

ASX Announcement Bapcor Limited (ASX: BAP)

29 January 2024

1H24 Trading Update

Bapcor today provides a trading update for the six months ended 31 December 2023 ("1H24"), ahead of the formal release of its half-year results on 23 February 2024.

Based on preliminary, unaudited financials Bapcor expects 1H24 revenue of approximately \$1.02B, growing 2% year on year, and a 1H24 Pro-Forma NPAT of between \$53M and \$54M, compared to \$62M in 1H23. This reflects stronger trading in our Trade and Wholesale businesses offset by a weaker performance in Retail and higher finance costs.

\$M ¹	1H24 Preliminary / Unaudited	1H23 Actuals	% Change
Trade / Wholesale / NZ ("Do It For Me")	862	838	+3%
Retail ("Do It Yourself")	214	220	(3%)
HO / Consolidation	(58)	(57)	
Revenue	1,018	1,001	+2%
Trade / Wholesale / NZ ("Do It For Me")	128 - 129	123	+4% to +5%
Retail ("Do It Yourself")	30 - 31	35	(14%) to (11%)
HO / Consolidation	(16)	(13)	
Pro-Forma EBITDA	142 - 144	146	(3%) to (1%)
Depreciation & Amortization	(49)	(47)	+4%
Finance Costs	(19)	(12)	+58%
Tax	(21) - (22)	(26)	
Pro-Forma NPAT	53 - 54	62	(15%) to (13%)

Bapcor's Trade and Wholesale businesses continued to show positive growth in both sales and earnings in 1H24, with Revenue up 3% and EBITDA up 4% to 5%. Group earnings were however negatively impacted by a weaker performance in Retail, where sales declined by 3% and EBITDA approximately 14% to 11%. The Retail segment was negatively impacted by a decline in consumer confidence which reduced discretionary spending as well as lower fitment and installation volumes in some categories such as bull bars and roof racks. In addition, finance costs increased by \$7M compared to the prior year, largely due to higher interest rates.

¹ All numbers and totals are subject to rounding and full segment results will be released on 23 February 2024. HO / Consolidation relates to intersegment sales and EBITDA eliminations, head office costs and profit from associates. Pro-Forma results are adjusted to exclude transition costs relating to the Victorian and Queensland Distribution Centres, Better than Before one-off costs as well as restructuring costs (NPAT impacts: 1H24 \$6M - \$7M, 1H23 \$7M).

Bapcor continued to execute its Better than Before (“BTB”) transformation program to deliver longer-term growth. In 1H24, further progress has been made and the previously communicated 2H24 goal of a Pro-Forma NPAT contribution of between \$7M and \$10M remains on track.

Management took a number of actions in 1H24 to address both the lower than expected sales volumes and cost inflation, which will deliver further savings in 2H24. Given the prevailing macroeconomic challenges and current cost of doing business inflation, Bapcor will implement additional cost saving initiatives in 2H24, while maintaining best-of-class customer service.

Looking forward and subject to general market conditions, Bapcor expects Pro-Forma NPAT in 2H24 to further benefit from:

- \$7M - \$10M benefits from Better than Before; and
- approximately \$2M run rate benefits from the 2Q improvement plans.

Bapcor remains positive on the longer-term outlook in the automotive aftermarket, and particularly the continued growth in the Trade and Wholesale businesses.

Bapcor CEO and Managing Director Mr Noel Meehan said: “The first half result reflects the strength and ongoing profitable growth in our Trade and Wholesale businesses. Having said that, the results were disappointing due to general macroeconomic headwinds which have impacted our Retail business, as well as increased cost of doing business inflation and higher interest rates. The actions underway to improve our operational performance and the initial benefits from our transformation program are providing us with confidence going into 2H24.”

– Ends –

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

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