

## ASX & Media Announcement Bapcor Limited (ASX: BAP)

16 February 2023

### Half-Year Results Announcement

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 2022 ("1H23").

#### 1H23 Highlights

- Record revenue of \$1.0b, up 11.2%, with strong growth in all Australian segments
- Pro-Forma NPAT of \$62.0m, up 2.3%
- Fully-franked interim dividend of 10.5 cents per share, up 5.0%, with a payout ratio of 57.5%
- Strong performances in Trade and Wholesale partially offsetting temporary margin compression in Retail and New Zealand
- Resilience of Bapcor's diversified business model demonstrated throughout 1H23
- Ongoing focus on capital efficiency with actions implemented to enhance cash conversion
- Distribution Centre Queensland on track for practical completion in 2H23
- Continued network expansion and growth in proportion of own brand sales across all segments
- Priority for FY23 is to perform operationally while transforming simultaneously and make Bapcor "Better than Before"

Bapcor CEO and Managing Director Mr. Noel Meehan said: "Bapcor has had a solid start to FY23, and we have made good progress in performing and transforming the Group in the first half of the financial year. Our diversified model has demonstrated the resilience of Bapcor's business, and despite input cost pressure we have had strong performances of our Trade and Wholesale operations that allowed us to mitigate shorter-term headwinds in Supply Chain, Retail and New Zealand.

"Operationally, ongoing positive demand across Australia and Bapcor's strong market position led to record half-year revenues of \$1.0b, up 11% year-on-year, with a solid Pro-Forma NPAT of \$62m, an increase of 2% compared to last year. This positive result was achieved despite overall margins temporarily being impacted due to challenges in Retail and the weakness of the economy in New Zealand, coupled with an increase in supply chain-related cost. Pleasingly, Bapcor's trading performance was driven by strong same-store-sales, and complemented by targeted network expansions with a total of 31 additional locations through new store openings and acquisitions across all segments over the last 12 months.

"In line with Bapcor's dividend policy and on the back of our solid operational performance, a fully franked interim dividend of 10.5 cents per share has been declared, up 5% compared to the last year.

"Strategically, our focus is on Bapcor's Better than Before transformation that we introduced during our last Investor Day in November 2022, which is aiming at making it easier for our team members, unleashing Bapcor's full potential and enabling additional growth. Overall, the transformation has



moved from planning into implementation and execution, with the program being on schedule. All workstreams are progressing as expected, and pilot initiatives in Procurement will be kicked off in the second half of the financial year.

### Financial Performance

\$M	1H23	1H22	YoY %
Revenue	1,000.8	900.1	11.2%
EBITDA Pro-Forma	146.3	137.2	6.7%
EBIT Pro-Forma	99.5	95.2	4.5%
NPAT Pro-Forma <sup>1</sup>	62.0	60.7	2.3%
NPAT <sup>1</sup>	55.2	57.7	(4.3%)
EPS Pro-Forma	18.3 cps	17.9 cps	2.3%
Dividend per share – interim	10.5 cps	10.0 cps	5.0%
Cash conversion <sup>2</sup>	68%	69%	
Leverage (ND / EBITDA) <sup>3</sup>	1.45x	1.18x	

Bapcor ended 1H23 with a leverage ratio of 1.45x and net debt of \$329M. While this remains a sound financial position that provides financial flexibility to implement the Better than Before program, pursue acquisition opportunities and invest in growth, additional actions have been implemented to further improve cash conversion as part of Bapcor's ongoing focus on capital efficiency.

### Summary and Outlook

Bapcor's priority for FY23 is to continue to perform, as well as concurrently progressing the Better than Before transformation.

Operationally, Bapcor expects a solid underlying<sup>4</sup> performance in FY23 with slight improvements in trading in 2H23 compared to 1H23, subject to market conditions<sup>5</sup>; and more progress required to further reduce Bapcor's still elevated inventory levels (on a like-for-like basis).

Strategically, all workstreams of Better than Before will progress further in 2H23, with pilot initiatives being kicked off as part of the implementation phase.

Bapcor CEO and Managing Director Mr. Noel Meehan said: "Our team members and their customer-focus are critical to everything we do at Bapcor, and I would like to thank all of them for their contributions in the last half year. Based on the good progress we have achieved in the last six months, we remain on track in our journey to perform and transform in FY23.

– Ends –

<sup>1</sup> Pro-Forma results are adjusted for transition costs relating to the Victorian and Queensland Distribution Centres (NPAT impacts: 1H23 \$1.4M, 1H22 \$2.9M) and Better than Before one-off costs (NPAT impacts: 1H23 5.3M, 1H22 \$0.0M)

<sup>2</sup> Cash conversion calculated based on Operating Cash Flow divided by EBITDA

<sup>3</sup> Leverage calculation based on pre-AASB16 net debt and pre-AASB16 EBITDA

<sup>4</sup> Underlying excludes Distribution Centre transition costs and Better than Before one-off costs

<sup>5</sup> Particularly with regards to Covid-impacts, global supply chain disruption risk, changes in macro conditions such as cost-of-living, inflation and FX and associated impacts as seen in Retail and New Zealand in 1H23



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