-on-year revenue growth of 41% achieved in what is a higher margin product segment for the group. We expect revenue growth of this parts range to remain at levels higher than the overall business;
- Bibra Lake site, that commenced operations in May 2023 as a greenfield store, reached profitability in its first year of operation and has exceeded our original expectations;
- relocation of our Adelaide and Port Hedland (acquired as part of the IP Acquisition) sites into larger stores that will support future growth;
- development of new key customer relationships, particularly in the fleet area, as well as retention and growth of historical key relationships;
- gaining of further supply synergies as a result of the IP acquisition, which has supported maintaining gross profit margins in a tightening market with increased pricing pressure;
- implementation of an inventory optimisation program that saw a 4.3% inventory reduction in H2 as the east coast market slowed; and
- within the Forch business, the achievement of revenue growth of 20% driven by:
  - investment in the Forch sales team;
  - acquisition of and expansion of key customers nationally; and
  - consolidating the Melbourne warehouse into the MaxiPARTS

In terms of the markets we operate in, we saw a slowdown in H2 on the East Coast with the WA market remaining strong. Although we saw volatility between sites of our embedded operations, our overall relationship that sees us operate across multiple sites with these customers remains strong.

We did see increased price competition putting pressure on margins along with ongoing cost inflation in key areas of the business including wage and occupancy costs however our pricing disciplines, change in product mix and cost synergies from acquisitions have offset this to protect EBITDA margin.

The combination of completing and integrating strategic acquisitions, which are expected to continue to drive further financial improvements in future periods, along with an ongoing focus on delivering organic projects that drive both revenue and profit improvements, has seen the business consistently deliver growth not only at the revenue line, but through both improved

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EBITDA and EBITDA margin results. This has been achieved despite the decline in sales, at lower gross margins, to the previously owned Trailer solutions business.

Key financial metrics in FY24 were;

- Revenue of \$243.9M, up 20.9% on FY23;
- EBITDA of \$23M, up 24.4% on FY23;
- EBITDA Margin of 9.5%, up 0.3% on FY23;
- Operating cash flow of \$10.6m, down from \$15.1M in FY23 which saw:
  - H1 impacted by investments in working capital to support the acquisitions that were completed along with costs in the significant and discontinued operations areas; and
  - H2 deliver working capital improvements and a significant improvement in cash conversion rates.
- Earnings per share from continuing operations of 10.73 cps, down from 15.53 cps in FY23;
- Net debt at 30 June 2024 of \$15.9m, representing a leverage ratio of 0.7x, increased from \$1m in FY23;
- Full year dividends of 5.14 cps fully franked, down from 6.39 cps in FY23.

#### **Legal Dispute with the Freighter Group**

As announced on 19<sup>th</sup> November 2024, MaxiPARTS has reached a commercial settlement with the Freighter Group (owners of the disposed Trailer Solutions Group) that resolves all outstanding legal disputes between the parties that will see a payment of \$2.2m being received by MaxiPARTS by the 18<sup>th</sup> December 2024. As part of the agreement, The Freighter Group will assume responsibility for any future customer product warranty claims and liability related to goods sold before the sale of the Trailer Solutions Business occurred.

#### **Outlook**

At this point in time, market conditions are consistent with H2 FY24 with the east coast being softer consistent with general economic activity, however a more buoyant West Coast market. These market conditions and trading on a year to date basis, is in line with our expectations and the market commentary made when releasing the FY24 full year results in August.

Likewise, and as we outlined at the FY24 full year results, our focus remains on delivering revenue and margin improvement initiatives from the Group's recent acquisitions and organic programs, finalising the integration activities and maintaining balance sheet flexibility.

These projects are progressing as expected and we anticipate continuing to deliver further improvements to key financial metrics in FY25.

Finally, the business could not have achieved what it has, not only in FY24, but over the last 3 years if it wasn't for the support of our ever expanding customer base, supportive supply partners, dedicated employees and shareholders, so I would like to thank all of them for their continued support.

-END-

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# **FY24 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 streak across the frame, suggesting high speed and energy. The perspective draws the eye towards the center, where the text is positioned. The overall color palette is a rich, monochromatic red with varying intensities and highlights.

