



SUPPLY NETWORK LIMITED

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ASX Release

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Investor Presentation and Market Guidance

Please find attached Supply Network Limited investor presentation and market guidance.

Authorised by the Board of Supply Network Limited

Robert Coleman

Chief Financial Officer

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BUSINESS UPDATE

DECEMBER 2021



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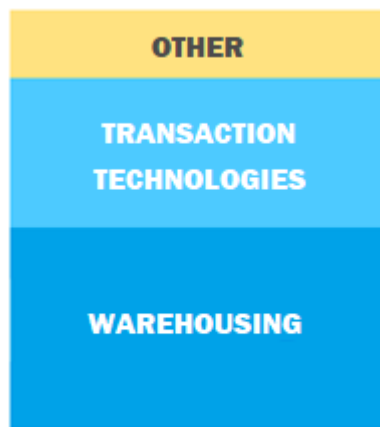
Supply Network Limited

- Remains focused on investing in the sustainable long term organic growth of its Multispares Truck & Bus Parts business,
- Has a long track record of responsible capital allocation, and
- With low gearing and high interest cover, is in a strong position to continue delivering growth initiatives.

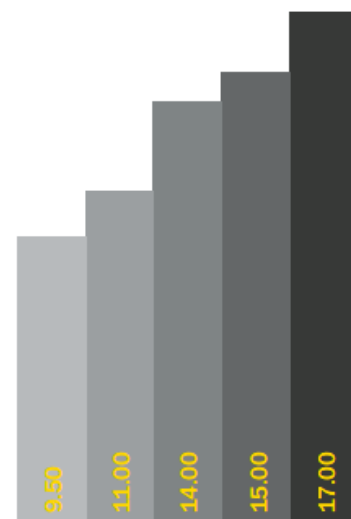


Capital Allocation

- 20 years of progressive investment in organic growth.
- Capital expenditure is primarily on the storage and handling of products (warehousing), and IT systems controlling efficient movement and transacting of products (transaction technologies).
- Annual depreciation expense consistently 0.9% - 1.1% of sales.
- Target 60-70% of PAT paid as fully franked dividends.



