



SUPPLY NETWORK LIMITED

ABN 12 003 135 680

1 Turnbull Close Pemulwuy NSW 2145

PO Box 3405 Wetherill Park NSW 2164

Telephone: 61 2 8624 8077

ASX Release

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Market Update

FY2025 has been another busy year and revenue growth remained strong (up \$45m). Because inflation and GDP growth were both significantly lower than over the previous two years, the rate at which we grew revenue in FY2025 was also lower at around 15%.

Full year revenue was \$349m and profit after tax (PAT) was \$39.7m, giving a slightly improved PAT margin of 11.4%.

At the start of last financial year, we were working to ensure our network could efficiently support full year revenues up to \$400m, yet by mid FY2025 our attention had shifted to bigger targets. Preparing for the future while managing growth is challenging, and we have great respect for the ability of our teams to keep on delivering through periods of significant change. We congratulate staff on yet another year of business building and excellent results.

Review of Operations

While our focus always and everywhere is firmly on improving customer service, the measure of our success lies in sales outcomes.

There is always some regional variability in growth rates, driven by differences in local competition, our own local performance, and the timing of various investments in our network. Notwithstanding this, we are pleased to report that sales growth remained broadly consistent across the Group.

Our growth comes from all major customer segments but remains skewed towards truck fleets and truck repairers. Increasingly, we are directing new services towards larger customers, who make up the primary target segment for truck manufacturers and their service network. As capacity pressures on these service networks grow, Multispares is uniquely positioned to deliver an alternative and trusted supply capability.

In April 2025, we commenced trading at our new Wangara, WA branch, located in the industrial precinct servicing the north Perth growth corridor. It is early days, but we have a capable new team and an excellent facility, and we are sure this new branch has a long growth runway ahead.

Around the beginning of July 2025, we also commenced distribution from our building extension at Truganina, Victoria. This was developed to enable us to relocate the distribution of some products away from Pemulwuy, NSW which has been operating at above its design capacity throughout

FY2025. We have already redirected incoming shipments of these products to Truganina, but the transition of all stock will happen progressively over 4-5 months. This critical piece of infrastructure has prepared our distribution capacity to support the next \$100m of revenue growth.

Our branch network must also be prepared for growth, and with this intent we have signed agreements to increase branch capacity in Brisbane and Toowoomba, QLD and in Perth, WA and we continue to investigate options in Sydney, NSW.

For New Zealand, we have recently leased a new facility at Albany, north of the Auckland Bridge, and expect to take possession in early November 2025. Trading should commence in February 2026. This Albany branch will significantly improve our service for customers in north Auckland and further up the coast, and will relieve pressure on our current Auckland branch, based in Mt Wellington, enabling it to improve service for customers in central and south Auckland.

Safety

We are pleased to report another record low Lost Time Injury Frequency Rate (LTIFR) in FY2025. Behind the steady improvement in LTIFR over recent years are many targeted programs in areas of greatest risk. So, while safety performance continues to improve, our focus remains on identifying the next steps and we have set new safety priorities for FY2026.

Employee safety is a complex and enduring challenge that is best addressed through a strong safety culture, something we have strived to attain over many years. We are fortunate to have had tireless guidance from our Group Safety Manager and excellent support from the entire management team. While there is always more to be done, there is no question that we are a better, safer organisation because of the efforts of this leadership group.

Capital Management

Directors continue to favour a low net debt financial structure while the Group undergoes rapid growth and builds market share. This helps us avoid unwanted distractions and provides management with financial flexibility to seamlessly fund investments in our business foundations, including stock, delivery systems, IT capabilities and enduring customer relationships.

Our capped price Dividend Reinvestment Plan has served this objective well, allowing us to pay over 70% of PAT to shareholders in fully franked dividends while providing our shareholders with the opportunity to reinvest in a growth business and a compelling long-term development strategy.

The Future

For FY2026, we have targeted similar revenue growth of around \$50m. This will be challenging, especially in a year when we will be transitioning to a new version of our Enterprise Resource Planning software and an entirely new sales interface. Noting the demands of this migration, staff have planned well and we are confident we can avoid any disruption to our high service standards.

Over the course of FY2025, we added substantial depth to our business development capability in preparation for the organic growth opportunities ahead. These opportunities remain substantial, and we intend to approach them with the same successful business building strategies we have adopted over many years, adjusting as appropriate for our greater size and the evolving market dynamics.

On behalf of all Directors, we extend our thanks to management and staff for their dedication and effort. We look forward to working with them on another year of opportunity and growth.

Authorised by the Board of Supply Network Limited

Robert Coleman
Chief Financial Officer
Telephone: + 61 2 8624 8077

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