

ASX Announcement Bapcor Limited (ASX: BAP)

17 October 2023

2023 ANNUAL GENERAL MEETING

In accordance with ASX Listing Rule 3.13.3, please find attached the following, which will be delivered at Bapcor's 2023 Annual General Meeting to be held today at 127-139 Link Road, Melbourne Airport:

- Chair's Address to shareholders;
- Managing Director and Chief Executive Officer Address to shareholders; and
- Accompanying presentation, to be delivered by Bapcor Chair, Margie Haseltine and the Managing Director and Chief Executive Officer, Noel Meehan.

These documents have been authorised for lodgement with the ASX by the Board of Bapcor Limited.

– Ends –

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

Authorised by: The Board of Bapcor Limited.

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Chair's Address

I am delighted to present Bapcor Limited's Chair's report for the year ended 30 June 2023.

The 2023 financial year was another successful year for Bapcor. We delivered on our targets, with a dual focus on improving operational performance whilst undertaking the multi-year Better than Before strategic transformation.

The commitment of our team resulted in record revenues and solid underlying earnings. This robust operational and financial performance demonstrates the resilience of our business and the strong fundamentals of the automotive aftermarket industry, despite a more challenging macroeconomic environment of rising inflation and increasing interest rates.

In light of the successful FY23 performance, a final, fully franked dividend of 11.5 cents per share was declared and paid in September. This resulted in a record full year dividend of 22.0 cents per share. This represents a 2.3% increase on the prior year and a dividend payout ratio of 59.6%.

Now moving to Board succession. Board succession planning is critical to Bapcor's long-term strategy and an important aspect of our corporate governance. The Board regularly reviews the skills, experience and diversity of your Board to ensure we can achieve the best outcome for shareholders. To that end our Chief Executive Officer, Noel Meehan was appointed as Managing Director in September 2022. We also welcomed two independent, Non-Executive Directors, Brad Soller and Kate Spargo to the Board. Brad, appointed in November 2022, is a highly experienced executive, having held various Chief Financial Officer positions with public companies in Australia and the United Kingdom. He has been appointed as Chair of the Audit and Risk Committee. Kate, appointed in March 2023, is a very experienced public company director with broad business and legal expertise, and has become a member of Bapcor's Nominations, Remuneration and ESG Committee. In September 2023 we welcomed Rebecca Dee-Bradbury as a Non-Executive Director. Rebecca has significant experience in leading organisational transformation and integration, marketing, digitisation and innovation. All new directors bring a wealth of expertise and experience to the Board to support Bapcor in its next phase of performance and growth.

Non-executive directors Therese Ryan and Jenny Macdonald retired during FY23, and I would like to thank them both for their significant contributions and commitment to the Board over their tenure.

During the year, Bapcor launched a multi-year transformation program called Better than Before. The program is an ambitious undertaking to transform our business from a good business into a much better business. I am delighted how the business has embraced this significant program of work, which is targeted to achieve a step change in Bapcor's operational and financial performance with higher returns for shareholders and improved employee engagement. A company-wide Better than Before incentive plan has been implemented to align all team members to the delivery of the program which will benefit our

team members, customers, and shareholders. Further details on the incentive program can be found in the Remuneration Report contained in our Annual Report.

The safety and wellbeing of team members remains of paramount importance for Bapcor. During the year we continued to increase the investment into safety resources which enabled a focus on training and education, a more proactive engagement towards safety and improvements in the quality of data and reporting. Pleasingly, our safety performance has significantly improved with a 32% reduction in Bapcor's Total Recordable Injury Frequency Rate to 13.99 and a 29% reduction in our Lost Term Injury Frequency Rate to 5.13. Despite these improvements, we still have more work to do to keep our team members safe.

ESG represents the foundation of our commitment to driving a long-term sustainable future. During the year we made significant progress across all areas of our ESG strategy. A highlight was the comprehensive assessment of the carbon footprint across all our locations in Australia, New Zealand and Thailand. Using this baseline footprint, Bapcor has adopted targets to reduce our emissions footprint by 40% by 2030 and by 50% by 2033, driven by improvements in energy efficiency across our property portfolio and the decarbonisation of our fleet.

In closing, on behalf of my fellow Board members, I would like to thank the entire Bapcor team for their commitment and dedication to continue to deliver strong results and transform the business. I would also like to thank our shareholders, customers, suppliers and franchisees for your ongoing support.

