



ABN 58 006 797 173
PO Box 768, Sunshine VIC 3020
P 03 9368 7000
W corporate.maxiparts.com.au

20 February 2025

ASX Announcement

Results Presentation – Half Year Ended 31 December 2024

Attached is MaxiPARTS Limited's Results Presentation for the half year ended 31 December 2024.

Authorised for release by the MaxiPARTS Limited Board of Directors.

Enquiries

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

Liz Blockley
CFO and 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.

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.





1HY25 Results



Our Businesses



Overview





MaxiPARTS is one of Australia's leading independent commercial vehicle parts distribution companies.



29 branches across Australia and multiple customer embedded on-site operations



Distributor of leading genuine brands as well as having an extensive range of aftermarket commercial vehicle parts



One of Australia's largest importers of aftermarket commercial vehicle parts



Western Australia workshop is one of the largest dedicated driveline rebuilding workshops for heavy vehicles



Over 162,000 parts available across the network and over 19,500 parts available to order online



Two established private label brands

Supply partnerships with industry leading brands:



Förch Australia is one of Australia's leading direct selling companies for workshop, installation and fastening products for trade and industrial companies.



Exclusive Australian FÖRCH product distribution agreement runs to April 2030, providing 80,000 lines of German products.



Higher EBITDA margins than traditional MaxiPARTS business expected moving forward which will contribute to lifting overall Group margins as scale is obtained.



Ability to accelerate scale through National expansion and gain market share:

- Förch Australia current revenue @ \$20m
- Largest (primary) competitor > \$175m



Distribution warehouses in Perth, Brisbane and Melbourne



Product Range

- Fasteners
- Hardware
- Chemicals
- Abrasives
- Hose Clamps
- Brass Fittings
- Adhesives
- Sump Plugs and Washers
- Tools
- Assortment Kits
- Cleaning & Accessories
- Workshop Essentials
- Drilling, Tapping & Cutting
- Body Clips
- Storage
- Electrical
- Truck Range
- PPE Safety
- Bolt Racks

HY25 Highlights

H1 Progress on FY25 Focus Items

Resolved historical disputes related to the sale of the Trailer Solutions business in 2021 resulting in:

- ✓ positive cash inflow
- ✓ elimination of distraction
- ✓ elimination of on-going legal cost and risk



Revenue & Margin Improvement

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

Status



Balance Sheet Flexibility

Maintaining balance sheet flexibility to respond to market conditions and have an active capital management plan



System Integrations

Finalise integration activities from recent acquisitions, primarily around IT, systems and support functions



Förch Australia Growth

Drive revenue and profit growth in the Förch Australia segment following investments made in the sales force and distribution centres in FY24