# Our Progress in FY24



## STRATEGIC ACQUISITIONS

- ▶ Diversifying and growing revenue base
- ▶ Independant Parts (IP): Dec-23
  - ▶ 3 retail sites (post-consolidation)
  - ▶ Embedded on-site operations
- ▶ Förch Brisbane: Dec-23
  - ▶ Control of national distribution
- ▶ Further benefits to be realised
  - ▶ Growth in Japanese Parts
  - ▶ Growth in embedded operations
  - ▶ Growth in Förch business
  - ▶ Improved operating margins

## MAXIPARTS

- ▶ 41% growth in higher margin Japanese Parts program
- ▶ Bibra Lake (WA) – (May-23), profitable in first full year of operations
- ▶ Relocation to larger sites in Adelaide (SA) and Port Hedland (WA)
- ▶ Further key customer expansion
- ▶ Ongoing focus on gaining supply chain leverage
- ▶ Inventory reduction programs in H2 resulting in 4.3% reduction vs H1

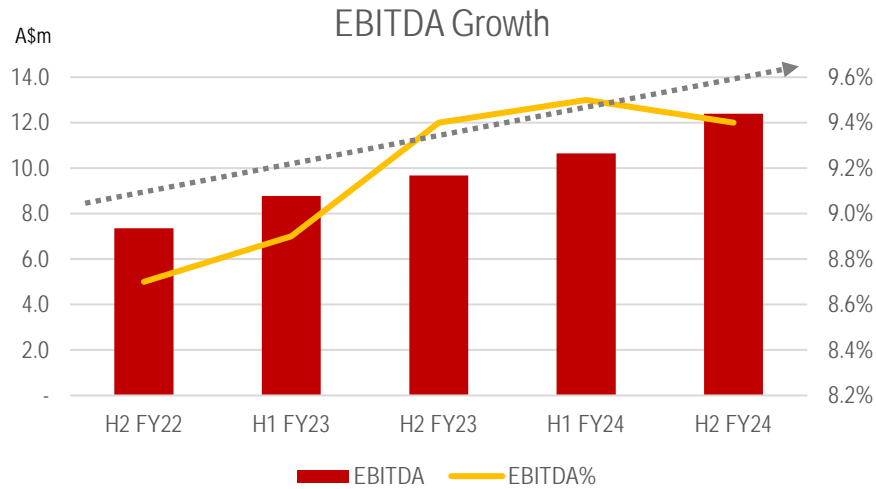
## FÖRCH AUSTRALIA

- ▶ 20% + YOY sales growth
- ▶ Investment in sales team, customer solutions and inventory
- ▶ Ideal national distribution network (3 sites) completed
- ▶ National Customer acquisition both through MXP relationships and external
- ▶ Building stability in core people, process & systems

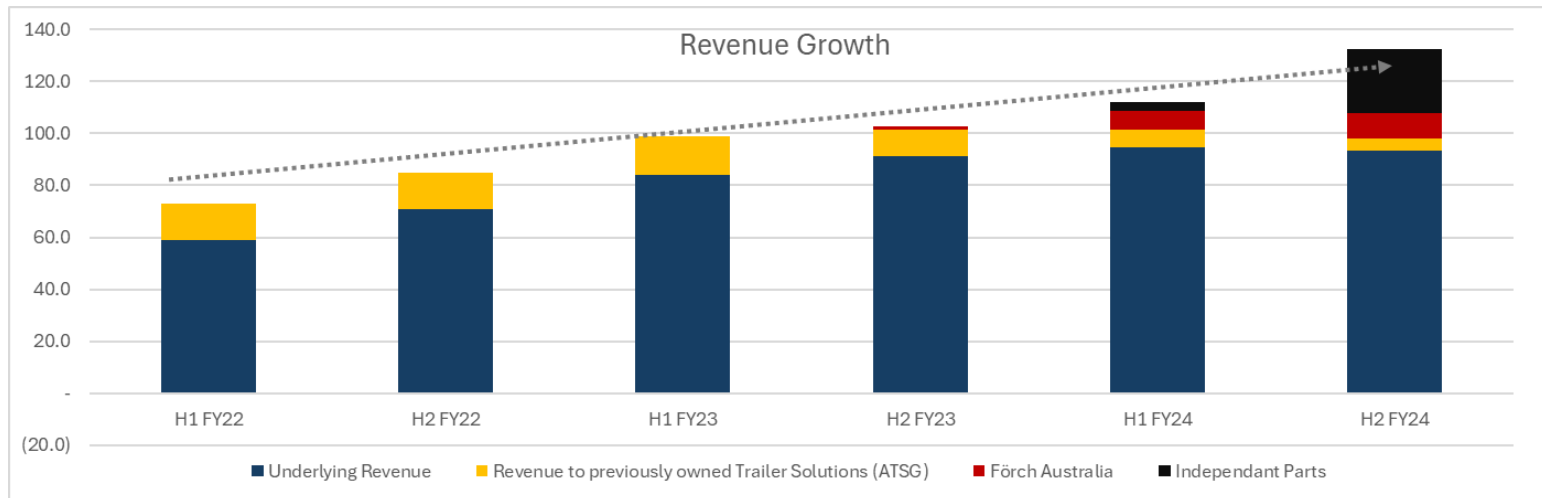
## MARKET

- ▶ Slowdown in demand in H2 FY24 across the east coast
- ▶ The WA market remained strong
- ▶ Volatility across embedded operations linked to larger specific site changes. Overall customer relationships remain strong.
- ▶ Increased pricing competition and ongoing cost inflation