Margaret Haseltine
Chair

Managing Director and CEO Address

My name is Noel Meehan, Managing Director and Chief Executive Officer of Bapcor Limited. I'm delighted to present to the 2023 Annual General Meeting.

Bapcor is a group of Specialist businesses, with scale, operating in a resilient industry and rational marketplace.

In FY23, we continued to strengthen our market position with over 5,000 team members located in approximately 1,100 locations across Australia, New Zealand and Asia.

Bapcor provides a comprehensive range of vehicle parts required to safely keep cars and trucks on Asia Pacific roads with around 90% of revenue attributable to these non-discretionary items. This significant proportion of revenue linked to non-discretionary spend and our integrated business model across Wholesale, Trade, Retail and Networks differentiates Bapcor in the marketplace and enabled Bapcor to deliver a good set of results for FY23 despite challenging economic conditions.



Last financial year marked my first full year as Bapcor's MD and CEO. And what a year it has been for our company, dominated by performance and transformation.

I would like to share an update on what we have been up to, and why, like Margie, I am excited for the future of Bapcor.

Before I do, I want to thank the Board for their continued support as we deliver on our goals while transforming Bapcor to being a company that is Better Than Before.

I also want to thank our team members who remain incredibly committed to delivering excellence for our customers. I am exceptionally proud of the job they do and the commitment they bring every day. I would also extend my sincere thanks to all of our customers who choose to transact with us.

And importantly, thank you to each of our shareholders – the owners of this company. We sincerely appreciate the trust you place in us to continue building Bapcor.

Group Leadership Team

We made some changes during the year with three new appointments to the Group Leadership Team.

These appointments were deliberately designed to further enhance the leadership bench strength as we work through the execution of the Better than Before transformation journey.

Merryl Dooley joined as Chief People and Culture Officer in October 2022. Merryl is an experienced strategic executive who has held Chief People Officer (CPO) roles at Decjuba and Tabcorp Holdings Limited.

We also welcomed Kristoff Keele as Chief Strategy and Transformation Officer in March 2023.

Kristoff brings a deep understanding of leading strategy development and execution of large-scale transformation projects, with similar roles previously at ANZ's Corporate Advisory practice and prior to that, at Toll Group.

Tracey Wright joined the team as Executive General Manager - Specialist Networks in April 2023.

Tracey has a proven track record of strategically growing and transforming businesses and leading cultural change. Previously, Tracey was the CEO of Club Assist, an organisation owned by a consortium of the Motoring Clubs of Australia that specialises in providing batteries for emergency roadside assistance, retail and wholesale channels.



Operational Performance

Margie has already provided a high-level overview of our financial performance in FY23 and I echo this view.

Bapcor achieved record revenues in 2023, with top-line growth and own brand sales improvements across every business segment. Our highlights include:

- Over \$2.0 billion in revenue, up 9.7% with growth in all segments.
- \$125.3m Pro Forma NPAT, in line with guidance.
- 21 new stores, 3 truck acquisitions and 7 new franchise conversations giving us a total of 965 stores.
- Significant reduction in our inventory, on a like for like basis by around \$50 million.
- Improved the strength of our balance sheet, with positive cash generation and debt reduction.
- An improved safety performance, delivering a 32% decrease of the injury frequency rate.

Market and Trading update

Looking forward, we continue to see robust longer-term demand supported by sound underlying market fundamentals such as population growth, and more kilometres driven by an ever aging car fleet.

However, we are not immune from shorter-term macroeconomic headwinds facing many organisations, which in the current financial year have so far led to a more moderate growth profile in our Trade and Wholesale markets, and a further deterioration in the Retail sector. This resulted in our overall year-to-date revenue growth slowing down to a low-single digit percentage rate, compared with last year.

In terms of bottom line, these challenges are further compounded by increased short-term margin pressures from cost inflation and other external factors such as increasing payroll taxes; as well as investments in capability, depreciation and amortisation costs and higher interest.

As a consequence, our year-to-date Pro-Forma NPAT at the end of September is behind the expectations we had at the beginning of the year, with the shortfall to our plans being in the mid-single digit millions of dollars.

While this is not the start into FY24 we were targeting, and we are behind where we would have liked to be, improvement plans are being executed. Notwithstanding a more challenging trading environment, we expect a solid underlying performance in FY24, subject to market conditions, and for Better than Before to deliver the targeted FY24 goals.