Delivering Revenue and EBITDA Growth

Financial Highlights

Revenue

\$136.9m

Up \$25.2m or 22.6% on HY24

EBITDA

\$13.7m

Up \$3.1m or 28.6% on HY24

EBITDA Margin of **10.0%**

Up 40bps or 4.7% on HY24

NPBT from continuing operations of **\$6.4m**

Up from \$4.3m or 48.6% on HY24

Operating cash flow of **\$12.0m**

Up from \$4.8m on HY24

EPS from continuing operations of **7.62 cps**

Up from 5.63 cps or 35.3% on HY24

Net debt of **\$10.4m** representing a leverage ratio of **0.4x**

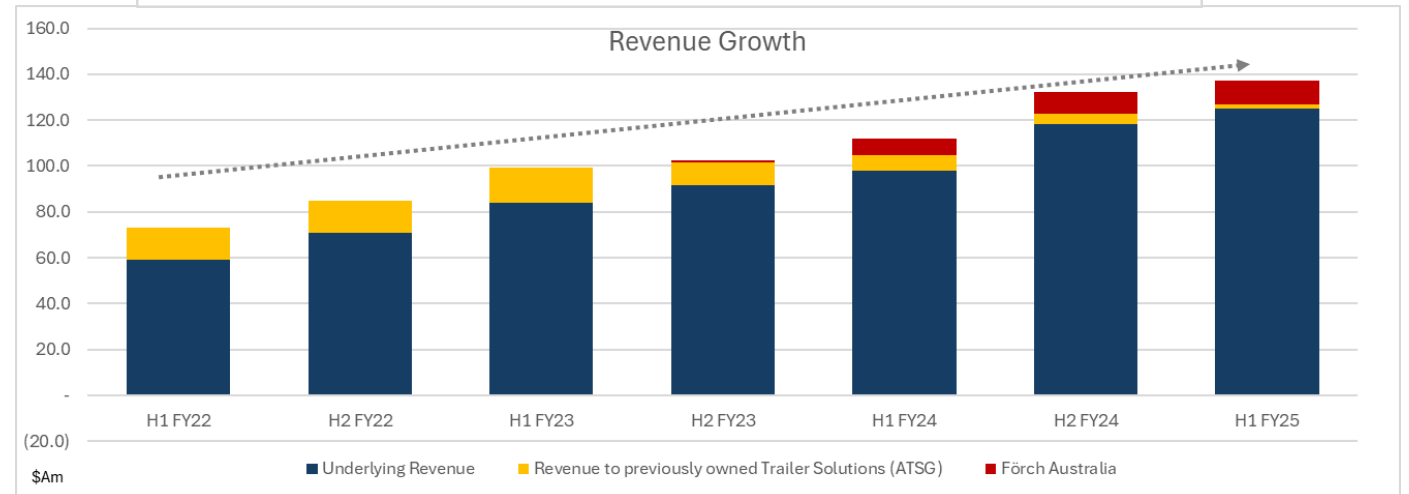
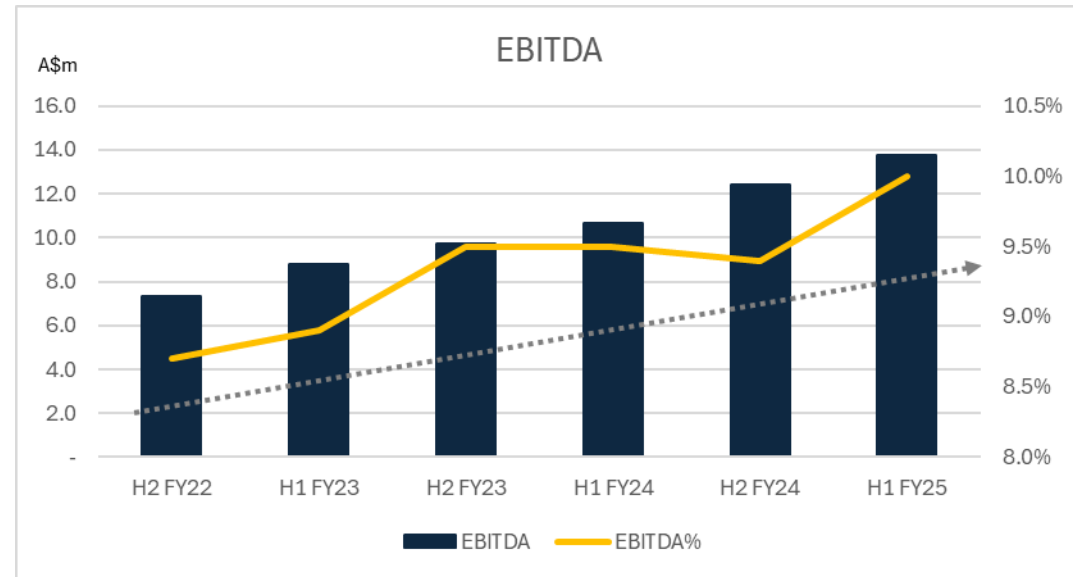
Decreased from \$15.9m at end of FY24

Interim dividend of **3.05 cps** fully franked

Up from 2.57 cps or 18.7% on HY24

Delivering Growth Over Time

- EBITDA CAGR growth of 28%
 - Improvements driven by both acquisitions and organic programs
 - EBITDA margin of 10.0% achieved in 1H FY25
 - Ongoing focus on margin improvement
-
- Revenue CAGR of 23%
 - Revenue CAGR of 32% when excluding sales to ATSG
 - Reliance on revenue stream to previously owned Trailer Solutions business (lower margin) at separation replaced through both acquisitions and organic growth



HY25 Results



HY25 Financials

A\$M	HY25	HY24	Change %
Revenue	136.9	111.7	22.6%
EBITDA	13.7	10.7	28.6%
EBITDA %	10.0%	9.6%	4.7%
<i>Depreciation</i>	<i>(0.8)</i>	<i>(0.6)</i>	
<i>Depreciation - ROU assets</i>	<i>(4.0)</i>	<i>(3.2)</i>	
<i>Interest - Leases</i>	<i>(0.9)</i>	<i>(0.9)</i>	
<i>Interest - Finance Costs</i>	<i>(1.2)</i>	<i>(0.7)</i>	
Depreciation and Interest	(6.9)	(5.4)	
NPBTA	6.8	5.3	29.2%
Amortisation	(0.4)	(0.2)	
Significant Items *	-	(0.7)	
NPBT- Continued Operations	6.4	4.3	48.6%
Income Tax Expense	(2.1)	(1.5)	
NPAT - Continued Operations	4.3	2.8	54.1%
NPAT - Discontinued Ops *	(0.5)	(2.4)	
Reportable Profit / (Loss)	3.8	0.4	793.0%
NCI share of profit	(0.1)	(0.0)	
Equity holders share of profit	3.7	0.4	

Refer to business unit updates section for segment EBITDA results for MaxiPARTS Operations and Forch Australia

*** Notes:**

- Significant items: HY24 expenses of \$0.7m related to transaction and integration costs associated with the acquisition of IP and Forch Brisbane.
- Discontinued operations: HY25 loss of \$0.5m relates to the finalisation of the settlement deed with Freighter Group (formerly known as ATSG) and includes the final impairment of the loan receivable, offset with the release of remaining unused customer warranty and other provisions as a result of the signed settlement deed, and legal expenses incurred in relation to the litigation for the period. HY24 loss of (\$2.4m) relates to impairment of loan receivable, along with legal fees incurred in relation to the litigation for the period.