Allocation of Capital Expenditure

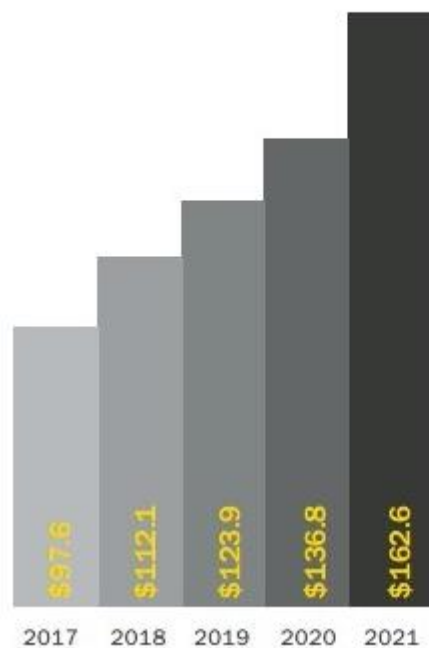


2017 2018 2019 2020 2021

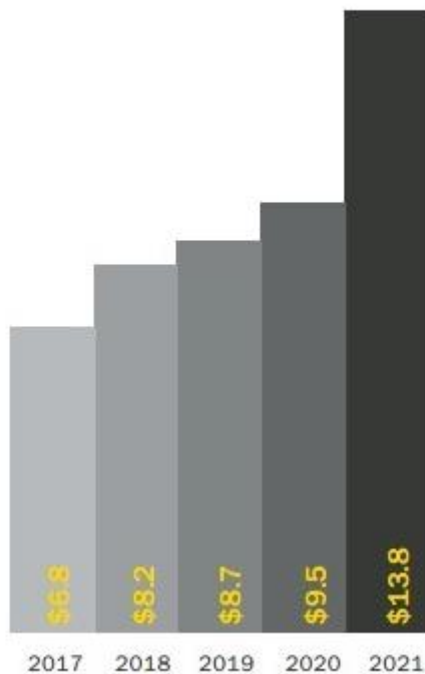
Dividends paid per share

FY2021 Results Highlights

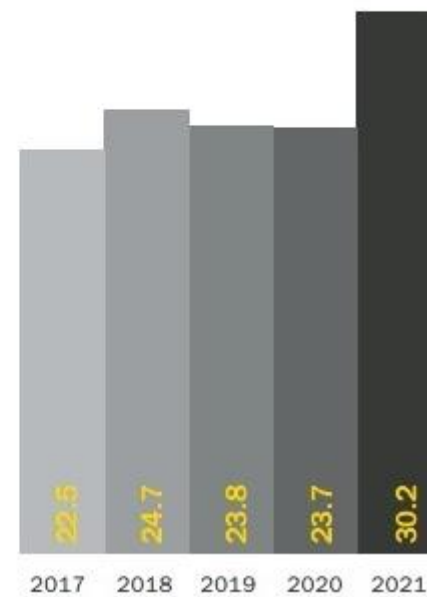
2021
Total revenue
\$162.6m



2021
Profit after income tax
\$13.8m



2021
Return on average total equity
30.2%



FY 2022 Update and Forward Planning

FY2022 Update

- Forecast full year revenue \$190 – \$195 million
- Forecast full year profit after tax ~ \$19 million

Forward Planning

- Preparing the business for revenue of \$250 million
- PAT margin to continue gradual improvement with scale