# Delivering Consistent Growth Over Time



- EBITDA CAGR growth of 29.8%
- Improvements driven by both acquisitions and organic programs
- Ongoing focus on margin improvement



- CAGR of 26.8%
- CAGR of 36.2% when excluding sales to ATSG
- Reliance on revenue stream to ATSG (lower margin) at separation replaced through both acquisitions and organic growth



# Delivering Revenue and EBITDA Growth



## Financial Highlights

### Revenue

**\$243.9M**

Up 20.9% on FY23

### EBITDA

**\$23M**

Up 24.4% on FY23

EBITDA Margin of **9.5%**

Up 0.3% on FY23

Operating cash flow of **\$10.6m**

Down from \$15.1m in FY23

EPS from continuing operations of **10.73 cps**

Down from 15.53 cps in FY23

Net debt of **\$15.9m** representing a leverage ratio of **0.7x**

Increased from \$1m in FY23

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 red arrow that points diagonally upwards and to the right. This large arrow is the focal point, with the word "OUTLOOK" written in white, bold, sans-serif capital letters across its middle. The background is a solid, deep red color. Scattered across the lower half of the image are numerous smaller, semi-transparent red arrows, all pointing in various upward and rightward directions, creating a sense of movement and growth. The overall composition is clean and professional, typical of a business presentation or report cover.

**OUTLOOK**

# Outlook - consistent with prior communications



## OUR MARKETS

- Demand in the short-term remains inconsistent given the general economic uncertainty, however, we do expect this to stabilise and return to historical levels in the medium to longer-term.
- The markets on the east coast continue to be soft in the short-term (consistent with general economic activity) limiting growth potential, despite ongoing implementation of our strategic growth initiatives.
- Overall, the west coast market remains buoyant, with MaxiPARTS well-placed following the IP acquisition to support the growth of its customers in Perth and regional centres.
- The WA Mining market continues to fluctuate across various mine owners and minerals. The constant changes in this space make it difficult to predict volumes for the Group's embedded operations; though we are confident that the business has the relationships and operational success factors in place to enable us to deliver on long-term sustainable growth.
- Förch Australia operates within similar market factors to MaxiPARTS, so we therefore expect similar market challenges as mentioned above. The main differentiating factor for Förch Australia is the significantly larger opportunity to grow market share through investment and initiatives from a business with a historically smaller market share.

## OUR FOCUS

- Continued focus on revenue and margin improvement initiatives from the Group's recent acquisitions and organic programs anticipated to grow EBITDA margins into low double digits in the medium term.
- Maintaining balance sheet flexibility to respond to market conditions and have an active capital management plan.
- Finalise integration activities from the recent acquisitions, primarily around: IT, systems and support functions.
- Drive revenue and profit growth in the Förch Australia segment following investments made in the sales force and distribution centres in FY24.



A photograph of a woman with short blonde hair and glasses, wearing a light-colored patterned sweater, sitting at a wooden table. In the background, a man in a light blue shirt is also seated at the table. The entire image is overlaid with a semi-transparent red filter. 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 speech 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 2024.



# Adoption of the Remuneration Report



That the Company's Remuneration Report for the year ended 30 June 2024 be adopted.

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

For	Against	Proxy's discretion	Abstain
27,900,483	7,085,895	427,684	34,453
78.78%	20.01%	1.21%	

# Re-election of Director, Gino Butera



That Gino Butera, 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
35,221,594	56,305	432,009	21,628
98.63%	0.16%	1.21%	

# Re-election of Director, Brendan York



That Brendan York, 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
34,544,084	733,815	432,009	21,628
96.74%	2.05%	1.21%	

# Grant of Performance Rights to the Managing Director



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
34,116,591	880,084	430,791	246,418
96.31%	2.48%	1.21%	



# Approval of Financial Assistance



That the Financial Assistance Resolution to approve the giving of financial assistance is approved

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

For	Against	Proxy's discretion	Abstain
34,433,578	808,137	432,009	57,812
96.52%	2.27%	1.21%	