Balance Sheet

1. Net working capital of \$68.3m consistent period to period with seasonal increase in inventory offset by reduction in receivables
2. The Financial asset – the pcg balance of \$3.2m has now been addressed in the settlement deed with Freighter Group, as announced on 19 November 2024. \$2.2m of funds were received (cash inflow) and the remaining balance impaired to discontinued operations (this was offset with the release of the balance of provisions for unused customer warranty and other provisions).
3. MaxiPARTS DTA includes \$10.1m income tax losses carried forward.
4. Financial Liability of \$1.2m for the estimated purchase price of the remaining 20% ownership stake in Forch Australia. The purchase is governed by a put and call option that can be exercised by either party between 2- and 5-years post completion.

A\$M		HY25	FY24	HY24
Assets				
	Cash	14.6	13.6	12.0
	Receivables	32.3	35.2	29.4
	Inventory	70.2	67.1	70.1
	Other Assets	3.1	1.5	4.2
	Financial asset	-	3.2	3.2
	PPE	5.7	6.1	6.4
	Intangibles	37.2	37.6	36.9
	Right to Use Asset	33.8	35.3	38.2
	DTA/DTL	11.1	12.7	15.1
	Total Assets	208.0	212.3	215.4
Liabilities				
	Payables	34.2	34.8	35.6
	Provisions & Entitlements	6.3	7.3	7.8
	Lease Liability	37.6	38.7	41.1
	Financial liability	1.2	-	-
	Borrowings	25.0	29.5	30.0
	Total Liabilities	104.4	110.3	114.5
	Net Assets	103.6	102.0	100.9
	Net Cash/ (Debt)	(10.4)	(15.9)	(18.0)

Cashflow

1. Gross Operating cash conversion of 88% in H1 FY25

A\$M	H1 FY25	H2 FY24	H1FY24
Gross Operating cash flow	12.0	11.1	4.8
EBITDA	13.7	12.4	10.7
Cash conversion %	88%	90%	45%

2. Cash inflow on discontinued operations is the net result of the funds received from settlement of the dispute with The Freighter Group, +\$2.2m, offset with outflows to the QLD State Government (-\$0.7m) and legal fees incurred for the litigation (-\$0.5m).
3. The Group had minimal capital expenditure in H1 FY25 at \$0.4m. Expecting a small uptick in capex spend for H2 FY25 for scheduled site locations and business system upgrades.
4. The Group paid down \$4.5m debt during the period consisting of \$1.0m amortising and \$3.5m of drawn debt through use of free cashflow

A\$M		HY25	HY24
Receipts from customers		154.3	129.3
Payments to suppliers and employees		(142.3)	(124.6)
Subtotal: Gross operating cash flow	1	12.0	4.8
Cash outflow on discontinued operations	2	(1.2)	(0.5)
Significant items		-	(0.7)
Income tax refund/(paid)		(0.4)	(0.1)
Interest and other costs of finance paid		(2.1)	(1.6)
Cashflow from Operating activities		8.3	1.8
Payments for property, plant and equipment	3	(0.4)	(0.8)
Proceeds on sale of property, plant and equipment		0.1	-
Acquisition of Independent Parts		-	(28.9)
Acquisition of Förch Brisbane & Mandurah		-	(2.1)
Proceeds from legal settlement	2	2.2	-
Cashflow from Investing activities		1.9	(31.9)
Repayment of borrowings	4	(4.5)	-
Proceeds from borrowings		-	15.0
Proceeds from issue of share capital		-	16.2
Dividends paid		(1.1)	(1.1)
Cash contributions from NCI		-	0.4
Payment of leases		(3.6)	(2.4)
Cashflow from Financing activities		(9.2)	28.1
Net increase / (decrease) in cash		1.0	(1.9)
Opening Cash on Hand		13.6	14.0
Closing Cash on Hand		14.6	12.0

Capital Management

Debt Funding

- Current leverage ratio of 0.4 times is well within the Group's capital management targets.
- Loan facility available limit to reduce by \$2.0m in FY25 (\$0.5m amortising quarterly).
- The Group paid down drawn debt by a further \$3.5m during H1 FY25 (in addition to the amortisation).

