

ASX Announcement Bapcor Limited (ASX: BAP)

23 February 2024

2024 Half-Year Financial Results and Trading Update

Bapcor Limited ("Bapcor" or the "Company", ASX: BAP), Asia Pacific's leading provider of vehicle parts, accessories, equipment, service and solutions, today announces its financial results for the half year ended 31 December 2023 ("1H24").

1H24 Highlights¹

- \$1.02B record half-year revenue and \$54.2M Pro Forma NPAT²
- Trade and Wholesale segments in Australia and New Zealand resilient, with continued positive revenue & EBITDA growth
- Retail segment impacted by lower consumer confidence and discretionary spending
- Fully franked interim dividend of 9.5 cents per share, with a payout ratio of 59.5%
- Efficiency improvements implemented in 1H24 with further benefit expected in 2H24
- Better than Before (BTB) transformation program targeted to deliver \$7M-\$10M Pro Forma NPAT benefits in 2H24
- Paul Dumbrell appointed as new CEO & MD, commencing 1 May 2024

Bapcor's Interim CEO and Managing Director Mr. Mark Bernhard said: "Consistent with the trading update provided on 29 January, our Trade and Wholesale businesses delivered ongoing profitable growth during the first half of FY24. The half-year results were however disappointing due to the macroeconomic headwinds which impacted our Retail business, together with higher cost of doing business due to ongoing inflation and higher interest rates.

"In 1H24 we have implemented actions to improve our operational performance, and also continued to execute our Better than Before transformation program to deliver longer-term growth. Better than Before is expected to deliver a \$7M-\$10M Pro Forma NPAT benefit in 2H24. While we remain confident in the overall program, we will naturally be reassessing the timing and prioritisation around its longer-term goals once our new CEO Paul Dumbrell starts. Paul brings a wealth of knowledge and experience within both our industry and the Bapcor business itself, and we look forward to having him on board in May."

¹ All comparisons relate to 1H23, unless stated otherwise.

² Pro-Forma results are adjusted to exclude transition costs relating to the Victorian and Queensland Distribution Centres, Better than Before one-off costs as well as restructuring costs.



Financial Performance³

\$M	1H24	1H23	YoY %
Revenue	1,017.5	1,000.8	1.7%
EBITDA Pro-Forma	143.8	146.3	(1.7%)
EBIT Pro-Forma	95.0	99.5	(4.5%)
NPAT Pro-Forma	54.2	62.0	(12.6%)
NPAT	46.9	55.2	(15.0%)
EPS Pro-Forma	16.0 cps	18.3 cps	(12.6%)
Dividend per share	9.5 cps	10.5 cps	(9.5%)
Cash conversion	65.1%	67.8%	
Net Debt	\$332.7M	\$329.1M	
Leverage (ND / EBITDA)	1.51x	1.45x	

For 1H24, Bapcor delivered a record half-year revenue of \$1.02B and a Pro Forma NPAT³ of \$54.2M. This was driven by solid performances in the Trade & Wholesale segments, offset by tougher trading conditions in Retail and higher finance costs. Bapcor ended 1H24 with a net debt position of \$332.7M, representing a leverage ratio of 1.51x, which are both at similar levels compared to 1H23. Bapcor's financial position remains robust and provides flexibility to implement the Better than Before program, pursue acquisition opportunities, and invest in growth.

Trading Update and Outlook

Trading has remained solid in the first six weeks of 2H24 and Bapcor's overall revenue is up around 4% compared to the same period in 2H23. Looking forward, and subject to general market conditions which remain uncertain, Bapcor expects Pro-forma NPAT³ in 2H24 to further benefit from:

- \$7M-10M benefits from Better than Before; and
- Approximately \$2M run rate benefits from the 2Q improvement plans.

Bapcor Interim CEO and Managing Director Mr. Mark Bernhard said: "We have had a solid start into 2H24, and together with the targeted benefits from both our improvement actions and our transformation program this is providing us with confidence going into 2H24. Longer-term, we also remain positive on the general outlook in the automotive aftermarket, particularly due to the continued resilience of the Trade and Wholesale markets."

Bapcor will host a results briefing today at 9.30am AEDT which participants can join via the following webcast link: https://event.webcasts.com/starthere.jsp?ei=1650310&tp_key=905f109cf4

– Ends –

³ Pro-Forma results are adjusted to exclude transition costs relating to the Victorian and Queensland Distribution Centres, Better than Before one-off costs as well as restructuring costs (NPAT impacts: 1H24 \$7.3M, 1H23 \$6.8M). Cash conversion calculated based on Operating Cash Flow divided by EBITDA. Net Debt and Leverage calculation are based on pre-AASB16 net debt and pre-AASB16 EBITDA.



A | 127-139 Link Road Melbourne Airport Victoria 3045
PO Box 398 Tullamarine Victoria 3043
P | +61 3 8470 7300
www.bapcor.com.au

ABN 80 153 199 912

Issued by: Bapcor Limited (“Bapcor” or “the Company”), ASX:BAP, www.bapcor.com.au

Authorised by: the Board of Bapcor

For further information, please contact:

Karen McRae
General Manager Investor
Relations & ESG
+61 417 186 500
karenm@bapcor.com.au

Stefan Camphausen
Chief Financial Officer
+61 403 703 467
stefanc@bapcor.com.au

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