Bapcor's Transformation

Now, looking further ahead, Bapcor announced its longer-term strategic transformation, Better Than Before (BTB) in November 2022.

BTB is transforming Bapcor from being a good business into an excellent business by unleashing the power of our people, delivering even more for our customers and driving additional value for shareholders.

BTB is currently delivering around 300 initiatives with a targeted goal of contributing at least \$100M in Net EBIT in FY25 and enhancing Bapcor's average Return on Invested Capital to greater than 12% by FY25, as well as improving our team member engagement.

Our Purpose

Importantly, as we exited FY23, Bapcor introduced its Purpose – “Be there for what matters most”.

Our Purpose is an articulation of why we exist as a company. It was developed following engagement with over 1,200 team members, investors and customers.

'Be there for what matters most' will further unify our team members, drive performance and unlock additional, sustainable growth by becoming a purpose-led organisation. It guides our strategy and decision making and helps our team members understand their role in achieving Bapcor's vision.

Closing

In closing, on behalf of everyone at Bapcor, thank you for your trust. I am pleased and proud to be the CEO of such a great company with a bright future.

Noel Meehan
Managing Director and CEO

Attached are the slides, which will be presented at the 2023 Annual General Meeting



BAPCOR LIMITED (BAP.ASX)

Annual General Meeting 2023

17 October 2023



Agenda

- 1 Meeting Opening
- 2 Chair's Address
- 3 CEO & MD's Address
- 4 Business of the Meeting



Meeting Opening



Acknowledgement of country

Bapcor would like to acknowledge the Traditional Custodians of country throughout Australia. We pay our respect to elders past and present.

We recognise the continued connection of all First Nations people with country across Australia, in particular, and on all the land where Bapcor operates.

Chair's Address

Margie Haseltine



FY23 – Key Outcomes

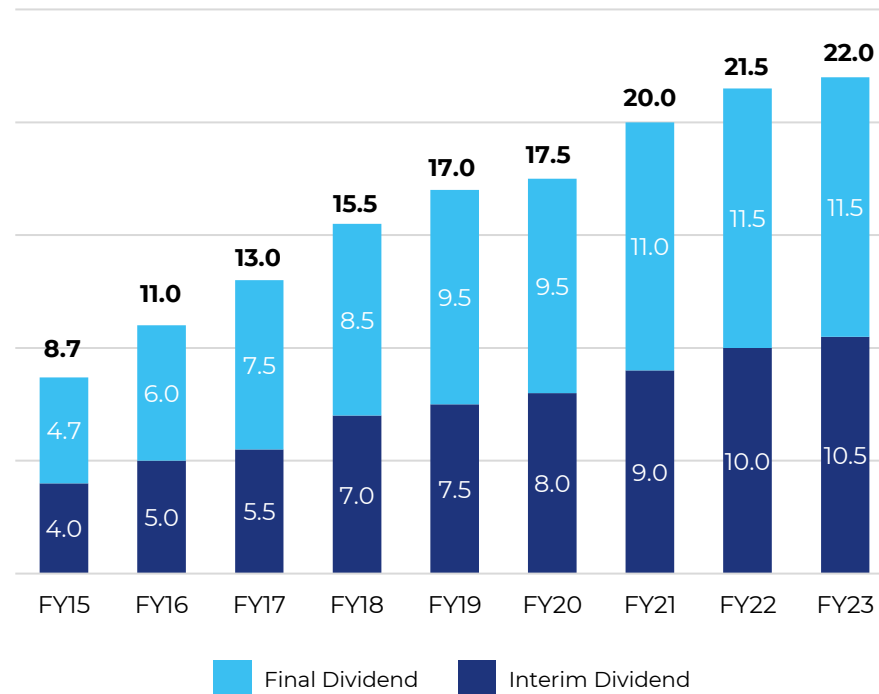
Record Revenue \$2,021.1M
Growth in all segments

Pro Forma NPAT \$125.3M
In line with guidance

Record full year dividend of 22.0 cents per share (fully franked)

Dividend growth of 14.2% CAGR since FY15

Dividends (cents per share)



Notes:

1. The graph above reflects issued dividends for the full year (interim plus final)



We do the right thing



We are in it together



We give a damn



We get it done

Board Succession



Brad Soller
Independent, Non-Executive Director

Chair of the Audit and Risk Committee



Kathryn Spargo
Independent, Non-Executive Director

Member of the Nomination, Remuneration and ESG Committee



Rebecca Dee-Bradbury
Independent, Non-Executive Director

Member of the Audit and Risk Committee

Our Environmental, Social and Governance Strategy

OUR BAPCOR PURPOSE



We do the right thing



We are in it together



We give a damn



We get it done



ETHICAL SUPPLY CHAIN & PROCUREMENT

- › Human Rights and Modern Slavery
- › Ethical Supply Chain
- › Ethical Procurement



ENVIRONMENTAL SUSTAINABILITY

- › Net-Zero Emissions
- › Waste Management
- › Packaging and Circularity



GOOD GOVERNANCE & SUPPORTING AND DEVELOPING TEAM MEMBERS

- › Health, Safety and Wellbeing
- › Culture and Development
- › Diversity and Inclusion
- › Privacy Protection



POSITIVELY IMPACTING OUR COMMUNITIES

- › Community Engagement
- › Fair Tax Contributions

Integrated approach to deliver against best-in-class ESG aspiration



We do the right thing



We are in it together



We give a damn



We get it done

Managing Director and CEO's Address

Noel Meehan



We are Asia Pacific's leading provider of vehicle parts, accessories, equipment, service and solutions



>\$2.0B
FY23 REVENUE



c. 1,000
LOCATIONS IN
AUSTRALIA,
NEW ZEALAND AND
THAILAND



5,500+
TEAM MEMBERS



Australia's leading trade focused automotive parts and equipment distributor. Emerging Burson footprint in Thailand.



Industry leaders in the Truck market and specialist product categories



Premium parts and accessories retailer including automotive service centres



Serves New Zealand's trade, service and specialist wholesale automotive segments

A market leading group of vertically integrated, specialist businesses operating in a resilient industry

Group Leadership Team – Update



Merryl Dooley
Chief People and Culture
Officer



Kristoff Keele
Chief Strategy and
Transformation
Officer



Tracey Wright
Executive General
Manager –
Specialist Networks

Our FY23 - Performance

Key Performance Indicators¹

Revenue

\$2,021.1M

▲ 9.7% vs FY22
▲ Record revenue achieved

NPAT

\$125.3M

▶ In line with Guidance;
▶ \$131.6M in FY22

Store Network

965

▲ 21 new stores, 3 truck acquisitions and 7 franchise conversions

Inventory

\$519.7M

▲ ~\$50M like-for-like reduction in FY23 (“tens of millions”)

Net Debt

\$251.7M

▲ \$262.0M in FY22 and \$329.1M in 1H23, first improvement since FY20

TRIFR³

13.99

▲ 32% TRIFR reduction in FY23



Notes:

1. All P&L KPIs on pro-forma basis unless indicated otherwise



We do the right thing



We are in it together



We give a damn



We get it done

Market & Trading Update

Market

Robust longer-term demand across Bapcor's markets, but lower overall short-term growth:

- More moderate growth in Trade and Wholesale markets
- Solid recovery in all New Zealand segments
- Further deterioration in Retail sector

Increased short-term margin pressures from cost inflation and other external factors such as increasing payroll taxes; as well as investments in capability, depreciation and amortisation costs and higher interest

Trading

Revenue growth slowed down since FY23 Results Release to low-single digit (YTD), compared to prior year, due to short-term market headwinds

Pro Forma NPAT (YTD) behind expectations from beginning of year by mid-single digit millions of dollars, due to lower revenue growth and increased short-term margin pressures and increased cost of doing business

Notwithstanding a more challenging trading environment, Bapcor expects a solid underlying¹ performance in FY24, subject to market conditions²; and Better than Before to deliver targeted FY 24 goals³



1. Excludes costs / benefits from Better Than Before and DC consolidation
2. Particularly with regards to macroeconomic volatility as well as input cost and inflationary pressures
3. Unchanged from previously communicated targeted goals, with detail available in Investor Day presentation from 22/11/2022



