

ASX Announcement Bapcor Limited (ASX: BAP)

14 May 2026

Turnaround and trading update

Bapcor today provides an update on the positive momentum from turnaround activities implemented since the release of the 1H26 results together with an update on trading performance for the second half of FY26 which has been negatively impacted by the Middle East conflict.

Bapcor has delivered improved sales momentum, with sales growth in February 2026 to April 2026 across all business segments versus the prior comparative period (**pcp**)¹. This is a turnaround from the declines evident across all business segments in the period from July 2025 to January 2026 versus the pcp.

Bapcor's improved trading performance for the period from February 2026 to April 2026 compared to prior periods is set out below:

Sales	July 25 – Jan 26 % change versus pcp	Feb 26 – April 26 % change versus pcp	Movement
Trade	(2.4%)	0.7%	3.1%
Networks	(2.8%)	3.8%	6.6%
Retail (LFL basis) ¹	(1.2%)	1.6%	2.8%
New Zealand (NZD) ¹	(3.8%)	0.7%	4.5%

While the recent positive sales momentum achieved since the commencement of the turnaround is pleasing, trading conditions have materially deteriorated since late March 2026 with the commencement of the Middle East conflict and the increase in interest rates.

As a result of the impact of this deterioration Bapcor has reduced its FY26 earnings guidance (from the guidance provided on 26 February 2026, prior to the commencement of the Middle East conflict). It now expects to deliver:

- Underlying FY26 EBITDA of \$144M - \$150M (post AASB16); and
- Underlying FY26 EBITDA of \$62M - \$68M (pre AASB16).

Notwithstanding the turnaround momentum, the revised earnings outlook reflects:

- Softer trading conditions in April continuing through to the end of FY26 driven by lower business confidence and consumer sentiment.
- The higher fuel, freight and supplier costs experienced in April, driven by the Middle East conflict, which are forecast to continue in May and June; and,
- Depreciation of the NZD against the AUD negatively impacting earnings of the New Zealand business segment.

1. pcp comparison is on a like-for-like (LFL) basis in the Retail segment, which is considered a more appropriate measure of performance given the reduction in the number of stores. New Zealand has been assessed in NZD.

In addition to the improvement initiatives being pursued by Bapcor as set out below, Bapcor has taken action to mitigate the fuel price increase by implementing targeted pricing adjustments in select business units to partially offset these cost increases.

Chris Wilesmith, Chief Executive Officer & Managing Director said: *"We are pleased with the positive momentum of the turnaround, which has been delivered through decisive actions we've taken to improve pricing, stock availability and team engagement. This is despite the challenging external environment which was not contemplated when we began this turnaround, and which has slowed the rate of improvement contemplated in our previous guidance. We will continue driving initiatives during the important trading months of May and June."*

Capital management, debt position and potential impairment

Unaudited net debt at the end of April 2026 was approximately \$168 million.

Bapcor continues to actively manage its balance sheet and is improving its working capital position. Reductions are being achieved in overdue debtors, the expected one-off cash receipts have been collected and in-stock availability at stores and branches has improved. Actions are being taken to reduce overall inventory levels, however the impact of the softer trading conditions on sales is expected to defer some of the benefits of these initiatives into FY27.

Current trading conditions could give rise to a non-cash impairment which will be assessed as part of the customary financial year end process.

Improvement initiatives

Management is implementing initiatives announced in February 2026 to strengthen competitiveness and improve performance including:

- Enhancing profitability
 - Improving discount management through greater visibility of and control over price overrides
 - Expanding the product range in selected Burson stores
- Optimising cost of doing business (CODB)
 - Reducing spend on external recruitment through the establishment of an in-house recruitment function
 - Reducing high-cost emergency orders from the distribution centres to stores/branches through better replenishment planning
- Capital efficiency
 - Reducing overdue debtors through direct engagement with customers and implementing improved credit discipline
 - Rationalising ranges, removing low commercial value items with the review ongoing
- Returning to growth
 - Improving in-stock availability by moving high velocity items from distribution centres into the store/branch network to better serve customer needs
 - Enhancing price competitiveness through targeted price reductions across more than 10,000 Burson products, reaching over 70% of customers and increasing sales
 - Winning back lost customers through loyalty programs and targeted competitive pricing
 - Reducing team member turnover and retaining knowledge through engagement initiatives and incentive and retention programs
 - Enhancing capability by re-introducing leadership development programs and recruiting people with industry knowledge into key roles



These initiatives are already demonstrating results with:

- All segments having shown positive sales momentum in the period February to April 2026 versus pcp compared to sales declines in the period July 2025 to January 2026 versus pcp²
- The Trade segment achieving market share growth in Parts in 2H26 against the first half of FY26
- The Network segment delivering sales growth for the period January to April 2026 relative to the pcp. Both the Wholesale and JAS businesses continue to show positive sales momentum
- The Retail segment delivering like-for-like sales growth from January to March relative to the pcp.

Webcast

Bapcor will host a briefing today at 9.30am. Participants can join via the following webcast link:

<https://s1.c-conf.com/diamondpass/10054889-5i6f2l.html>

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