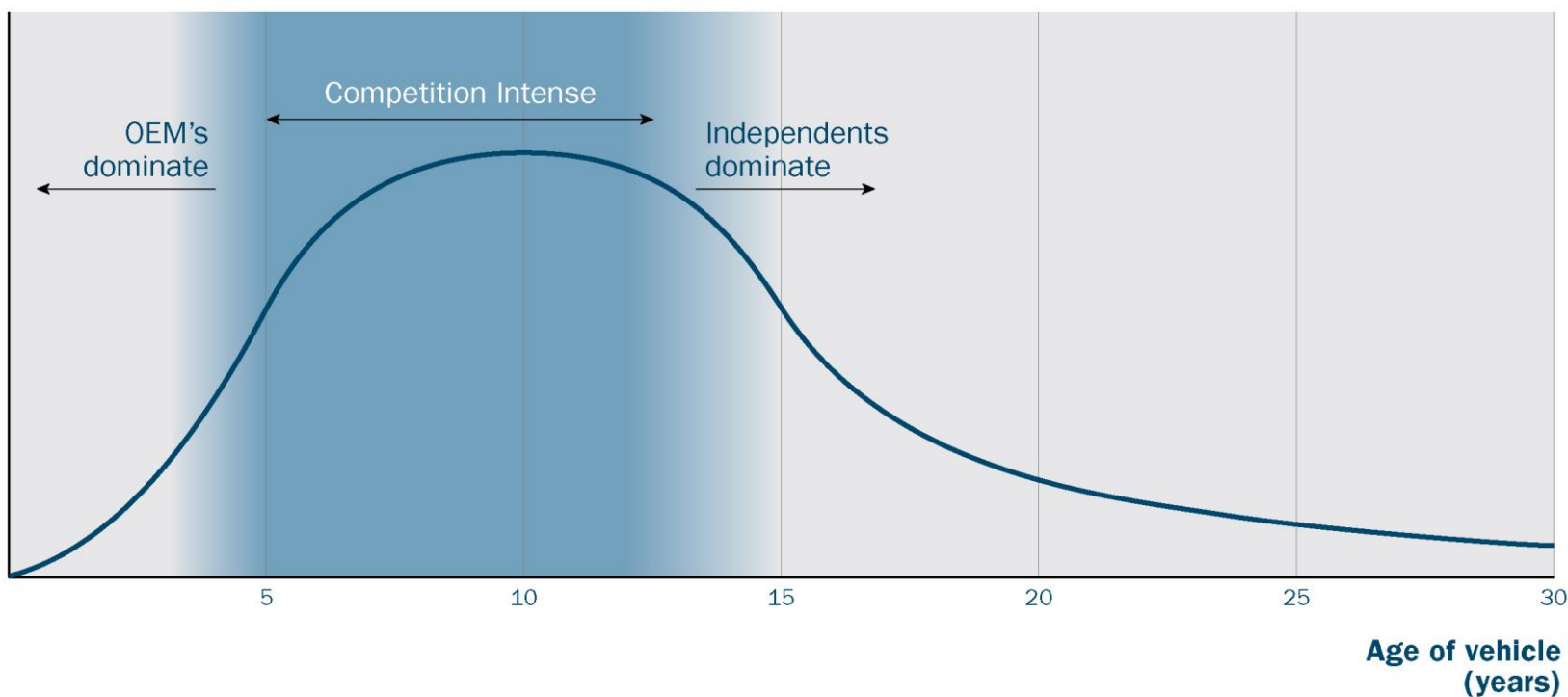
MULTISPARES Addressable Market

- Our **Addressable Market** covers all Replacement Parts and Associated Technologies (**Aftermarket Parts**) for Road Registered 4+ Tonne GVM Commercial Vehicles (**CV4+**).
- This market in Australia and New Zealand is characterised by:
 - High and increasing average vehicle age,
 - Constantly evolving technologies,
 - Increasing vehicle (and parts) complexity,
 - Substantial segmentation and related vehicle diversity,
 - Competition between CV4+ operators in all segments, and
 - No significant trend towards fleet consolidation.
- Original equipment component manufacturers increasingly seeking to partner with large independent distribution channels.

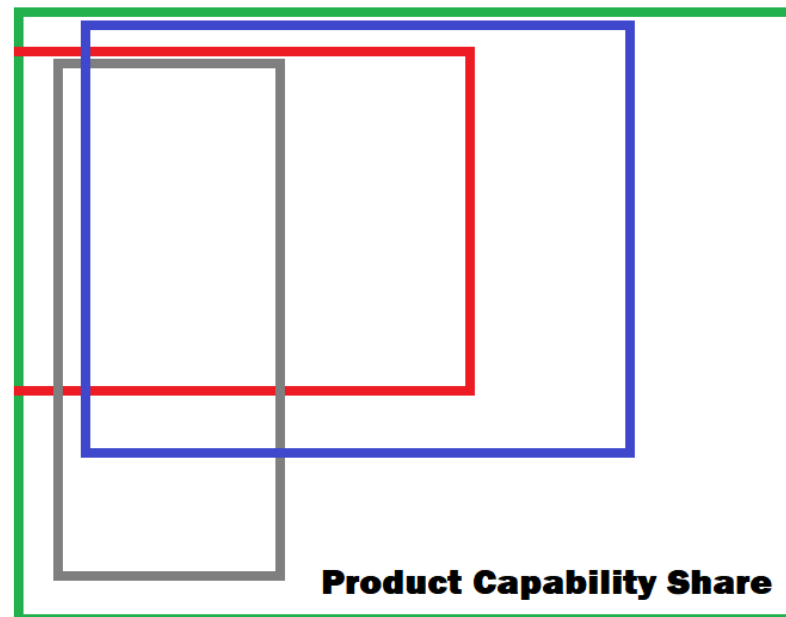
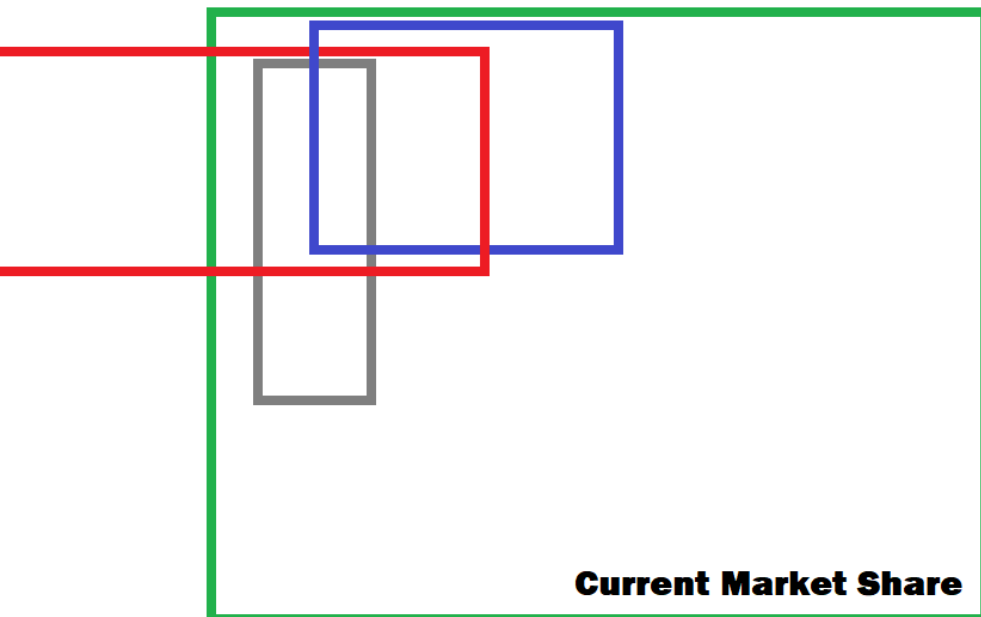
CV4+ Aftermarket Demand Profile