We do the right thing



We are in it together



We give a damn



We get it done

Our Transformation



Through Better than Before

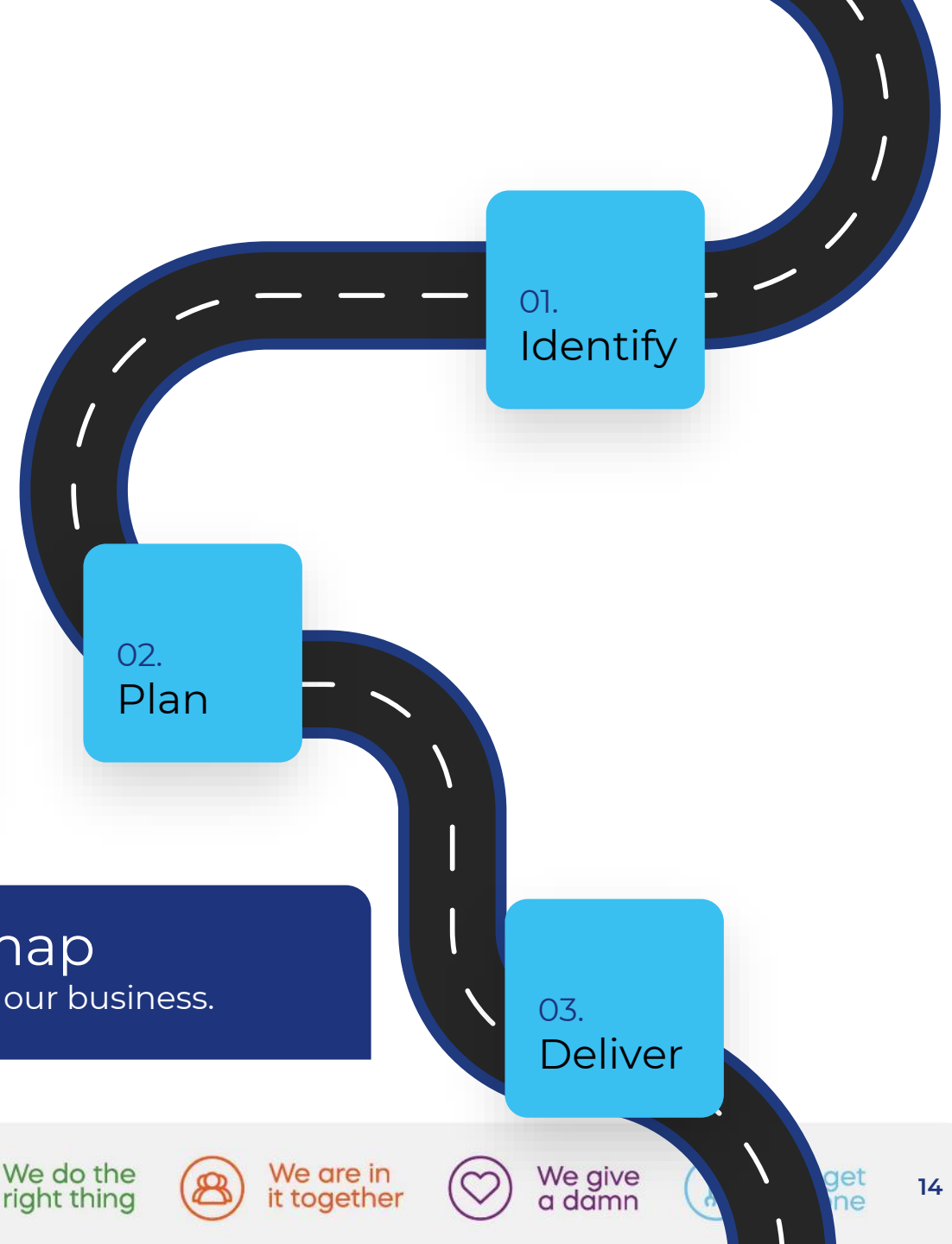
We have three main goals:

Deliver
even more for
our customers

Unleash
the power of
our people

Drive
value for
shareholders

Better than Before is the roadmap
to identify, plan, and deliver initiatives that transform our business.



Our Purpose



Business of the Meeting



Disclaimer

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Certain statements made in this presentation are forward-looking statements. These forward-looking statements are not historical facts but rather are based on Bapcor’s current expectations, estimates and projections about the industry in which Bapcor operates, and beliefs and assumptions. Words such as “anticipates”, “expects”, “intends”, “plans”, “believes”, “seeks”, “estimates”, and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors, some of which are beyond the control of Bapcor, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward- looking statements. Bapcor cautions investors and potential investors not to place undue reliance on these forward-looking statements, which reflect the view of Bapcor only as of the date of this presentation. The forward-looking statements made in this presentation relate only to events as of the date on which the statements are made. Bapcor will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this presentation except as required by law or by any appropriate regulatory authority.





Asia Pacific's leading provider of vehicle parts, accessories, equipment,
service and solutions