Dividends

- Fully franked Interim dividend of 3.05 cents per share declared (to be paid 20 March 2025). Dividend Reinvestment Plan (DRP) remains available (at nil discount to the market price).
- Franking credits of \$3.9m (post interim dividend).

Förch Australia 20% minority ownership stake

- The option has been assessed with a fair value of \$1.2m as at reporting date. The exercise window opens in June 2025.
- The purchase will be cash funded, either through cash or undrawn existing borrowing facilities.

A\$M	HY25	FY24
Total borrowing facility	28.5	29.5
Facility drawn	25.0	29.5
Utilisation ratio %	88%	100%
Cash	14.6	13.6
Net Debt	10.4	15.9
Leverage Ratio (times)	0.4	0.7

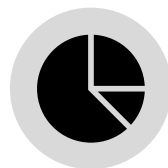
Dividends (cents per share)	HY25	FY24
Interim	3.05	2.57
Final	tba	2.57
Full Year Dividend		5.14

Business Unit Updates

Benefits from strategic acquisitions and organic programs, offsetting a softer market.

A\$M	MaxiPARTS Operations		
	HY25	HY24	Change %
Total Revenue	126.9	104.8	21.0%
EBITDA	12.4	10.0	23.8%
EBITDA %	9.7%	9.5%	2.2%

* Underlying MaxiPARTS business refers to total MaxiPARTS revenue less sales to Freighter Group (the formerly owned trailer solutions business)



Market

- East Coast (particularly capital cities) continues to remain challenged with subdued general economy impacting freight task in the short term
- West Coast remains robust
- Pricing (particularly with larger customers) remains competitive



Highlights

- 4% revenue growth on like for like (adjusted for the IP Acquisition completed in Dec 2023) underlying MaxiPARTS business *
- Focus on the Japanese program has resulted in >20% growth
- Growth through acquired IP business (both sites and embedded operations)
- Expansion of key customers gained via IP acquisition through to non-WA MaxiPARTS network creating value and revenue opportunity
- EBITDA margins improved despite a tight East Coast market through focused cost management



Focus Areas

- Continued growth of Japanese range
- Network enhancement for key regional sites with growth opportunity
- Ongoing active management of Inventory / working capital
- Business systems upgrade and database consolidation
- Continued key account acquisition and management



Delivering higher growth rates and improved financial returns.

A\$M	Förch Australia		
	HY25	HY24	Change %
Total Revenue	10.5	7.1	48.8%
EBITDA	1.4	0.7	95.7%
EBITDA %	13.1%	10%	31.8%



Market

- Operates in similar end markets to MaxiPARTS, though a considerably broader customer base and a very strong West Coast revenue base (vs. East Coast as % of sales) through previous ownership
- The general economy slow down in the East Coast effect has a lesser impact on the segment results due to:
 - Ability to gain market share (as starting from a low penetration rate and have invested in an expanded sales force)
 - Smaller spend per customer (lower invoice value) reducing sensitivity
 - Strong customer desire for a larger national alternative



Highlights

- 16% like-for-like revenue growth (adjusted for Forch Brisbane acquisition completed in December 2023)
- Strong multi-site customer solution rollouts with solid leads
- National sales team in place with growth coming from both the east and west regions
- B2C E-Commerce site launched with focus on increasing brand awareness
- Increased revenue delivering operating leverage at ~13% EBITDA, contributing to the overall Group achieving 10% EBITDA for H1 FY25
- Cashflow contribution from the segment enhanced through improving inventory turns (higher sales on same inventory levels as FY24)



Focus Areas

- Sales force efficiency and maturity
- Maintain higher growth rates through:
 - Further multisite customer wins
 - Existing customer sales growth and range expansion
 - Territory growth following successful early establishments and key group accounts
- Build upon brand awareness through digital marketing / social media strategy
- Acquisition of 20% minority holding expected within next 12 months



Outlook

Organic Project Focus in FY25

- MaxiPARTS, like many other businesses, finds itself navigating a period of heightened unpredictability with both various global events and a weaker domestic economy. This has resulted in the softening of general transport activity across the East Coast of Australia and an increase in competitive pricing pressures. The West Coast of Australia has continued to remain strong. At this point in time, we expect these trends to continue through the second half of the FY25 financial year.
- MaxiPARTS remains focused 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 having an active capital management plan.
 - Finalising integration activities from the recent acquisitions, primarily around: IT and business systems.
 - Driving revenue and profit growth in the Förch Australia segment following investments made in the sales force and distribution centres in FY24.
- The Group believes (as demonstrated in the H1 FY25 results) the delivery of the above will continue to strengthen key financial metrics such as EBITDA / EBIT margins, and improve the return on invested capital.

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 half-year ended 31 December 2024 (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 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.