AFTERMARKET PARTS CV4+ DEMAND PROFILE AUSTRALIA / NEW ZEALAND

Demand for
aftermarket
parts



Schematic Representation of CV4+ Market



Addressable Market



Aftermarket competitor 1



Multispares



Aftermarket competitor 2



MULTISPARES Foundations

- Over 1 million unique catalogue entries developed over decades
- Industry leading
 - Integrated CV4+ product range,
 - Speed to interpret requirements, and
 - Time to deliver
- Over 20,000 customers accounts
 - largest customer < 4% of total revenue





Operating Statistics



- ~ 3,000 transactions per day
- ~ 12,000 item sales per day
- ~ 500 e-orders per day
- ~ 60 dedicated delivery vehicles
- ~ 320 staff

e-orders transacted via

- Secure web portal (**MultiPit**)
- Electronic messaging

Current Network Investments



- Branch
- Support

Current Network Developments

New Branches Melbourne West

Branch Relocations Mackay
Newcastle

Distribution Centres Melbourne West
Hamilton NZ

Future Network Developments

Will continue a similar pattern to the last 5 years



Vehicle Technology Developments

Multispares constantly extends its product range to support new vehicle technologies.

Recent Technologies

- Diagnostics
- Telematics
- Emissions control
- Electronic braking systems

Emerging Technologies

- Battery electric powertrains
- Fuel cell electric powertrains

Future Technologies

- Connected vehicles





Strong **MULTISPARES** Brand



- **MULTISPARES** Brand continues to grow.
- Deep historical association with **BUS PARTS**.
- Rapidly developing association with **TRUCK PARTS**.
- Sponsorship of Ryan Hansford and the Multispares Racing Torana A9X in the Touring Car Masters series.

HUGE RANGE OF TRUCK PARTS
EUROPEAN JAPANESE AMERICAN



SUPPLY NETWORK LIMITED

**NETWORKING THE SUPPLY
OF ROAD TRANSPORT
COMPONENTS**